

I Mina'trentai Singko Na Liheslaturan Guåhan
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
32-35 (COR)	C.E. Ridgell Tina Rose Muña Barnes Joe S. San Agustin Régine Biscoe Lee Telo T. Taitague Jose "PEDO" Terlaje	AN ACT TO ADD A NEW CHAPTER 8 TO TITLE 11 GUAM CODE ANNOTATED KNOWN AS THE "GUAM CANNABIS INDUSTRY ACT OF 2019," RELATIVE TO REGULATING THE USE, PRODUCTION, SALE, AND TAXATION OF MARIJUANA; ADDING A NEW CHAPTER 9 TO DIVISION 1, TITLE 11 GCA, RELATIVE TO CREATING THE CANNABIS CONTROL BOARD; DECLASSIFYING MARIJUANA AS A SCHEDULE I CONTROLLED SUBSTANCE AND REDEFINING REFERENCES TO IT IN THE GUAM UNIFORM CONTROLLED SUBSTANCES ACT.	1/31/19 2:40 p.m.	2/4/19	Committee on Economic Development, Agriculture, Maritime Transportation, Power and Energy Utilities, and Emergency Response			Request: 2/4/19 Fiscal Note: 2/20/19	

Senator Amanda L. Shelton,
Vice Chairperson

Speaker Tina Rose Muña Barnes,
Member

Vice Speaker Telen Cruz Nelson,
Member

Senator Kelly Marsh (Taitano), Ph.D.,
Member

Senator Sabina Flores Perez
Member

Senator Clynton E. Ridgell
Member



COMMITTEE ON RULES
SENATOR RÉGINE BISCOE LEE, CHAIR
I MINA 'TRENTAI SINGKO NA LIHESLATURAN GUÅHAN
35TH GUAM LEGISLATURE

February 20, 2019

Senator Joe S. San Agustin,
Member

Senator Jose T. Terlaje,
Member

Senator Therese M. Terlaje,
Member

Senator James C. Moylan,
Member

Senator Mary Camacho Torres,
Member and
Chair, Subcommittee on Protocol

MEMO

To: Rennae Meno
Clerk of the Legislature

From: Senator Régine Biscoe Lee
Chairperson, Committee on Rules

Re: Fiscal Notes

Buenas yan Håfa adai.

Attached, please find the fiscal notes for the following bills:

Bill No. 32-35 (COR)

Bill No. 37-35 (COR)

Bill No. 39-35 (COR)

Bill No. 44-35 (COR)

Bill No. 45-35 (COR)

Please forward the same to Management Information Services (MIS) for posting on our website.

For any questions or concerns, please feel free to contact Mary Maravilla, Committee on Rules Director at 472-2461.

Thank you for your attention to this important matter.



**Bureau of Budget & Management Research
Fiscal Note of Bill No. 32-35 (COR)**

AN ACT TO ADD A NEW CHAPTER 8 TO TITLE 11, GUAM CODE ANNOTATED, KNOWN AS THE "GUAM CANNABIS INDUSTRY ACT OF 2019" RELATIVE TO REGULATING THE USE, PRODUCTION, SALE, AND TAXATION OF MARIJUANA; ADDING A NEW CHAPTER 9 TO DIVISION 1, TITLE 11 GCA, RELATIVE TO CREATING THE CANNABIS CONTROL BOARD; DECLASSIFYING MARIJUANA AS A SCHEDULE 1 CONTROLLED SUBSTANCE AND REDEFINING REFERENCES TO IT IN THE GUAM UNIFORM CONTROLLED SUBSTANCES ACT.

Department/Agency Appropriation Information

Dept./Agency Affected: Department of Revenue and Taxation	Dept./Agency Head: Dafne M. Shimizu, Acting Director
Department's General Fund (GF) appropriation(s) to date:	8,435,879
Department's Other Fund appropriation(s) to date: Banking and Insurance Enforcement Fund, Better Public Service Fund, and Tax Collection Enhancement Fund	3,014,354
Total Department/Agency Appropriation(s) to date:	11,450,233

Fund Source Information of Proposed Appropriation

	General Fund:	(Specify Special Fund)	Total:
FY 2018 Unreserved Fund Balance		\$0	\$0
FY 2019 Adopted Revenues	\$0	\$0	\$0
FY 2019 Appro. (P.L. 34-116 thru)	\$0	\$0	\$0
Sub-total:	\$0	\$0	\$0
Less appropriation in Bill	\$0	\$0	\$0
Total:	\$0	\$0	\$0

Estimated Fiscal Impact of Bill

Fund 1/	One Full Fiscal Year	For Remainder of FY 2019 (if applicable)	FY 2020	FY 2021	FY 2022	FY 2023
General Fund	\$5,400,000	\$3,150,000	\$5,400,000	\$5,400,000	\$5,400,000	\$5,400,000
Cannabis Control Fund	\$257,500	\$150,208	\$257,500	\$257,500	\$257,500	\$257,500
Total	\$5,657,500	\$3,300,208	\$5,657,500	\$5,657,500	\$5,657,500	\$5,657,500

1. Does the bill contain "revenue generating" provisions? /X/ Yes // No
 If Yes, see attachment(s)
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: <i>Tammy Amuan</i> Tammy Amuan, BMA II	Date: 02/09/2019	Director: <i>Lester L. Carlson, Jr.</i> Lester L. Carlson, Jr., Acting Director	Date: FEB 20 2019
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Footnotes / Notes:
 1/ See attached comments.

**Bureau of Budget & Management Research
Attachment to Fiscal Note No. 32-35 (COR)
(for revenue generating provisions)**

Projected Multi-Year Revenues					
	Year 1 (FY2019)	Year 2 (FY2020)	Year 3 (FY2021)	Year 4 (FY2022)	Year 5 (FY2023)
General Fund	\$3,150,000	\$5,400,000	\$5,400,000	\$5,400,000	\$5,400,000
Cannabis Control Fund	\$150,208	\$257,500	\$257,500	\$257,500	\$257,500
Total 1/	\$3,300,208	\$5,657,500	\$5,657,500	\$5,657,500	\$5,657,500

Comments:

1/ See attached comments on Bill No. 32-35 (COR).

COMMENTS ON BILL NO. 32-35 (COR)

Bill No. 32-35 (COR) is an act to add a new Chapter 8 to Title 11, Guam Code Annotated, known as the "Guam Cannabis Industry Act Of 2019" relative to regulating the use, production, sale, and taxation of marijuana; adding a new Chapter 9 to Division 1, Title 11 GCA, relative to creating the Cannabis Control Board; declassifying marijuana as a Schedule 1 Controlled Substance and redefining references to it in the Guam Uniform Controlled Substances Act.

The DRT provided the following preliminary revenue estimates to the General Fund based on a 15% excise tax rate on cannabis cultivation facilities:

General Fund Revenue
15% Levy on Cultivation Facilities

Estimate of Users		Estimated Monthly Consumption	Cost/0.5oz	Monthly Gross (Sales)	Annual Gross (Sales)	Estimated Tax Revenue/Annum @ 15% Excise Tax Rate
Local	5,000	0.5 (1/2 ounce)	\$400	\$2,000,000	\$24,000,000	\$3,600,000
Tourist	2,500	0.5 (1/2 ounce)	\$400	\$1,000,000	\$12,000,000	\$1,800,000
GT:	7,500			\$3,000,000	\$36,000,000	\$5,400,000

DRT further details in correspondence that the preliminary tax revenue estimates are based upon data made available through the Guam Drug Threat Assessment of August 2003 publication by the U.S. Department of Justice's National Drug Intelligence Center.

The proposed measure also outlines an exclusive special fund be created upon enactment of this legislation named the Cannabis Control Fund. Within this fund will be deposited the fees, fines, penalties and other charges resulting from the licensing and enforcement of adult cannabis use on Guam and estimates of per annum collections are as follows:

Cannabis Control Fund Revenue

§ 8110(a)(2) Schedule of Application, Registration, and Renewal Fees to Operate Cannabis Establishment with application fees not to exceed \$5,000

Potential Qualifying Businesses	Count	Count Est. to Operate	Application Fee \$5,000	Registration	Renewal
Gift Shops	49	25	125,000	TBD	TBD
Clubs	21	10	50,000	TBD	TBD
	70	35	\$175,000	-	-

*Info of business-type which may qualify to operate cannabis establishment obtained from www.guamphonebook.com

Cannabis Control Fund Revenue

Provision within Proposed	Penalty	Estimated Percentage of Criminal Offenders	Estimated Consumers		Estimated Arrests/Annum of Marijuana-Related Offenses	Cumulative Fines/Annum (max penalty/person)
			Local 5,000	Tourist 2,500		
§ 8104(e) - Restrictions on personal cultivation	Fine of up to \$500	1% of each demographic listed	50	25	75	37,500
§ 8105 - Public consumption banned	Fine of up to \$100	1% of each demographic listed	50	25	75	7,500
§ 8104(a)(3) - False identification	Fine of up to \$500	1% of each demographic listed	50	25	75	37,500
						\$82,500

*Estimates based upon data made available through the Guam Drug Threat Assessment of August 2003 by the U.S. Department of Justice

Expenditures from the Cannabis Control Fund will be determined by the I Liheslaturan Guahan forming an appropriation of funds for a specific purpose.