

I Mina'trentai Ocho Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	FISCAL NOTES	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	NOTES
310-38 (COR)	Therese M. Terlaje	AN ACT TO ADD A NEW §73141.1 RELATIVE TO ESTABLISHING MINIMUM HIGH SECURITY SEAL REQUIREMENTS FOR CONTAINERS ARRIVING IN GUAM TO IMPROVE CARGO SECURITY AND PREVENT ILLEGAL DRUGS AND CONTRABAND FROM ENTERING GUAM.	4/23/26 1:01 p.m. 5/4/26 3:54 p.m.	5/5/26	Committee on Transportation, Tourism, Customs, Utilities, and Federal and Foreign Affairs.	Request: 5/5/26 5/11/26			




COMMITTEE ON RULES

Vice Speaker V. Anthony Ada, Chairperson
I Mina'trentai Ocho Na Liheslaturan Guåhan
38th Guam Legislature

May 11, 2026

To: **Rennae V. C. Meno**
Clerk of the Legislature

From: **Vice Speaker V. Anthony Ada** 
Chairperson, Committee on Rules

Subject: **Fiscal Note for Bill No. 310-38 (COR)**

Håfa Adai!

Find the attached, Fiscal Note for the following bill:

Bill No. 310-38 (COR).

I also request that the same be sent to the respective Chairperson of the Standing Committee, to which this bill has been referred. Kindly copy the same to Management Information Services (MIS) for posting on our website.



Bureau of Budget & Management Research
Fiscal Note of Bill No. 310-38 (COR)

Bill No. 310-38 (COR) is AN ACT TO ADD A NEW §73141.1 RELATIVE TO ESTABLISHING MINIMUM HIGH-SECURITY SEAL REQUIREMENTS FOR CONTAINERS ARRIVING IN GUAM TO IMPROVE CARGO SECURITY AND PREVENT ILLEGAL DRUGS AND CONTRABAND FROM ENTERING GUAM.

Department/Agency Appropriation Information	
Dept./Agency Affected: Guam Customs and Quarantine Agency (CQA)	Dept./Agency Head: Ignacio Q. Peredo, Director
Department's General Fund (GF) appropriation(s) to date:	\$14,587,104
Department's Other Fund (Specify) appropriation(s) to date: Customs, Agriculture, and Quarantine Inspection Services Fund	\$7,651,633
Total Department/Agency Appropriation(s) to date:	\$22,238,737

Fund Source Information of Proposed Appropriation			
	General Fund:	(Specify Special Fund):	Total:
FY 2025 Unreserved Fund Balance		\$0	\$0
FY 2026 Adopted Revenues	\$0	\$0	\$0
FY 2026 Appro. (P.L. 38-60)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$0	\$0	\$0

Estimated Fiscal Impact of Bill						
	One Full Fiscal Year	For Remainder of FY 2026 (if applicable)	FY 2027	FY 2028	FY 2029	FY 2030
General Fund 1/	\$0	\$0	\$0	\$0	\$0	\$0
Special Fund 1/	\$0	\$0	\$0	\$0	\$0	\$0
Total 1/	\$0	\$0	\$0	\$0	\$0	\$0

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|--|---------|---------|--------|
| 1. Does the bill contain "revenue generating" provisions? | | /X/ Yes | / / No |
| 2. Is amount appropriated adequate to fund the intent of the appropriation? | /X/ N/A | / / Yes | / / No |
| If no, what is the additional amount required? \$ _____ | /X/ N/A | | |
| 3. Does the Bill establish a new program/agency? | | / / Yes | /X/ No |
| If yes, will the program duplicate existing programs/agencies? | /X/ N/A | / / Yes | / / No |
| Is there a federal mandate to establish the program/agency? | | / / Yes | /X/ No |
| 4. Will the enactment of this Bill require new physical facilities? | | / / Yes | /X/ No |
| 5. Was Fiscal Note coordinated with the affected dept./agency? If no, indicate reason: | | /X/ Yes | / / No |
| / / Requested agency comments not received by due date | | | |
| / / Other: | | | |

Analyst: <u>Louis Schmelzinger</u> Louis Schmelzinger	Date: <u>05/08/2026</u>	Director: <u>Lester L. Carlson, Jr.</u>	Date: <u>MAY 11 2026</u>
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Comments:
 1/ See attached comments.

Bureau of Budget and Management Research
Comments on Bill No. 310-38 (COR)

The proposed legislation establishes mandatory high-security seal requirements for all containers arriving in Guam in an effort to strengthen cargo security and prevent the entry of illegal drugs and contraband. Under the measure, all loaded containers—including foreign cargo remaining on board—arriving by vessel at any Guam port of entry must be secured with a seal that complies with the ISO/PAS 17712 standard, or any successor international standard recognized by the U.S. Customs and Border Protection. Any container found without a compliant seal, or with a seal that fails to meet the required standard, must be reported to the Guam Customs and Quarantine Agency (CQA) and will be subject to mandatory inspection and enforcement action.

To promote compliance, the legislation establishes a tiered system of administrative penalties applicable to carriers, operators, consignees, and agents. A first violation carries a minimum fine of \$25,000. A second violation within a five-year period would result in a minimum fine of \$50,000, while a third violation within the same timeframe would incur a fine of \$100,000. In addition, a third violation may result in the suspension or revocation of permits, licenses, or other authorizations necessary to conduct cargo operations in Guam, as determined by the Director of the CQA in accordance with applicable laws and regulations.

Although the proposed legislation appears administrative in nature, the Bureau has determined that the proposed administrative sanctions will generate a new revenue stream for the CQA. Accordingly, if enacted, the measure is expected to have a positive fiscal impact for the CQA. All fines, penalties, and other monetary sanctions collected under the legislation would be deposited and administered as determined by the Director of the CQA, consistent with applicable laws, rules, and regulations. The CQA was unable to provide an estimated cost impact on the additional revenues to be generated from the fines, and other monetary sanctions collected from non-compliance of the high-security seal requirements outlined in the proposed legislation.

However, the Bureau also notes potential fiscal risks associated with the legislation's stringent enforcement provisions, as determined by the Director of the CQA in accordance with applicable laws and regulations. Specifically, the suspension or revocation of operating permits and licenses could reduce licensing fee collections. The Bureau further cautions that the severity of the penalties may contribute to the permanent closure of non-compliant entities, which could ultimately result in a reduction in broader tax revenues, including Business Privilege Tax collections.