

**12 GCA AUTONOMOUS AGENCIES
CH. 80 COMMUTER AIR SERVICES DEVELOPMENT**

**CHAPTER 80
COMMUTER AIR SERVICES DEVELOPMENT**

SOURCE: This Chapter was added by P.L. 24-254:2.

- § 80101. GEDCA to Promote the Development of Commuter Air Service.
- § 80102. Same: Powers and Responsibilities Relative to Commuter Air Service Development.
- § 80103. Government Land for the Development of Commuter Air Service Facilities.
- § 80104. Appropriation Authorized.
- § 80105. Tax Credits and/or Exemptions for Donations.
- § 80106. Use Tax.
- § 80107. Conditions of Exemptions.
- § 80108. Qualifications.

§ 80101. GEDCA to Promote the Development of Commuter Air Service.

The Corporation shall promote and enhance the development of commuter air service and the development of incidental and related facilities for the development of Guam's commuter air service infrastructure. Commuter Air Service for the purposes of this Act is defined as any locally chartered airline operating out of the Commuter Air Terminal servicing any part of Micronesia.

§ 80102. Same: Powers and Responsibilities Relative to Commuter Air Service Development.

Except as otherwise provided by law, the Corporation is authorized and empowered to carry out the purposes of this Chapter. It is expressly authorized to:

- (a) assist persons interested in establishing or expanding commuter air service, and related facilities and services in Guam in obtaining information from and coordinating with government of Guam agencies, public corporations and Federal agencies represented in Guam;
- (b) assist those persons interested in establishing or expanding commuter air service and related facilities on Guam in obtaining financing, by maintaining and disseminating information regarding

12 GCA AUTONOMOUS AGENCIES
CH. 80 COMMUTER AIR SERVICES DEVELOPMENT

financing available through private and public sources;

(c) provide administrative and financial assistance, on such terms and upon such conditions as the Board may determine with respect to the preparation of feasibility studies relating to specific proposals for the development or expansion of commuter air service and related facilities on Guam;

(d) lease government-owned land with the consent of *I Liheslaturan Guahan* by resolution, at less than fair market value or sell land acquired by the Corporation to persons for the development and operations of commuter air service and related facilities, or for the expansion of existing commuter air service facilities and other related facilities;

(e) prepare or have prepared assessment of commuter air service facilities or services required for the construction and support of additional facilities, expansion of existing facilities, and the construction and use of related facilities;

(f) expend, on such terms and upon such conditions as it shall determine, such part of its funds may be uncommitted to pay for in whole or in part, additional infrastructure facilities or services which it has determined pursuant to Subsection (e) of this Section to be necessary for the accomplishment of its purposes; and

(g) make loans and to guarantee loans, only if it finds that there are no practical alternative sources of financing available. The Corporation may charge a fee, in addition to interest on any loan which makes or guarantees. The fee shall not exceed two percent (2%) of the amount of the loan. The fee shall be used by the Corporation to carry out the purposes of the Chapter. No loan made or guaranteed by the Corporation shall be assigned or otherwise, transferred directly or indirectly, without consent of the Corporation.

§ 80103. Government Land for the Development of Commuter Air Service Facilities.

Upon request by the Board, the Governor, with the consent of *I Liheslaturan Guahan* [the Legislature], may convey in fee simple tracts of government-owned land suitable for development of air service facilities in accordance with this Chapter. If the government does not own tracts suitable for such purposes, the Governor may negotiate with private landowners for the acquisition of suitable property, provided, that

12 GCA AUTONOMOUS AGENCIES
CH. 80 COMMUTER AIR SERVICES DEVELOPMENT

funds have been appropriated for such acquisition.

§ 80104. Appropriation Authorized.

There is authorized to be appropriated to the Corporation, from time to time, such sums as may be necessary to enable the Corporation to accomplish the purpose of this Chapter.

§ 80105. Tax Credits and/or Exemptions for Donations.

The Corporation may receive donations of money which shall be expended to carry out the purposes of this Chapter. Donors incurring a tax obligation to the government of Guam under the Business Privilege Tax (Article 2, Chapter 26 of Title 11 of the Guam Code Annotated) or an income tax obligation to the government of Guam under the Guam Territorial Income Tax Law, at the donors' option in lieu of the deduction provided for such a contribution by the Guam Territorial Income Tax Law, may receive a credit for the money donated; provided, however, that the credits shall not exceed ten percent (10%) of the donor's total tax obligation to the government of Guam under Subchapters B and C of the Business Privilege Tax Law for the donor's fiscal year in which the donation is made. If the amount of money donated exceeds the credit allowed against the taxes imposed under Subchapters B and C of the Business Privilege Tax Law (Chapter 26 of Title 11 of the Guam Code Annotated) for the donor's fiscal year in which the donation is made, then the excess may be deducted with respect to the donor's income tax obligations to the government of Guam under the Guam Territorial Tax Law, subject to the limitations imposed generally with respect to deductions for such contributions. In order to receive the credit authorized by this Section, the donor must claim the credit in a manner established by the Department of Revenue and Taxation, not later than ninety (90) days following the end of the donor's fiscal year in which the donation was made.

SOURCE: Amended by P.L. 29-002:VI:28 (May 18, 2007) the name, Gross Receipts Tax, changed to Business Privilege Tax, effective July 17, 2007.

§ 80106. Use Tax.

Taxes levied and collected in Title 11, Chapter 28, to the extent of the rate imposed under §28104 and collected under 11 GCA §28105, shall be credited to the 'Customs, Agriculture and Quarantine Inspection Services Fund' each fiscal year necessary to fund inspection costs at the commuter air terminal.

§ 80107. Conditions of Exemptions.

In its recommendation of specific exemptions and tax benefit, the Authority shall require the following as terms and conditions to such benefit and exemptions:

(1) Percentage of Investment. Limiting the tax benefits and exemptions to a percentage of the capital investment in Guam to be made by the Beneficiary;

(2) Local Shareholders. Requiring the Beneficiary to offer ten percent (10%) or more of its corporate equity to qualified residents of Guam on terms and conditions to be established by the Authority;

(3) Profit-sharing, etc. Requiring the Beneficiary to establish profit-sharing and stock ownership programs and other similar benefits for its employees;

(4) Training. Requiring the Beneficiary to: (i) establish in-house training programs or (ii) make contributions to an independent training or scholarship fund; and

(5) Local Purchaser. Requiring the Beneficiary to procure services or products supplied by resident business enterprises if the total cost of the same does not exceed one hundred ten percent (110%) of the cost of the same services or products available from any other vendor.

§ 80108. Qualifications.

(a) To qualify for any tax exemptions or benefits provided for in this Chapter, the Beneficiary must be a resident business enterprise. "*Resident business enterprise*," as used in this Subsection, means a business concern which is all of the following:

(i) at least seventy-five percent (75%) owned by one (1) or more *bona fide* residents of Guam, or in the case of a publicly owned business, at least seventy-five percent (75%) of the stock of which is owned by one (1) or more *bona fide* residents of Guam;

(ii) managed by, and the daily business operations are controlled by, one (1) or more *bona fide* residents of Guam;

(iii) a domestic corporation with its home office located on Guam;

(iv) a *bona fide* resident of Guam for the purposes of this

12 GCA AUTONOMOUS AGENCIES
CH. 80 COMMUTER AIR SERVICES DEVELOPMENT

Chapter is anyone who has been domicile on Guam for at least ten (10) consecutive years; and

(v) must be an entity licensed to do business on Guam for at least five (5) years and in good financial standing certified by the Department of Revenue and Taxation.

(b) Notwithstanding any other provision of law, all tax exemptions and benefits under this Chapter shall be immediately revoked if the Beneficiary fails to comply with any of the conditions and qualifications set forth in this Chapter. If benefits and tax exemptions are revoked pursuant to this Section, all entitlements to tax rebates or tax abatements shall be immediately forfeited. In addition, the Beneficiary shall be mandated to reimburse the government of Guam for all benefits received while such Beneficiary was found to be in non-compliance, regardless of whether or not a certificate of compliance was issued pursuant to this Chapter.
