

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
3-38 (COR)	Joe S. San Agustin	AN ACT TO <i>ADD</i> A NEW CHAPTER 10 AND CHAPTER 11 TO DIVISION 1, TITLE 11 GUAM CODE ANNOTATED AND <i>ADD</i> A NEW CHAPTER 98 TO DIVISION 4, TITLE 10 GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING AN ELECTRONIC NICOTINE DELIVERY SYSTEMS (ENDS) PRODUCT TAX AND LICENSING WHICH SHALL BE CITED AS THE "ENDS EXCISE ACT OF 2025" AND ESTABLISH A DEPARTMENT OF REVENUE AND TAXATION REVOLVING FUND AND A GUAM MEMORIAL HOSPITAL AUTHORITY REVOLVING FUND.	1/13/25 8:00 a.m.						

I MINA'TRENTAI OCHO NA LIHESLATURAN GUÅHAN
2025 (FIRST) Regular Session

Bill No. 3-38 (COR)

Introduced by:

Joe S. San Agustin 

AN ACT TO ADD A NEW CHAPTER 10 AND CHAPTER 11 TO DIVISION 1, TITLE 11 GUAM CODE ANNOTATED AND ADD A NEW CHAPTER 98 TO DIVISION 4, TITLE 10 GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING AN ELECTRONIC NICOTINE DELIVERY SYSTEMS (ENDS) PRODUCT TAX AND LICENSING WHICH SHALL BE CITED AS THE “ENDS EXCISE ACT OF 2025” AND ESTABLISH A DEPARTMENT OF REVENUE AND TAXATION REVOLVING FUND AND A GUAM MEMORIAL HOSPITAL AUTHORITY REVOLVING FUND.

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds that
3 in 2018 the price of cigarettes was fifteen dollars (\$15.00) per 100 cigarettes and
4 was increased to four dollars (\$4.00) per 20 cigarettes. In a course of six years, the
5 tax on cigarettes alone has increased approximately thirty-three percent (33%). *I*
6 *Liheslaturan Guåhan* notes that currently Guam has no standardized tax regulations
7 for Electronic Nicotine Delivery Systems (ENDS) within the Guam Code
8 Annotated.

9 It is the intent of *I Liheslaturan Guåhan* to levy a tax on all ENDS products
10 in Guam on vaping products which may generate new revenue for the Government

1 of Guam resulting in additional funding for Department of Revenue and Taxation
2 (DRT) and the Guam Memorial Hospital (GMH).

3 **Section 2.** A new Chapter 10 is hereby *added* to Title 11, Division 1, Guam
4 Code Annotated to read:

5 **“CHAPTER 10**

6 **ELECTRONIC NICOTINE DELIVERY SYSTEMS (ENDS)**

7 **EXCISE TAX ACT OF 2025**

8 Article 1. General Provisions.

9 Article 2. Licenses.

10 Article 3. Issuance of Licenses

11 Article 4. Prohibition of the Sale or Distribution of ENDS Products to
12 Persons Under Twenty-One (21) Years of Age.

13 Article 5. Enforcement.

14 Article 6. ENDS Products Excise Tax Law.

15 **ARTICLE 1**

16 **GENERAL PROVISIONS**

17 §10101. Title.

18 §10102. Definitions

19 §10103. Applicability of Commercial Licenses Provisions and
20 Requirements.

21 **§10101. Title.**

22 This Chapter shall be known as the ‘ENDS Excise Act of 2025’.

23 **§10102. Definitions.**

24 Unless the context otherwise requires, the definitions set forth herein shall
25 govern the construction and interpretation of this Chapter.

26 (a) ‘Bona fide Importer/Exporter’ shall mean one having no predisposition
27 otherwise in having possession of such imported or exported ENDS product.

1 (b) 'Class' shall mean either a Retail or Wholesale License.

2 (c) 'Director' shall mean the Director of Revenue and Taxation

3 (d) 'Distribute/ Distribution' shall mean:

4 (1) to give, deliver, sample, or sell;

5 (2) to offer to give, deliver, sample, or sell; or

6 (3) to cause or hire another person to give, deliver, sample, or sell or
7 offer to give, deliver, sample, or sell.

8 (e) 'Electronic Nicotine Delivery System (ENDS)' shall mean a non-
9 combustible product that may contain nicotine and that uses a heating
10 element, power source, electronic circuit, or other electronic, chemical, or
11 mechanical means, regardless of shape or size, to produce vapor from a
12 solution or other substance. The term includes an electronic cigarette,
13 electronic cigar, electronic cigarillo, electronic pipe, or similar product or
14 device and a vapor cartridge or other container that may contain nicotine in a
15 solution or other form that is intended to be used with, or in an electronic
16 cigarette, electronic cigar, electronic cigarillo, electronic pipe, or similar
17 product or device.

18 (1) ENDS includes synthetic nicotine and synthetic nicotine
19 products.

20 (2) The term does not include a product regulated as a drug or device
21 by the United States Food and Drug Administration under Chapter V
22 of the Federal Food, Drug, and Cosmetic Act.

23 (3) The term does not include cannabis products regulated by the Guam
24 Cannabis Industry Act of 2019.

25 (f) 'E-Liquid' shall mean the solution, substance, or other material used in
26 or with a tobacco substitute that is heated or otherwise acted upon to produce
27 an aerosol, vapor, or other emission to be inhaled or otherwise absorbed by

1 the user, regardless of whether the solution, substance, or other material
2 contains nicotine. The term does not include cannabis and cannabis products
3 that are regulated pursuant to the Guam Cannabis Industry Act of 2019.

4 (g) ‘Give’ shall mean to transfer the possession and ownership of property
5 to another, especially by an act of the owner rather than by inheritance.

6 (h) ‘License’ shall mean Retail License or Wholesale License for sales of
7 ENDS products, as defined under this section.

8 (i) ‘Minor’, for the purposes of this Chapter, shall mean any person under
9 twenty-one (21) years of age.

10 (j) ‘Person’ shall mean any individual, company, corporation, firm,
11 partnership, organization, estate, trust, limited liability company, limited
12 liability partnership, or other legal entity.

13 (k) ‘Retail’ shall mean the sale of tangible personal property for
14 consumption or use by the purchaser and not for resale.

15 (l) ‘Retail License’ shall mean a license issued by the Director of Revenue
16 and Taxation for the retail sale of ENDS products.

17 (m) ‘Wholesale’ shall mean the importation into or purchase in Guam from
18 a manufacturer or other wholesale license of tangible personal property not
19 for consumption or use by the purchaser, but solely for resale or retail sellers.

20 (n) ‘Wholesale License’ shall mean a license issued by the Director of
21 Revenue and Taxation for the wholesale sale of ENDS products to retailer.

22 **§10103. Applicability of Commercial Licenses Provisions and**
23 **Requirements.**

24 Provisions and regulations of Chapters 70 and 72 of Title 11 of the Guam
25 Code Annotated shall govern this Chapter in matters and provisions not specifically
26 provided in this Chapter and when relevant.

27 **ARTICLE 2**

1 LICENSES

2 §10201. License: Required.

3 §10202. Classes and Fees.

4 §10203. Authorization for Establishment of License Fees.

5 §10204. Term.

6 §10205. Renewal.

7 §10206. Multiple.

8 §10207. License: Privilege: Limitation.

9 §10208. Limitation.

10 §10209. Display of License.

11 **§10201. License: Required.**

12 (a) It shall be a violation of this Chapter for any person to wholesale
13 ENDS products without first obtaining a valid wholesale ENDS
14 license.

15 1) If a wholesale business, with a valid wholesale license shall
16 distribute wholesale ENDS products, they shall comply with
17 the vape warehouse regulations established with in the
18 “Tobacco Control Act of 2006”, Chapter 6, Title 11, Guam
19 Code Annotated and the Department of Revenue and
20 Taxation shall create any necessary rules and regulations for
21 such.

22 (b) It shall be a violation of this Chapter for any person to retail
23 ENDS products without first obtaining a valid retail ENDS license.

24 (c) It shall be a violation of this Chapter for any person to sell ENDS
25 products through a vending machine.

1 full, in which case the license may be reinstated by the Director immediately.
2 Unless the license is so reinstated, it is automatically revoked, and the Director
3 shall not issue a license except upon a new application. Any licensee who fails
4 to renew his or her license shall be required to discontinue sales of ENDS
5 products.

6 (b) Additionally, any licensee who fails to renew his or her license
7 within ninety (90) days and continues operation of business shall constitute a
8 refusal and failure to obtain a license under the provisions of Division 3. The
9 Licensee shall be subject to an injunction issued by the Superior Court of
10 Guam and to prosecution pursuant to § 70119 of Chapter 70, Title 11, Guam
11 Code Annotated

12 **§10206. Multiple.**

13 A person applying for a retail license to operate more than one (1)
14 premise shall obtain a separate retail license for each premise and shall pay
15 the fee for each premise.

16 **§10207. License: Privilege: Limitation.**

17 A licensee is limited to the privileges conferred by the license and is
18 not authorized to exercise any other privileges.

19 **§10208. Limitation.**

20 A licensee is limited to the premises for which the license is issued and
21 is not authorized to exercise the privileges conferred by the license at other
22 premises.

23 **§10209. Display of License.**

24 (a) A licensee for sales of ENDS products shall prominently display the
25 license on each licensed premise.

26 (b) Any licensee who violates this Section shall be fined One Hundred
27 Dollars (\$100.00) per violation.

1 ARTICLE 3

2 ISSUANCE OF LICENSES

3 § 10301. License: Restrictions.

4 § 10302. Real Party in Interest.

5 § 10303. Persons Under the Age of Twenty-One (21) Years.

6 § 10304. Prior Revocation.

7 § 10305. Unfit Person.

8 § 10306. Application.

9 § 10307. Penalties for Selling ENDS Products Without a License.

10 **§10301. License: Restrictions.**

11 (a) The Director shall not issue a license to any person who then
12 holds an ENDS license of another class.

13 (b) No wholesaler within or outside of Guam, nor any officer,
14 thereof, nor any subsidiary, affiliate, or other entity in which a wholesaler
15 holds any ownership or interest, directly or indirectly by stock or ownership,
16 interlocking directors, trusteeship, loan, mortgage, or lien on any real or
17 personal property, shall hold any license other than a wholesaler's ENDS
18 license in Guam.

19 **§10302. Real Party in Interest.**

20 The Director shall not issue a license of any class to an applicant who
21 is not the real party in interest.

22 **§10303. Persons Under the Age of Twenty-One (21) Years.**

23 The Director shall not issue a license of any class to a person who is
24 under twenty-one (21) years of age.

25 **§10304. Prior Revocation.**

26 Except in the case of a license revoked for non-payment of a renewal
27 fee, the Director shall not issue a license of any class to any person who has

1 held a license of any class which was revoked within a five (5) year period
2 prior to the date of the application.

3 **§10305. Unfit Person.**

4 A license shall not be issued or renewed of any class within this Chapter
5 should the Director deem the applicant to be ineligible or the premise does not
6 comply, based on provisions of this Chapter.

7 **§10306. Application.**

8 (a) An applicant for a license shall submit a written application, which
9 shall specify types of ENDS products to be sold or distributed, to the Director,
10 verified under oath and accompanied by the license fee.

11 (b) Upon receipt of an application for a license and the license fee, the
12 Director shall determine whether the applicant is eligible, and the premises
13 comply based on the provisions of this Chapter.

14 **§ 10307. Penalties for Selling ENDS Products Without a License.**

15 In addition to any other penalties and fines that may be levied, including
16 those under § 10403 and § 10404 of this Chapter and § 70120 of this Title,
17 any person who violates § 10201 of this Chapter shall be guilty of a
18 misdemeanor as set forth in § 70119, of this Title, and punished,
19 notwithstanding § 80.50(c) of Article 3, Chapter 80, Title 9, Guam Code
20 Annotated, as follows:

21 (a) in the case of a first violation, by a fine of One-Thousand Dollars
22 (\$1,000.00);

23 (b) in the case of a second violation, by a fine of Two-Thousand
24 Dollars (\$2,000.00);

25 (c) in the case of three (3) or more violations, a fine of not less than Four-
26 Thousand Dollars (\$4,000.00), nor more than Ten-Thousand Dollars

1 (d) a valid, unexpired passport; and

2 (e) an alien registration receipt card (green card).

3 **§ 10402. Prohibition of the Sale of ENDS products to Persons Under**
4 **Twenty-One (21) Years of Age.**

5 (a) It shall be a violation of this Chapter for a licensee to sell ENDS products
6 to any person under twenty-one (21) years of age.

7 (1) Licensees of ENDS products shall require persons to provide
8 acceptable photographic identification and proof of being twenty-one (21)
9 years of age or older prior to sale of ENDS products.

10 (2) The sale of ENDS products to any person under twenty-one (21)
11 years of age, or its possession by such person, is prohibited and shall be
12 regulated and enforced pursuant to this Chapter.

13 (b) A licensee or an employer may distribute ENDS products to any
14 employee who handles ENDS products in the course of the commercial
15 distribution or sale of said products.

16 (c) In any proceeding for the suspension or revocation of any license, and
17 based upon a violation of this Section, proof that the defendant licensee or his or
18 her agent or employee demanded and was shown an identification card before
19 furnishing any ENDS product to any person under twenty-one (21) years of age
20 shall be a defense to the charges.

21 **§10403. Penalties for Selling ENDS Products to Persons Under Twenty-**
22 **one (21) Years of Age.**

23 (a) In addition to any other penalties and fines that may be levied, any
24 person who violates § 10402 of this Chapter shall be penalized as follows:

25 (1) in the case of a first violation, the person shall be fined Two
26 Thousand Dollars (\$2,000.00) and the license shall be suspended for ninety
27 (90) days;

1 (2) in the case of a second violation, the person shall be fined Four
2 Thousand Dollars (\$4,000.00) and the license shall be suspended for one
3 hundred eighty (180) days;

4 (3) in the case of a three or more violations, the person shall be fined
5 not less than Ten Thousand Dollars (\$10,000.00) and not more than Twenty
6 Thousand Dollars (\$20,000.00), the license shall be revoked, and the
7 licensee shall be ineligible to apply for a new license ten (10) years after the
8 effective date of revocation.

9 (b) Failure to pay a fine levied under this Section within thirty (30) days of
10 the date the fine becomes effective shall result in continued suspension of the
11 license until such fines are paid.

12 (c) During any suspension or revocation of a license under this Section, the
13 licensee shall not sell ENDS products and shall remove all ENDS products from all
14 areas covered by the suspended or revoked license. In addition, any new
15 application for a license to sell ENDS products while a licensee is suspended under
16 this Section shall be denied.

17 (d) All ENDS products sold over the counter shall be displayed and located
18 where they shall be inaccessible to persons under twenty-one (21) years of age.
19 Any vendor who violates this provision shall pay a penalty of One Thousand
20 Dollars (\$1000.00).

21 **§10404. Prohibition of the Distribution of ENDS Products to Persons**
22 **Under Twenty-One (21) Years of Age and Penalties.**

23 a) No person twenty-one (21) years or older shall distribute, nor
24 knowingly give or otherwise make available any ENDS product to a *Minor*.
25 A person violates this Section who gives or otherwise makes available an
26 ENDS product to a person under the age of twenty-one (21) with the
27 knowledge that the person to whom the ENDS product is made available.

1 b) A person violates this Section who owns, occupies, or controls
2 premises on which ENDS products are consumed by any person under twenty-
3 one (21) years of age, and who knows of ENDS products by persons under
4 twenty-one (21) years of age on such premises, and who reasonably could
5 have prohibited or prevented such ENDS usage and consumption.

6 c) Any person who violates §10404 shall be guilty of a
7 misdemeanor as set forth in § 70119 of this Title, and punished,
8 notwithstanding § 80.50(c) of Article 3, Chapter 80, Title 9, Guam Code
9 Annotated, as follows:

10 (1) first violation shall be punishable by a fine of not more than
11 Two Thousand Dollars (\$2,000.00) or by imprisonment for not more
12 than one (1) year.

13 (2) subsequent violations shall be punishable by a fine of Three
14 Thousand Dollars (\$3,000.00) or by imprisonment for not more than
15 one (1) year or both.

16 d. GBHWC shall promulgate administrative rules and regulations to comply
17 with the mandates of § 10404 of this Act, within one hundred eighty (180) days of
18 enactment. Said rules and regulations shall be implemented twelve (12) months after
19 *I Liheslaturan Guåhan*'s approval.

20 **§ 10405. Display of Prohibition on Sales of ENDS Products to**
21 **Persons Under Twenty-One (21) Years of Age:**

22 All licensees shall post notice that this Chapter prohibits the sale of ENDS
23 products to persons under twenty-one (21) years of age.

24 (a) In the case of a retail operation, notices shall be publicly and
25 conspicuously displayed in the licensee's place of business in letters at least two
26 inches (2") in height.

1 The Director shall enforce this Chapter in cooperation with the Guam
2 Behavioral Health and Wellness Center. Any person may register a complaint
3 pursuant to this Chapter with the Director. The Director shall notify any
4 establishment or individual of a complaint made pursuant to this Chapter and
5 shall keep a record of that notification.

6 (a) The Director shall conduct random, unannounced
7 inspections at retail sites and may enlist the assistance of persons who
8 are between twelve (12) and seventeen (17) years of age, upon written
9 consent of their parents or legal guardians. Participation in these
10 enforcement activities by a minor shall not constitute a violation of §
11 10405 of this Chapter, and the minor is immune from prosecution and
12 penalties, or under any other provision of law prohibiting the purchase
13 of ENDS and its products by minors.

14 (b) The Director shall enact and publish guidelines for the use
15 of minors in inspections conducted pursuant to this Section, that shall
16 include, but not be limited to, all of the following:

17 (1) the Director may, upon written consent of their
18 parents or legal guardians, enlist the services of minors who are
19 between twelve (12) and seventeen (17) years of age in random
20 inspections to determine if sales of ENDS and its products are
21 being made to minors;

22 (2) a photograph or video recording of the minor shall
23 be taken prior to each inspection or shift of inspections and
24 retained by the Director for the purpose of verifying appearances;

25 (3) the Director may use video recording equipment
26 when conducting the inspections to record and document illegal
27 sales or attempted sales;

1 (4) the minor, if questioned by the licensee or his agents
2 about his or her age, shall state his actual age and shall present a
3 true and correct identification if verbally asked to present it. The
4 minor's failure to provide true and correct identification, if
5 requested, shall be a defense to any action pursuant to this
6 Chapter.

7 (5) the minor shall be supervised of a regularly
8 employed peace officer or an adult duly authorized by the
9 Director during the inspection;

10 (6) following the sale or attempted sale, the peace
11 officer or adult supervising the minor shall reenter the retail
12 establishment and inform the seller of the random inspection and
13 identify the minor to the seller; and

14 (7) failure to comply with the procedures set forth in
15 this Section shall be a defense to any action brought pursuant to
16 this Chapter.

17 **§ 10502. Notice.**

18 Prior to the revocation or suspension of a license issued under this
19 Chapter, the Director shall provide a notice to the defendant, via certified mail,
20 return receipt requested. The notice shall contain the following information:

21 (a) the name and title of the person issuing the notice;

22 (b) the date on which the fine, suspension or revocation will
23 become effective;

24 (c) the reason for the fine, revocation or suspension;

25 (d) that the licensee may request a hearing regarding the fine,
26 revocation or suspension;

27 (e) that the person must request a hearing in person or in

1 writing via certified mail, return receipt requested, and received by the
2 Director within ten (10) days after receipt of the notice; and

3 (f) that failure to appear in person or through mail received
4 by the Director within ten (10) days after receipt of the notice, or by the
5 notice's return by the U.S. Postal Service, shall be a waiver of the right
6 to a hearing and the fine, revocation or suspension will become
7 effective on the date specified in the notice.

8 **§ 10503. Hearing.**

9 Except as otherwise specifically provided for herein, the Director shall
10 conduct any proceedings required by this Chapter in accordance with the
11 Administrative Adjudication Law, and shall have all of the powers granted in
12 said Law.

13 (a) Upon receipt of the request for a hearing as provided in §
14 10501, supra, a hearing shall be held before a Hearing Officer appointed
15 by the Director in accordance with the Administrative Adjudication
16 Law. The hearing shall be conducted within forty-eight (48) hours of
17 receipt of the request, holidays, Saturdays and Sundays not included.
18 The hearing may be set for a later day if the applicant or licensee so
19 requests.

20 (b) At the hearing the applicant, defendant or licensee may
21 contest the denial, fine, revocation or suspension.

22 (c) If the Hearing Officer finds that the applicant is not
23 eligible for a license, the Hearing Officer shall declare the license
24 application denied. If the Hearing Officer finds that the fine, suspension
25 or revocation is in accordance with this Chapter, the fine, suspension or
26 revocation shall take effect immediately. The action of the Hearings
27 Officer is final.

1 (d) If the applicant or licensee does not appear at the
2 scheduled hearing in person, or through a representative as allowed by
3 the Hearing Officer, the Hearing Officer shall affirm the denial, fine,
4 revocation or suspension of the licensee or applicant.

5 **§10504. Publication and Distribution of Laws and Rules.**

6 The Director shall compile and provide a copy of the laws and rules
7 concerning retail ENDS product sales to every new licensee at no charge.

8 **§10505. Use of Collected Fees and Penalties.**

9 All fines and fees assessed and collected under this Chapter shall be
10 distributed and deposited within fifteen (15) days of the following month in
11 which the fines and fees were collected, in the following manner by the
12 Director of the Department of Revenue and Taxation:

13 (a) twenty percent (20%) to the Better Public Service Fund for the
14 Department of Revenue and Taxation to assist with compliance and
15 enforcement of tobacco and ENDS laws, rules, and regulations pursuant to
16 this Chapter;

17 (b) thirty percent (30%) to the Health and Human Services Fund for
18 the Department of Public Health and Social Services' Division of Public
19 Health, Bureau of Non-Communicable Diseases for the purpose of providing
20 tobacco and ENDS prevention and education programs, comprehensive
21 cancer, breast cancer, and cervical cancer care; and

22 (c) fifty percent (50%) to the Youth Tobacco Education and
23 Prevention Fund pursuant to § 6506 of Chapter 6, Title 11 Guam Code
24 Annotated

25 **§10506. Report.**

26 (a) The Director of the Department of Revenue and Taxation shall report
27 monthly to the Guam Behavioral Health and Wellness center (GBHWC) a list of all

1 licenses granted and renewed, including the names and street addresses of the
2 business, the number of violations processed, the name of the business with
3 violations, and the penalties imposed, and any other information that the Director
4 and GBHWC agree upon.

5 (b) The Superintendent of Guam Department of Education at the start of
6 each school year on a quarterly bases shall submit to the Speaker of *I Liheslaturan*
7 *Guåhan*, GBHWC, and DPHSS a written report consisting of, but not limited to, the
8 total number of infractions by students found in possession of ENDS products,
9 number of students found using ENDS products, how the students came into
10 possession of ENDS products, what mediation efforts were facilitated by GDOE,
11 and the outcome of mediation efforts for each student infraction.

12 ARTICLE 6

13 ENDS PRODUCT EXCISE TAX LAW

14 §10601. Tax Levied on ENDS Products.

15 §10602. Tax Proceeds.

16 §10601. Tax Levied on ENDS Products.

17 (a) An excise tax shall be levied on the final retail sale of ENDS
18 products, as defined in this Chapter, at the rate of twenty percent (20%) of the
19 price per product.

20 (b) Taxes levied under this section shall not apply to the ENDS
21 products sold outside of Guam.

22 (c) Excise tax is imposed on the purchase of ENDS products and
23 must be visible as a line item at the point of sale on the receipt.

24 (d) Taxes levied shall be paid by the twentieth (20th) day of the
25 following month.

26 §10602. Tax Proceeds.

1 § 11105. Submission of Detailed Report of Expenditures on a Quarterly
2 Bases.

3 § 11106. Guam Annual Audit Review and Report.

4 **§ 11101. Short Title.**

5 This Act may be cited as “The DRT Revolving Fund.”

6 **§ 11102. Department of Revenue and Taxation (DRT) Revolving**
7 **Fund.**

8 (a) Notwithstanding any other law, there is hereby created, separate and
9 apart from other funds and accounts of the government of Guam, a fund
10 known as the DRT Revolving Fund (Fund). The Fund shall not be
11 commingled with the General Fund or any other fund or account of the
12 government of Guam, and shall be kept in a separate bank account, to be used
13 by the Department of Revenue and Taxation for the purposes of compliance
14 and enforcement of tobacco and ENDS laws, rules, and regulations and
15 implementation of other mandates. The Fund, to include any monies in the
16 Fund dedicated and dispersed for purposes specified in this Act, shall be
17 deemed appropriated and shall not be subject to the transfer authority of *I*
18 *Maga’hågan Guåhan.*

19 (b) The Fund shall be financed by:

20 (1) Thirty percent (30%) of the excise tax collected from the
21 Electronic Nicotine Delivery Systems (ENDS) Excise Tax Act of 2025 found
22 in Title 11 Guam Code Annotated, Chapter 10.

23 **§ 11103. Deposits / Continuing Appropriation.**

24 All monies collected for products and services rendered by the
25 Department of Revenue and Taxation shall be accounted for and deposited
26 into the Fund and shall be available to pay for the expenses of the Department
27 of Revenue and Taxation for the purposes of compliance and enforcement of

1 tobacco and ENDS laws, rules, and regulations and implementation of other
2 mandates pertaining to the Compliance Branch. All monies in the Fund shall
3 be deemed appropriated, shall not lapse, and shall not be subject to
4 appropriation constraints in order to be expended.

5 **§ 11104. Allocations and Use of Funds; Authorized.**

6 All monies deposited in the Fund shall be available to be expended and
7 shall be used solely in support of the functions of and to pay the expenses of
8 the Department of Revenue and Taxation. The Fund may also be used for, but
9 is not limited to, the following expenses which shall be directly and solely
10 applicable to the functions and operations of the Department of Revenue and
11 Taxation:

12 (1) payment(s) for operations of the Department of Revenue and
13 Taxation Compliance Branch for the purposes of compliance and
14 enforcement of tobacco and ENDS laws, rules, and regulations and
15 implementation of other mandates.

16 **§ 11105. Submission of Detailed Report of Expenditures on a**
17 **Quarterly Bases.**

18 The Administrator of the Department of Revenue and Taxation shall
19 submit to *I Liheslaturan Guåhan* and *I Maga'hågan Guåhan* a detailed report
20 of the expenditures of the DRT Revolving Fund on a quarterly basis.

21 The report shall, at a minimum, contain:

22 (1) all expenditures and encumbrances (monthly and year to date);

23 (2) funds received; and

24 (3) status of accounts receivable for outstanding debts and/or
25 delinquent payment obligations owed to the Department of Revenue and
26 Taxation; and

27 (4) any and all other pertinent information relative to the Fund.

1 (b) The Fund shall be financed by:

2 (1) Sixty percent (60%) of the excise tax collected from the
3 Electronic Nicotine Delivery Systems (ENDS) Excise Tax Act of 2025 in
4 Chapter 10, Title 11 GCA.

5 **§ 98103. Deposits / Continuing Appropriation.**

6 All monies collected for products and services rendered by the Guam
7 Memorial Hospital Authority shall be accounted for and deposited into the
8 Fund and shall be available to pay for the expenses of the Guam Memorial
9 Hospital Authority. All monies in the Fund shall be deemed appropriated,
10 shall not lapse, and shall not be subject to appropriation constraints in order
11 to be expended.

12 **§ 98104. Allocations and Use of Funds; Authorized.**

13 All monies deposited in the Fund shall be available to be expended and
14 shall be used solely in support of the functions of and to pay the expenses of
15 the Guam Memorial Hospital Authority. The Fund may also be used for, but
16 is not limited to, the following expenses which shall be directly and solely
17 applicable to the functions and operations of the Guam Memorial Hospital
18 Authority:

19 (1) payment(s) for operations for the Guam Memorial Hospital
20 Authority;

21 (2) payment(s) for vendors;

22 (3) payment(s) for any other expenses, which if remains unpaid may
23 result in an emergency situation within the Guam Memorial Hospital
24 Authority, as approved by the Administrator;

25 (4) payments for repairs and maintenance of the Guam Memorial
26 Hospital Authority.

1 **§ 98105. Submission of Detailed Report of Expenditures on a**
2 **Quarterly Bases.**

3 The Administrator of the Guam Memorial Hospital Authority shall
4 submit to *I Liheslaturan Guåhan* and *I Maga'hågan Guåhan* a detailed report
5 of the expenditures of the GMHA Revolving Fund on a quarterly basis.

6 The report shall, at a minimum, contain:

7 (1) all expenditures and encumbrances (monthly and year to date);

8 (2) funds received; and

9 (3) status of accounts receivable for outstanding debts and/or
10 delinquent payment obligations owed to the Guam Memorial Hospital
11 Authority; and

12 (4) any and all other pertinent information relative to the Fund.

13 **§ 98106. Guam Annual Audit Review and Report**

14 The GMHA Revolving Fund shall be included in the government of Guam
15 annual audit review and report.”

16 **Section 4. Severability.** If any provision of this Act or its application to any
17 person or circumstance is held invalid, the invalidity shall not affect other provisions
18 or applications of this Act that can be given effect without the invalid provision or
19 application; to this end the provisions of this Act are severable.

20 **Section 5. Effective Date.** This Act *shall* be effective six (6) months after
21 enactment.