



**EDDIE BAZA CALVO**  
*Governor*

**RAY TENORIO**  
*Lieutenant Governor*

*Office of the Governor of Guam*

January 10, 2017

Honorable Benjamin J.F. Cruz  
Speaker  
34<sup>th</sup> Guam Legislature  
Guam Congress Building  
Hagatna, Guam 96932

Dear Mr. Speaker,

Attached herewith is legislation I am introducing to legalize, control, and tax the sale of cannabis on Guam: the Cannabis Control Act.

I am introducing this bill, not because I personally support the recreational use of marijuana, but as a solution to the regulatory labyrinth that sprouted from the voter-mandated medical marijuana program. The program was well intended, seeking to provide for patients rather than leaving them in the dark or to the risks of the black market. While eliminating the black market is advantageous, the regulatory nightmare that became the medicinal program would have replaced it with a gray market rife with corruption and cronyism.

The solution to this problem is to simplify this matter. The attached bill will decriminalize the production, sale, distribution, and consumption of cannabis, control the industry, and tax its sale.

If passed in its current form, this bill will not affect any of the provisions of the medical marijuana law. Patients with the proper credentials will be able to purchase cannabis products according to the rules and regulations of that program. The sin tax and age limit we propose for non-medicinal cannabis use will not apply to the medicinal program.

The recreational program we propose mirrors the age of alcohol purchase, handling, and consumption at 21. We chose this age to be consistent with existing statute on the age the Legislature believes adults have the wherewithal to decide for themselves whether to consume mind-altering substances.

We also include a home cultivation provision, understanding that adults 21 years or older may decide to grow, harvest and consume cannabis for themselves in the privacy of their homes. They may do this without fear of arrest or the burden of taxation so long as they are not selling their harvest without the business license required by law. If a person is suspected and is reported for unlawfully selling cannabis without a business license, criminal penalties will apply if authorities find more than six cannabis plants in the home, among other restrictions.



We propose a sin tax of 15 percent on the purchase of cannabis. The revenue will be pledged first to paying for the medicinal and recreational programs (to include public education campaigns encouraging healthy lifestyles), followed by the first \$40 million collected annually to the operation of Guam Memorial Hospital.

The bill contains several other provisions, which were inspired by Colorado's program, then heavily vetted and changed by my legal counsel appropriate to Guam's needs. We leave much of the rule-making authority to a Cannabis Control Board, which the governor will appoint and the Legislature will confirm.

We can make this work.

Sincerely,



**EDDIE BAZA CALVO**

***I MINA'TRENTAI QUATRO NA LIHESLATURAN GUÅHAN***  
**2017 (FIRST) Regular Session**

Bill No. \_\_\_\_\_-34

Introduced by:

By request of *I Maga'Låhen*  
*Guåhan*, the Governor of  
Guam, in accordance with the  
Organic Act of Guam.

**AN ACT TO ADD A NEW CHAPTER 8 TO TITLE 11 GUAM  
CODE ANNOTATED KNOWN AS "*THE MARIJUANA  
CONTROL LAW*" RELATIVE TO REGULATING THE USE,  
PRODUCTION, SALE, AND TAXATION OF MARIJUANA,  
AND THE DECLASSIFICATION OF MARIJUANA AS A  
SCHEDULE I CONTROLLED SUBSTANCE UNDER THE  
GUAM UNIFORM CONTROLLED SUBSTANCES ACT.**

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

**Section 1. Legislative Intent.** *I Liheslaturan Guåhan* finds that in the  
interest of promoting the efficient use of law enforcement resources, enhancing  
revenue for public purposes, and enhancing individual freedom, the use of  
cannabis should be legal for persons twenty-one years of age or older and the  
production and sale of cannabis should be regulated for public health, welfare,  
safety, and taxation purposes. In the interest of the health and public safety of our

1 citizenry, *I Liheslaturan Guåhan* further finds and declares that the use, sale, and  
2 production of cannabis should be regulated so that:

3 (a) Individuals will have to show proof of age before purchasing  
4 cannabis ;

5 (b) Selling, distributing, or transferring marijuana to individuals under the  
6 age of twenty-one remains illegal, except that nothing in this Act is intended to, or  
7 shall be construed as, prohibiting or restricting the possession or medical use of  
8 cannabis by qualified patients as permitted by Guam law; Driving under the  
9 influence of cannabis remains illegal;

10 (c) Legitimate, taxpaying business people, and not criminal actors, will  
11 conduct sales of cannabis ;

12 (d) Cannabis produced and sold by regulated business will be packaged,  
13 labeled, and tracked subject to additional regulations to prevent access by  
14 individuals under the age of twenty-one; to ensure that consumers are informed  
15 and protected; and so that cannabis is not diverted outside of Guam to states or  
16 jurisdictions where it is illegal.

17 **Section 2.** This Chapter shall be known and may be cited as *The Cannabis*  
18 *Control Law*.

19 **Section 3. Definitions.** For purposes of this Chapter, the following words  
20 and phrases have been defined to mean:

1 (a) “*Board*” means the Cannabis Control Board established by this Act.

2 (b) “*Cannabis*” means all parts of the plant of the genus cannabis,  
3 whether growing or not, the seeds thereof, the resin extracted from any part of the  
4 plant, and every compound, manufacture, salt, derivative, mixture, or preparation  
5 of the plant, its seeds, or its resin, including cannabis or marijuana concentrate.  
6 “*Cannabis*” does not include the mature stalks of the plant, fiber produced from  
7 the stalks, oil, or cake made from the seeds of the plant, sterilized seed of the plant  
8 which is incapable of germination, or the weight of any other ingredient combined  
9 with marijuana to prepare topical or oral administrations, food, drink, or other  
10 products.

11 (c) “*Cannabis accessories*” means any equipment, products, or materials  
12 of any kind that are used, intended for use, or designed for use in planting,  
13 propagating, cultivating, growing, harvesting, composting, manufacturing,  
14 compounding, converting, producing, processing, preparing, testing, analyzing,  
15 packaging, repackaging, storing, vaporizing, or containing marijuana, or for  
16 ingesting, inhaling, or otherwise introducing marijuana into the human body.

17 (d) “*Cannabis concentrate*” means any cannabis product or subset of  
18 cannabis produced by extracting cannabinoids from cannabis.

19 (e) “*Cannabis cultivation facility*” means an entity licensed to cultivate,  
20 prepare, and package cannabis and sell cannabis to retail cannabis stores, to

cannabis product manufacturing facilities, and to other cannabis cultivation facilities, but not to consumers.

(f) “*Cannabis establishment*” means a cannabis cultivation facility, cannabis testing facility, a cannabis product manufacturing facility, or a retail cannabis store.

(g) “*Cannabis flower*,” or “*flower*,” means the inflorescence(s) of the mature pistillate (female) cannabis plant.

(h) “*Cannabis-infused product*” means any product that is comprised of cannabis concentrate or cannabis plant material and other ingredients and is intended for use or consumption other than by smoking or vaporizing, including ingestible cannabis-infused products, topical cannabis-infused products, transdermal cannabis-infused products, and transmucosal cannabis-infused products.

(i) “*Cannabis product*” means a finished product intended for human consumption or use that is comprised partially or completely of cannabis. This term is used generally to refer to one or more of the following: cannabis flower, cannabis concentrates, and cannabis-infused products.

(j) “*Cannabis product category*” means a defined group of cannabis products that are in the same form. Cannabis flower, cannabis concentrates, and cannabis-infused products are all cannabis product categories, though the latter

category may be further broken down into sub-categories such as ingestible cannabis-infused products and non-ingestible cannabis-infused products.

(k) *Cannabis product manufacturing facility*” means an entity licensed to purchase cannabis; manufacture, prepare, and package cannabis products; and sell cannabis and cannabis products to other cannabis product manufacturing facilities and to retail cannabis stores, but not to consumers. Nothing herein shall be construed to prohibit a cannabis product manufacturing facility from purchasing cannabis or cannabis products from other cannabis product manufacturing facilities.

(l) *“Cannabis testing facility”* means an entity licensed to analyze and certify the safety and potency of cannabis. Only a licensed cannabis testing facility may collect and transport cannabis or cannabis samples to and from a cannabis testing facility.

(m) *“Consumer”* means a person twenty-one years of age or older who purchases cannabis or marijuana products for personal use only, but not for resale to others.

(n) *“Consumption”* means the act of ingesting, inhaling, or otherwise introducing cannabis or marijuana into the human body, including through the use of topicals, ointments, or tinctures.

(o) *“Department”* means the Guam Department of Revenue and

1 Taxation.

2 (p) *Ingestible cannabis-infused product,*” or “*ingestible,*” means a  
3 product that contains cannabis and at least one other ingredient, is intended for use  
4 or consumption other than by inhalation, is intended to be taken into the body, and  
5 is one of the following:

6 1. An “*edible cannabis-infused product,*” or “*edible,*” which is an  
7 ingestible cannabis-infused product that is intended to be taken by mouth,  
8 swallowed, and is primarily absorbed through the gastrointestinal tract.  
9 Edible cannabis-infused products may be psychoactive when used as  
10 intended. Without limitation, edible cannabis-infused products may be in the  
11 form of a food, beverage, capsule, or tablet; or

12 2. A “*transmucosal cannabis-infused product,*” or “*transmucosal,*”  
13 which is an ingestible cannabis-infused product that is intended to be placed  
14 in a body cavity and absorbed through the mucosal lining of that cavity, and  
15 may be psychoactive when used as intended. Transmucosal cannabis-  
16 infused products include but are not limited to cannabis-infused tinctures,  
17 anal suppositories, lozenges, and nasal sprays.

18 (q) *Marijuana*” means “*cannabis*” as defined in subsection (b) above.  
19 For purposes of this Act, the terms “marijuana” and “cannabis” shall carry the  
20 same meaning and shall be used interchangeably.



1 (r) “*Non-ingestible cannabis-infused product,*” or “*non-ingestible,*”

2 means a product that contains cannabis and at least one other ingredient, is  
3 intended for use or consumption other than by inhalation, is intended for external  
4 use only, and is one of the following:

5 1. A “*topical cannabis-infused product,*” or “*topical,*” which  
6 is a non-ingestible cannabis-infused product that produces a non-  
7 psychoactive effect when used as intended. Topical cannabis-infused  
8 products include but are not limited to cannabis-infused creams, salves,  
9 bath soaks, and lotions; or

10 2. A “*transdermal cannabis-infused product,*” or  
11 “*transdermal,*” which is a non-ingestible cannabis-infused product that  
12 contains at least one skin-permeation-enhancing ingredient to facilitate  
13 absorption through the skin into the bloodstream, and may be  
14 psychoactive when used as intended. Transdermal cannabis-infused  
15 products include but are not limited to cannabis-infused adhesive  
16 patches that are applied to the skin surface.

17 (s) “*Retail cannabis store*” means an entity licensed to purchase cannabis  
18 and to sell cannabis and cannabis products to consumers. Nothing herein shall be  
19 construed to prohibit a licensed retail cannabis store to purchase, sell, or transfer  
20 cannabis and cannabis products to another licensed retail cannabis store.

(t) “*Unreasonably impracticable*” means that the measures necessary to comply with this part require such a high investment of risk, money, time, or any other resource or asset that the operation of a cannabis establishment is not worthy of being carried out in practice by a reasonably prudent businessperson.

**Section 4. Personal use of cannabis.** Notwithstanding any other provision of law, except as provided in this chapter, the following acts, by persons twenty-one years of age or older, are lawful and shall not be a criminal or civil offense under Guam law or be a basis for seizure or forfeiture of assets under Guam law.

(a) Possessing, using, displaying, purchasing, or transporting cannabis accessories, or one ounce or less of cannabis, or eight grams or less of cannabis concentrate, or any cannabis-infused products containing 800 mg or less of tetrahydrocannabinol;

(b) Possessing, growing, processing, or transporting no more than six (6) cannabis plants, with three or fewer being mature, flowering plants, and possession of the cannabis produced by the plants on the premises where the plants were grown, provided that the growing takes place in an enclosed, locked place, is not conducted openly or publicly, and is not made available for sale.

(c) Transferring one ounce or less of cannabis and immature cannabis plants, or eight grams or less of cannabis concentrate, or any cannabis-infused

1 products containing 800 mg or less of tetrahydrocannabinol to a person who is  
2 twenty-one years of age or older without remuneration;

3 (d) Consumption of cannabis, except that absent regulations otherwise  
4 promulgated by the Cannabis Control Board, nothing in this Chapter shall permit  
5 the consumption of marijuana in public; and

6 (e) Assisting another person who is twenty-one years of age or older in  
7 any of the acts described in paragraphs (a) through (d) of this section if such  
8 assistance is provided for a non-commercial purpose.

9 **Section 5. Restrictions on personal cultivation, penalty.** The personal  
10 cultivation of cannabis described in Section 4(b) of this Chapter is subject to the  
11 following terms:

12 (a) Cannabis cultivation for personal use may only occur inside a private  
13 residence, inside an accessory structure to a private residence located upon the  
14 grounds of a private residence, or within an enclosed locked outdoor space on the  
15 grounds of a private residence, provided that: (1) cultivation takes place within a  
16 closet, room, greenhouse, or other enclosed area that is equipped with a lock or  
17 other security device that allows access only to persons authorized to access the  
18 area; and (2) no more than six (6) plants in total are possessed, cultivated, or  
19 processed at a single residence, or upon the grounds of that residence, at one time;

1 (b) Cannabis cultivation for personal use may only occur on property  
2 lawfully possessed by the cultivator or with the consent of the person in lawful  
3 possession of the property;

4 (c) Cannabis plants shall be cultivated in a location where the plants are  
5 not subject to public view without the use of binoculars, aircraft, or other optical  
6 aids;

7 (d) A person who cultivates cannabis shall take reasonable precautions to  
8 ensure the plants are secure from unauthorized access; and

9 (e) The Board may enact and enforce reasonable regulations for the  
10 personal cultivation of cannabis but may not completely prohibit persons from  
11 engaging in personal cultivation inside a private residence or inside an accessory  
12 structure to a private residence located upon the grounds of a private residence that  
13 is fully enclosed and secure.

14 (f) A person who violates this section while otherwise acting in  
15 compliance with Section 4(b) of this Chapter is guilty of a violation punishable by  
16 a fine of up to \$500.

17 **Section 6. Public consumption banned, penalty.** It is unlawful to  
18 consume cannabis openly and in public, unless otherwise permitted by regulations  
19 duly promulgated and enacted by the Cannabis Control Board. A person who  
20 violates this section is guilty of a fine of up to \$100.

1           **Section 7. False Identification, penalty.**

2           (a)     A person who is under twenty-one years of age may not present or  
3     offer to a licensed cannabis establishment or the cannabis establishment's agent or  
4     employee any written or oral evidence of age that is false, fraudulent, or not  
5     actually the person's own, for the purpose of:

6                   (1)     Purchasing, attempting to purchase, or otherwise procuring or  
7                   attempting to procure cannabis or cannabis products; or

8                   (2)     Gaining access or attempting to gain access to a cannabis  
9                   establishment.

10                  (3)     A person who violates this Section is guilty of a violation  
11                  punishable by a fine of up to \$500.

12           (b)     A licensee, his agent or employee shall not sell, give, nor permit to be  
13     sold, given or served any cannabis or cannabis products to any person under  
14     twenty-one years of age. For the purpose of preventing any violation of this  
15     Section, any licensee, or his agent or employee, may refuse to sell or serve  
16     cannabis or cannabis products to any person who is unable to produce adequate  
17     written evidence that he or she has reached the age of twenty-one (21) years. In  
18     any criminal prosecution or proceeding for the suspension or revocation of any  
19     license and based upon a violation of this Section, proof that the defendant  
20     licensee, or his agent or employee, demanded and was shown, before furnishing

1 any alcoholic beverage to a minor, an identification card or other bona fide  
2 documentary evidence of majority of such person shall be a defense to such  
3 prosecution or proceeding for the suspension or revocation of any license, unless  
4 it is demonstrated that a reasonable person would have determined that the  
5 identification exhibited was altered or did not accurately describe the person to  
6 whom the cannabis or cannabis products were sold or served. Every person who  
7 violates this Section shall be guilty of a petty misdemeanor.

8       **Section 8. Cannabis accessories authorized.** Notwithstanding any other  
9 provision of law, it is lawful and shall not be an offense under Guam law or be a  
10 basis for seizure or forfeiture of assets for persons twenty-one years of age or older  
11 to manufacture, possess, or purchase cannabis accessories, or to distribute or sell  
12 cannabis accessories to a person who is twenty-one years of age or older.

13       **Section 9. Lawful operation of cannabis-related facilities.**  
14 Notwithstanding any other provision of law the following acts, when performed by  
15 a retail cannabis store with a current, valid registration, or a person twenty-one  
16 years of age or older who is acting in his or her capacity as an owner, employee, or  
17 agent of a retail cannabis store, are lawful and shall not be an offense under Guam  
18 law or be a basis for seizure or forfeiture of assets under Guam law:

19       (a) Possessing, displaying, storing, or transporting cannabis, cannabis  
20 products, or cannabis accessories, except that such items may not be displayed in

1 a manner that is visible to the general public from a public right-of-way;

2 (1) Delivering or transferring cannabis or cannabis products to a cannabis  
3 testing facility;

4 (2) Receiving cannabis or cannabis products from a cannabis cultivation  
5 facility or cannabis product manufacturing facility;

6 (3) Purchasing cannabis from a cannabis cultivation facility;

7 (4) Purchasing cannabis or cannabis products from a cannabis product  
8 manufacturing facility; and

9 (5) Delivering, distributing, or selling cannabis, cannabis products, or  
10 cannabis accessories to consumers.

11 (b) Notwithstanding any other provision of law, the following acts,  
12 when performed by a cannabis cultivation facility with a current, valid registration,  
13 or a person twenty-one years of age or older who is acting in his or her capacity as  
14 an owner, employee, or agent of a cannabis cultivation facility, are lawful and shall  
15 not be an offense under Guam law or be a basis for seizure or forfeiture of assets  
16 under Guam law:

17 (1) Cultivating, harvesting, processing, packaging, transporting,  
18 displaying, storing, or possessing cannabis;

19 (2) Delivering or transferring cannabis to a cannabis testing facility;

20 (3) Delivering, distributing, or selling cannabis to a cannabis cultivation

1 facility, a cannabis product manufacturing facility, or a retail cannabis store;

2 (4) Receiving or purchasing cannabis from a cannabis cultivation facility;

3 (5) Receiving cannabis seeds or immature cannabis plants from a person  
4 twenty- five years of age or older. .

5 (c) Notwithstanding any other provision of law, the following acts,  
6 when performed by cannabis product manufacturing facility with a current, valid  
7 registration, or a person twenty- five years of age or older who is acting in his or  
8 her capacity as an owner, employee, or agent of a cannabis product manufacturing  
9 facility, are lawful and shall not be an offense under Guam law or be a basis for  
10 seizure or forfeiture of assets under Guam law:

11 (1) Packaging, processing, transporting, manufacturing, displaying, or  
12 possessing cannabis or cannabis products;

13 (2) Delivering or transferring cannabis or cannabis products to a cannabis  
14 testing facility;

15 (3) Delivering or selling cannabis or cannabis products to a person or  
16 establishment authorized to possess, use, display, purchase, or transport  
17 cannabis or cannabis products.

18 (d) Notwithstanding any other provision of law, the following acts,  
19 when performed by a cannabis testing facility with a current, valid registration, or a  
20 person twenty-one years of age or older who is acting in his or her capacity as an



owner, employee or agent of a cannabis testing facility, are lawful and shall not be an offense under Guam law or be a basis for seizure or forfeiture of assets under Guam law:

(1) Possessing, cultivating, processing, repackaging, storing, transporting, displaying, transferring or delivering cannabis.

(e) Notwithstanding any other provision of law, it is lawful and shall not be an offense under Guam law or be a basis for seizure or forfeiture of assets under Guam law to lease or otherwise allow the use of property owned, occupied, or controlled by any person, corporation or other entity for any of the activities conducted lawfully in accordance with paragraphs (a) through (d) of this section.

(f) Nothing in this Section prevents the imposition of penalties upon cannabis establishments for violating this Chapter or rules adopted by the Board created by Section 10 of this Chapter.

(g) The provisions of Section 4 of this Chapter do not apply to cannabis establishments.

**Section 10. Cannabis Control Board.** (a) There is within the government of Guam the Cannabis Control Board, which shall be composed of five members. Four members shall be appointed by the Governor with the advice and consent of the Guam Legislature. The fifth member shall be the Director of Revenue and Taxation or his designee, who shall serve as the chairperson. Of the members

1 appointed by the Governor, one shall be from the discipline of agriculture or  
2 farming, the second shall be from the discipline of health or medicine, and the third  
3 and fourth members shall be from the public at large. Of the members first  
4 appointed, two members shall be appointed for an initial term of two (2) years  
5 each, and the remaining two members shall be appointed for an initial term of one  
6 (1) year each. Thereafter, every appointment shall be for a term of three (3) years,  
7 commencing from the date of the expiration of the last preceding term.

8 (b) Three members of the Board shall constitute a quorum for the conduct  
9 of business. A vote of a majority of the members of the Board shall be required for  
10 any action of the Board. In accordance with the Guam Administrative Adjudication  
11 Law, the Board shall adopt rules and regulations as necessary to carry out and  
12 enforce its powers, duties, and authorities under this Act.

### 13 **Section 11. Rulemaking.**

14 (a) Not later than one year after the effective date of this Act, the Board  
15 shall prescribe forms and adopt such rules and regulations necessary for  
16 implementation of this chapter. Such regulations shall not prohibit the operation of  
17 cannabis establishments, either expressly or through regulations that make their  
18 operation unreasonably impracticable. Such regulations shall include:

- 19 (1) Procedures and grounds for the issuance, renewal, suspension, denial  
20 and revocation of a registration to operate a cannabis establishment;

1 (2) A schedule of application, registration and renewal fees, provided,  
2 application fees shall not exceed \$5,000, with this upper limit adjusted  
3 annually for inflation, unless the Board determines a greater fee is necessary  
4 to carry out its responsibilities under this Chapter;

5 (3) Qualifications for registration that are directly and demonstrably  
6 related to the operation of a cannabis establishment or security requirements  
7 for cannabis establishments, including for the transportation and storage of  
8 cannabis by cannabis establishments;

9 (4) Requirements to prevent the sale or diversion of cannabis and  
10 cannabis products to persons under the age of twenty-one;

11 (5) Labeling and packaging requirements for cannabis and cannabis  
12 products sold or distributed by a cannabis establishment;

13 (6) Health and safety regulations and standards for the manufacture of  
14 cannabis products and the cultivation of cannabis;

15 (7) Reasonable restrictions on the advertising and display of cannabis and  
16 cannabis products;

17 (8) Reasonable restrictions on the quantity of cannabis and cannabis  
18 products purchased at any one time by a consumer so as to effectually  
19 prevent the resale of cannabis items;

20 (9) Implementation of a “seed to sale” tracking system;

1 (10) Civil penalties for the failure to comply with regulations made  
2 pursuant to this Chapter; and

3 (11) Any other rules the Board considers necessary for the administration  
4 of the Cannabis Control Law and implementation and enforcement of this  
5 Chapter.

6 (b) **In order to ensure that individual privacy is protected, the Board**  
7 **shall not require a consumer to provide a retail** cannabis store with personal  
8 information other than government-issued identification to determine the  
9 consumer's age, and a retail cannabis store shall not be required to acquire and  
10 record personal information about consumers.

11 **Section 12. Cannabis establishment registrations.**

12 (a) Each application or renewal application for a registration to operate a  
13 cannabis establishment shall be submitted to the Board. A renewal application may  
14 be submitted up to ninety days prior to the expiration of the cannabis  
15 establishment's registration.

16 (b) The Board shall begin accepting and processing applications to  
17 operate cannabis establishments no later than 90 days after the regulations  
18 prescribed in Section 11 of this Act become effective.. Upon receipt of a license  
19 application, the Board shall not unreasonably delay the processing, approval, or  
20 rejection of the application, or if the application is approved, the issuance of the

1 license.

2 (c) Within 60 days after receiving an application or 30 days after  
3 receiving a renewal application, the Board shall issue an annual registration to the  
4 applicant unless the Board finds the applicant is not in compliance with regulations  
5 enacted pursuant to Section 11 of this Act.

6 (d) Upon denial of an application, the Board shall notify the applicant in  
7 writing of the specific reason for its denial and of the applicant's right to seek  
8 administrative and judicial review as provided for under the Guam Administrative  
9 Adjudication Law.

10 (e) Every cannabis establishment registration shall specify the location  
11 where the cannabis establishment will operate which location shall have defined  
12 boundaries. A separate registration shall be required for each location at which a  
13 cannabis establishment operates. The Board may require reasonable restrictions for  
14 the operation of a licensed cannabis establishment.

15 (f) Cannabis establishments and the books and records maintained and  
16 created by cannabis establishments are subject to inspection by the Board with  
17 reasonable notice to the owner or agent of the business.

18 **Section 13. Employers, driving, minors, and control of property.**

19 (a) Nothing in this Chapter shall be construed or interpreted to amend,  
20 repeal, affect, restrict, or preempt the rights and obligations of public and private

1 employers to maintain a drug and alcohol free workplace or require an employer to  
2 permit or accommodate the use, consumption, possession, transfer, display,  
3 transportation, sale, or growth of cannabis in the workplace, or affect the ability of  
4 employers to have policies prohibiting the use of marijuana by employees and  
5 prospective employees, or prevent employers from complying with Guam, state, or  
6 federal law.

7 (b) Nothing in this Chapter is intended to require an employer to permit  
8 or accommodate the use, consumption, possession, transfer, display, transportation,  
9 sale or growing of cannabis in the workplace or to affect the ability of employers to  
10 enact and enforce workplace policies restricting the use or consumption of  
11 cannabis by employees.

12 (c) Nothing in this Chapter is intended to impair, restrict, or diminish the  
13 ability of a government agency to prohibit or restrict any of the actions or conduct  
14 otherwise permitted under this Chapter within a building owned, leased, or  
15 occupied by the government agency.

16 (d) Nothing in this Chapter is intended to allow driving under the  
17 influence of cannabis or to supersede laws related to driving under the influence of  
18 cannabis.

19 (e) Nothing in this Chapter is intended to permit the transfer of cannabis,  
20 with or without remuneration, to a person under the age of twenty-one.

(f) Nothing in this Chapter shall prohibit a person, employer, school, hospital, recreation or youth center, correction facility, corporation or any other entity who occupies, owns or controls private property from prohibiting or otherwise regulating the possession, consumption, use, display, transfer, distribution, sale, transportation, or growing of cannabis on or in that property.

#### **Section 14. Excise Tax on Cannabis.**

(a) A local Guam excise tax is imposed on the sale or transfer of cannabis from a cannabis cultivation facility to a retail cannabis store or cannabis product manufacturing facility. Every cannabis cultivation facility shall pay a local Guam excise tax at the rate of fifteen percent (15%) on cannabis that is sold or transferred from a cannabis cultivation facility to a retail cannabis store or cannabis product manufacturing facility.

(b) The Department of Revenue and Taxation shall establish procedures for the collection of all excise taxes levied. Provided, that after deducting the cost of establishing the Cannabis Control Board, the program established by the "*Joaquin (KC) Concepcion II Compassionate Cannabis Use Act of 2013*" as amended, and any necessary procedures, rules, regulations, or studies, the first forty million dollars (\$40 million) in revenue raised annually from any such excise tax shall be credited to the Guam Memorial Hospital Authority. Provided further, no such excise tax shall be levied upon cannabis intended for sale at medical

1 cannabis centers.

2 (c) The Board may exempt certain parts of the cannabis plant from the  
3 excise tax described in subsection (a) or may establish an alternate rate or tax  
4 structure in accordance with the rules and regulations promulgated in accordance  
5 with this Act.

6 **Section 15. Monthly Statements and Payments.**

7 (a) Each cannabis cultivation facility shall send a statement by mail or  
8 electronically to the Department on or before the last day of each calendar month.  
9 The statement must contain an account of the amount of cannabis sold or  
10 transferred to retail cannabis stores and cannabis product manufacturing facilities  
11 in Guam during the preceding month, setting out:

12 (1) The total number of ounces, including fractional ounces sold or  
13 transferred;

14 (2) The names and addresses of each buyer and transferee; and

15 (3) The weight of cannabis sold or transferred to the respective buyers or  
16 transferees.

17 **Section 16. Federal Law, applicability.** Nothing in this Act proposes or  
18 intends to require any individual or entity to engage in any conduct that violates  
19 federal law, or exempt any individual or entity from any requirement of federal  
20 law, or pose any obstacle to federal enforcement of federal law.



1       **Section 17.** This Act does not affect rights and duties that matured,  
2 penalties that were incurred, and proceedings that were begun before its effective  
3 date.

4       **Section 18. Contracts.** No contract shall be void or unenforceable on the  
5 basis that manufacturing, distributing, dispensing, possessing, or using cannabis or  
6 marijuana products is prohibited by federal law.

7       **Section 19.** Chapter 67, Title 9 Guam Code Annotated, the *Guam*  
8 *Controlled Substances Act*, is hereby *amended* to exclude and thereby *declassify*  
9 marijuana as a Schedule 1 Controlled Substance. Any reference by the *Guam*  
10 *Controlled Substances Act* to marijuana, such as “marihuana,”  
11 “tetrahydrocannabinol,” cannabis, and derivatives thereof shall be deemed  
12 repealed, null, and void upon passage of this Act.

13       **Section 20.** Nothing in this Chapter shall be construed or interpreted to  
14 amend, repeal, affect, restrict, or preempt laws pertaining to Guam Public Law 32-  
15 237 (the “Joaquin (KC) Concepcion II Compassionate Cannabis Use Act of  
16 2013”), as amended by Public Law 33-220.

17       **Section 21. Severability.** *If* any provision of this Act or its application to  
18 any person or circumstance is found to be invalid or contrary to law, such  
19 invalidity *shall not* affect other provisions or applications of this Act that can be

1 given effect without the invalid provision or application, and to this end the  
2 provisions of this Act are severable.

3       **Section 22. Effective Date.** This Act *shall* become effective immediately  
4 upon enactment.

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