21 GCA Real Property
Ch. 70 Contractors

CHAPTER 70
CONTRACTORS

SOURCE: This Chapter was added by P.L. 14-051, and later amended. The original
enactment was to add §§ 19599 et seq. to the Government Code. The Chapter is placed
here because of its relationship to prior Chapters of this Title. The entire Chapter was

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§ 70100. Definitions.

As used in this Chapter:

(a) Board means the Contractors License Board.
(b) Contractor means any person who undertakes to construct, alter, repair, add to, subtract from, improve, move, wreck or demolish any building, highway, road, railroad, excavation or other structure, project development or improvement or do any part thereof, including the erection of scaffolding or other structure of works in connection therewith for another person for a fee.

(c) Contractor includes a subcontractor and a specialty contractor.

(d) Person means an individual, partnership, joint venture, corporation or any combination thereof. Corporation includes an association, business trust or any organized group of persons.

(e) Self-construction means a project or operation performed by the owner for personal needs on personal premises; a self-constructed/performed project or operation shall otherwise be deemed performed by a contractor.

(f) Investigator means an employee with the Contractors License Board who conducts thorough investigations of applicants applying for a contractor’s license and who inspects, regulates, and enforces the laws, rules and regulations of the Licensing Board for Contractors.

(g) Responsible Management Employee means the individual responsible for the direct management of the contracting business of the licensee.

§ 70101. Exemptions.

This Chapter shall not apply to:

(a) An officer or employee of the United States, the Territory or any political subdivision, if the project or operation is performed by employees thereof;

(b) Any person acting as a receiver, trustee in bankruptcy, administrator or executor, or any other person acting under any order or authorization of any court;

(c) A person who sells or installs any finished products, materials or articles or merchandise which are not actually fabricated into and do not become a permanent fixed part of the structure, or to the construction, alteration, improvement or repair of personal property;
(d) Any project or operation for which the aggregate contract price for labor, materials and all other items is less than Two Thousand Five Hundred Dollars ($2,500). This exemption shall not apply in any case wherein the undertaking is by a licensed contractor or is only part of a larger or major project or operation, whether undertaken by the same or a different contractor or in which a division of the project or operation is made in contracts of amounts less than Two Thousand Five Hundred Dollars ($2,500) for the purpose of evading this Chapter or otherwise;

(e) A registered architect or professional engineer acting solely in a professional capacity;

(f) Any person who engages in the activities herein regulated as an employee with wages as sole compensation;

(g) Any person who undertakes either personally or through his or her employees, any project or operation for himself or herself; and

(h) Any co-partnership or joint venture if all members thereof hold licenses issued under this Chapter or if the person or persons who have direct management of the contracting business thereof hold a license for purposes of requiring additional contractor’s licenses for the copartnership or joint venture.

§ 70102. Contractors License Board.

(a) There shall be a Contractors License Board compose of seven (7) members; two (2) of which shall be appointed by I Maga’lahi from the construction industry; three (3) of which shall be appointed by I Maga’lahi from the general public and who shall have no interest in the construction industry; the Director of Revenue and Taxation, ex-officio; and the Director of Public Works, ex-officio. Those members appointed by I Maga’lahi are subject to confirmation by I Liheslatura. Their terms shall be four (4) years.

(b) The concurrence of four (4) members of the Board shall be necessary for the validity of any of its actions.

(c) Organization, Records, Reports. Immediately upon the appointment and qualifications of the original members, and annually thereafter, the Board shall organize by the election of one (1) member as Chairman and one (1) member as Vice-Chairman. The Board shall keep a complete record of all its proceedings and shall present annually to the Governor through the Executive Director a detailed statement of the
previous year, proceedings and such recommendations as the Board may deem proper.

(d) Compensation. Members of the Board shall receive the sum of Fifty Dollars ($50) for each attendance at the meetings of the Board, provided, however, that no member shall receive more than One Hundred Dollars ($100) per month.

§ 70103. Powers and Duties of Board.

In addition to any other duties and powers granted by this Chapter, the Contractors License Board shall:

(a) Grant licenses to contractors pursuant to this Chapter;

(b) Make, amend or repeal such rules and regulations as it may deem proper to fully effectuate this Chapter and carry out the purpose thereof, which purpose is the protection of the general public. All such rules and regulations shall be adopted pursuant to the Administrative Adjudication Law. The rules and regulations may forbid acts or practices deemed by the Board to be detrimental to the accomplishment of the purpose of this Chapter. The rules and regulations may require contractors to make reports to the Board containing such items of information as will better enable the Board to enforce this Chapter and rules and regulations, or as will better enable the Board from time to time to amend the rules and regulations more to fully effectuate the purposes of this Chapter. The rules and regulations may require contractors to furnish reports to owners containing such matters of information as the Board deems necessary to promote the purpose of this Chapter. The enumeration of specific matters which may properly be made the subject of rules and regulations shall not be construed to limit the Board's general power to make all rules and regulations necessary to fully effectuate the purpose of this Chapter;

(c) Enforce this Chapter and rules and regulations adopted pursuant thereto;

(d) Suspend or revoke any license for any cause prescribed by § 70116 or for any cause for suspension or revocation prescribed by the rules and regulations, and refuse to grant any license for any cause which would be grounds for revocation or suspension of a license;
(e) Publish and distribute pamphlets and circulars containing such information as it deems proper to further the accomplishment of the purpose of this Chapter; and

(f) Contract professional testing services as deemed necessary to prepare, administer, and grade applicant examinations as may be required for the purpose of this Chapter.

§ 70104. Executive Director; Other Assistants.

(a) The Contractors License Board shall employ an Executive Director. The Executive Director shall be employed with due regard to his or her fitness, thorough administrative ability and knowledge of and experience in the business of contracting. The Executive Director shall act only with the advice and consent of the Board and shall be responsible to the Board. The Executive Director shall devote his or her entire time to the duties of the office and shall not be actively engaged or employed in any other business, vocation or employment, nor have any pecuniary interest, direct or indirect, in any contracting enterprise or enterprises conducted or carried on within the Territory.

(b) The Executive Director shall, under the supervision of the Board, administer this Chapter and the rules and regulations and orders established thereunder and perform such other duties as the Board may require; shall attend but not vote at all meetings of the Board; and shall be in charge of the offices of the Board and responsible to the Board for the preparation of reports and the collection and dissemination of data and other public information relating to contracting.

(c) The Board may, by written order filed in its office, delegate to the Executive Director such of its powers or duties as it deems reasonable and proper for the effective administration of this Chapter, except the power to make rules or regulations. The delegated powers and duties may be exercised by the Executive Director in the name of the Board.

(d) Subject to the Personnel Law, the Executive Director may employ and remove such administrative and clerical assistants as may be required, and prescribe their powers and duties.

§ 70105. Place of Meeting.

The Executive Director shall provide suitable quarters for meetings of the Contractors License Board and for the transaction of its other business.
§ 70106. Classification.

(a) For the purpose of classification, the contracting business includes any or all of the following branches:

(1) General Engineering Contracting;

(2) General Building Contracting;

(3) Specialty Contracting; and

(4) Responsible Management Employee (R.M.E.).

(b) A General Engineering Contractor is a contractor whose principal contracting business is in connection with fixed works requiring specialized engineering knowledge and skill, including the following divisions or subjects: irrigations, drainage, water power, water supply, flood control, inland waterways, harbors, docks and wharves, shipyards and ports, dams and hydroelectric projects, levees, river control and reclamation works, highways, streets and roads, tunnels, airports and airways, sewer, sewage disposal plants and systems, waste reduction plants, bridges, overpasses, underpasses and other similar works, pipelines and other systems for the transmission of petroleum and other liquid or gaseous substances, parks, playgrounds and other recreational works, refineries, chemical plants and similar industrial plants requiring specialized engineering knowledge and skill, powerhouses, power plants and other utility plants and installations, mines and metallurgical plants, land leveling and earth-moving projects, excavating, grating, trenching, paving and surfacing work and cement and concrete works in connection with the above-mentioned fixed works.

(c) A General Building Contractor is a contractor whose principal contracting business is in connection with any structure built, being built or to be built, for the support, shelter and enclosure of persons, animals, chattels or movable property of any kind, requiring in its construction the use of more than two (2) unrelated building trades or crafts, or to do or superintend the whole or any part thereof.

(d) A Specialty Contractor is a contractor whose operations as such are the performance of construction work requiring special skill and whose principal contracting business involves the use of specialized building trades or crafts.

(e) A Responsible Management Employee is an individual responsible for the direct management of the contracting business of the licensee and has
proved contracting knowledge by both written examination, as administered by the Board, and the fulfillment of requirements, as stated in Part II Section 2.2 of the Guam Contractors License Board Rules and Regulations.


(a) The Contractors License Board may adopt rules and regulations necessary to effect the classification of contractors and shall require a written examination in a manner consistent with established usage and procedure as found in the construction business, and may limit the field and scope of the operations of a licensed contractor to those in which the licensed contractor is classified and qualified to engage, as defined in § 70106.

(b) A licensee may make application for classification and be classified in more than one (1) classification if the licensee meets the qualifications prescribed by the Board for such additional classification. For qualifying or classifying in additional classifications, the licensee shall pay the appropriate application fee but shall not be required to pay any additional license fee.

(c) This Section shall not prohibit a specialty contractor from taking and executing a contract involving the use of two (2) or more crafts or trades, if the performance of the work in the crafts or trades, other than in which the specialty contractor is licensed, is less than thirty-five percent (35%) and supplemental to the performance of work in the craft for which the specialty contractor is licensed.

§ 70108. Licenses; Publication of Contractors List Required.

(a) No person within the purview of this Chapter shall act, or assume to act, or advertise, as a general engineering contractor, a general building contractor or a specialty contractor without a license previously obtained under and in compliance with this Chapter and the rules and regulations of the Contractors License Board (CLB).

(b) The CLB shall publish, in print and electronically, in a newspaper of general circulation, as defined in Title 5 GCA, § 8104(a)(5)(B), a list of contractors authorized to conduct business on Guam. The list of contractors shall include, but not be limited to, the contractor’s name and phone number(s), CLB license number, identification of responsible managing employee, and authorized classification(s). The CLB shall also include instructions on how the public may verify if certain contractors have been
added to, or removed from, the contractors list. The list of contractors shall be published annually, no later than on the first Monday of August, shall be made available to the general public via the CLB’s website, and shall be updated on a monthly basis.


2015 NOTE: Subsection designations added pursuant to authority granted by 1 GCA § 1606.

§ 70108.1. Advertising.

A Contractor may advertise in print or broadcast medium only if the contractor includes in the advertisement or listing the contractor’s applicable and current license number, and provides proof of the number’s validity to the publisher or producer of the advertising medium. Violation of this Section may be subject to the provisions of § 70116 and/or § 70121.

§ 70109. Investigation Permitted.

The Contractors License Board may investigate, classify and qualify applicants for contractor’s licenses, and investigate for compliance with the rules and regulations of the Board and the provisions of this Chapter.

§ 70109.1. Investigation Citation Authority.

(a) In addition to any other remedy available, the investigator of the Contractors License Board may issue citations to acting contractors, licensed or unlicensed, in violation of the provisions of this Chapter and rules promulgated pursuant to the requirements of the Administrative Adjudication Law.

(b) Each citation shall be in writing and shall describe the basis of the citation, including the statutory provisions alleged to have been violated. The citation shall also contain an order to cease and desist from the violation, and an assessment of civil penalties of no less than Two Hundred Dollars ($200.00), but not to exceed fifty percent (50%) of the value of the project.

(c) Citations for unlicensed contractors shall each contain an order to cease and desist from the violation, and an assessment of civil penalties of fifty percent (50%) of the value of the project – of which no less than fifty percent (50%) shall be used to compensate affected consumers. Payments shall be made in accordance with rules promulgated by the CLB in accordance with the requirements of the Administrative Adjudication Law.
(d) Recipients of contractual work shall be notified of each violation in a timely manner.


§ 70109.2. Immediate Cease Work Order Permitted.

The investigator may issue an immediate cease work order to any person’s construction activity where serious safety concerns are present.

§ 70109.3. Cease Work Order Permitted.

The Executive Director may issue a cease work order to any person’s construction activity if found to be in violation of this Chapter and/or of any Contractors License Board rules and regulations.

§ 70110. No License Issued When.

No license hereunder shall be issued to:

(a) Any person unless said person has filed an application and paid the applicable fees therefore;

(b) Any person who does not possess a good reputation for honesty, truthfulness, financial integrity and fair dealing;

(c) Any co-partnership or joint venture who does not actively participate in at least one (1) construction job in the course of the license year in the contracting business and thereof does not hold an appropriate license;

(d) Any corporation, unless the contracting business thereof is under the direct management of an officer or employee thereof, and unless the officer or employee holds an appropriate Responsible Management Employee license;

(e) Any individual, unless eighteen (18) years of age or more; and

(f) Any person who employs other individuals as employees unless satisfactory proof is submitted by the person of a current workers' compensation insurance policy.

2015 NOTE: Subsection designations altered to adhere to the Compiler’s alphanumeric scheme pursuant to authority granted by 1 GCA § 1606.
§ 70111. Application: Fees.

(a) Every applicant for a license under this Chapter shall file an application with the Contractors License Board in such form and setting forth such information as may be prescribed or required by the Board, and shall furnish such additional information bearing upon the issuance of the license as it shall require. Every application shall be sworn to before an officer authorized to administer oaths. In the case of a co-partnership, joint venture or corporation, any member or officer thereof may sign the application and verify the same on behalf of the applicant.

(b) Every application, in the case of an individual, shall be accompanied by sworn certificates of not less than two (2) persons who have known the applicant for a period of not less than six (6) months certifying that the applicant bears a good reputation for honesty, truthfulness and fair dealings.

(c) Every application for a license hereunder shall be accompanied by an application fee of Fifty Dollars ($50.00)

§ 70112. Form of Licenses.

The form of every license shall be prescribed by the Contractors License Board and shall be issued in the name of the Board.

§ 70113. Place of Business and Posting of License.

A licensed contractor shall have and maintain a definite place of business in the Territory and shall display therein a personal contractor's license.

§ 70114. Fees; Annual.

(a) The annual fees for each license thereof prescribed by this Chapter shall be as follows:

   (1) License Fee
       License to act as specialty contractor ......................... $400
       License to act as general engineering contractor .......... $400
       License to act as general building contractor .......... $400

   (2) License Fee for Responsible Management Employee (RME)
       License to act as RME in specialty Contracting ........ $400
License to act as RME in general engineering contracting ....................................................... $400
License to act as RME in general building contracting ................................................................. $400

(3) Reissuance of a license or issuance of a certified copy of license ............................................. $20
(4) Application: ............................................................ $50
(5) Application for Additional Classifications .......................................................... $50
(6) Letter of Good Standing ................................................................. $50
(7) Study Guide ................................................................. $75
(8) Inactive license fee (in lieu of renewal fee) .................................................. $50
(9) Exam Fee ................................................................. $50

(b) The annual fee or inactive license fee shall be paid on or before June 30 of each year for a license year beginning on July 1. Failure, neglect or refusal of any licensee to pay the annual fee before such date shall constitute a forfeiture of license. Any such license may be restored upon written application, therefore, within one (1) year from such date and the payment of the required fee plus an amount equal to ten percent (10%) thereof.

(c) Upon written request by a contractor, and for good cause, the Board shall place an active license in an inactive status. The license, upon payment of the annual inactive license fee, may continue inactive for a period of three (3) years after which time it must be reactivated or shall automatically become forfeited. The license may be reactivated at any time within the three (3)-year period by fulfilling the requirements for renewal, including the payment of the appropriate renewal fee.

§ 70115. Action on Application.

Within forty-five (45) days after the filing of a proper application for a license and the payment of the required fees, the Contractors License Board shall:

(a) Conduct an investigation of the applicant and in such investigation may post pertinent information, including, but not limited to, the name and address of the applicant, and if the applicant is
associated in any partnership, corporation or other entity, the names, addresses and official capacities of associates; and

(b) Either issue a license to the applicant or else notify the applicant in writing by registered mail of the Board's decision not to grant the license and specifically notify applicant of the right to have a hearing within fifteen (15) days from the receipt of the Board's decision. The hearing shall be conducted in accordance with § 70117.

§ 70116. Revocation, Suspension and Renewal of Licenses.

(a) The Contractors License Board may revoke any license issued hereunder, or suspend the right of the licensee to use such licenses, or refuse to renew any such license for any of the following causes:

(1) Conviction of any felony or misdemeanor involving moral turpitude;

(2) Any dishonest or fraudulent or deceitful act as a contractor which causes a substantial damage to another;

(3) Pursuing a continued and flagrant course of misrepresentation or of making false promises through advertising or otherwise;

(4) Abandonment of any construction project or operation without reasonable or legal excuse;

(5) Willful departure from or willful disregard of plans or specifications in any material respect without consent of the owner or duly authorized representative, which is prejudicial to a person entitled to have the construction project or operation completed in accordance with such plans and specifications;

(6) Willful violation of any law of the Territory or of any political subdivision thereof, relating to building, including any violation of any applicable rule or regulation of the Department of Public Health, or of any applicable safety or labor law;

(7) Failure to make and keep records showing all contracts, documents, records, receipts and disbursements by a licensee of all transactions as a contractor for a period of not less than three (3) years after completion of any construction project or operation to which the records refer or to permit inspections of such records by the Board;
(8) When the licensee being a co-partnership or a joint venture permits any member of such co-partnership or joint venture who does not hold a license to actively participate in the contracting business thereof;

(9) When the licensee being a corporation permits any officer or employee of such corporation who does not hold a license to have the direct management of the contracting business thereof;

(10) Misrepresentation of a material fact by an applicant in obtaining a license;

(11) Failure of a licensee to complete in a material respect any construction project or operation for the agreed price if such failure is without legal excuse;

(12) Willful failure in any material respect to comply with this Chapter or the rules and regulations promulgated pursuant thereto;

(13) Willful failure or refusal to prosecute a project or operation to completion with reasonable diligence;

(14) Willful failure to pay when due a debt incurred for services of materials rendered or purchased in connection with his operations as a contractor when the individual has the ability to pay or when the individual has received sufficient funds therefor as payment for the particular operation for which the services or materials were rendered or purchased;

(15) The false denial of any debt due or the validity of the claim therefor with intent to secure for licensee, employer or other person, any discount of such debt or with intent to hinder, delay or defraud the person to whom such debt is due;

(16) Failure to secure or maintain workmen's compensation insurance;

(17) Knowingly entering into a contract with an unlicensed contractor involving work or activity for the performance of which licensing is required under this Chapter, or

(18) When the Responsible Management Employee and/or the majority stockholders have, under another corporate or company
structure, caused the non-payment of employees wages and/or the abandonment of alien workers to become a burden on the Government.

(19) Willful failure to pay when due a debt or penalty incurred for damaging a public utility operated by the Guam Power Authority, the Guam Telephone Authority or the Guam Waterworks Authority and the Department of Public Works.

(20) Knowingly taps into any power, water, sewer line, or facility belonging to the Guam Power Authority and/or the Guam Waterworks Authority without first obtaining permission through the established service rules and regulations of each respective governmental agency.

(b) No license shall be suspended for longer than two (2) years and no person whose license is revoked shall be eligible for a new license until the expiration of two (2) years.

(c) For purposes of this Section, the Contractors License Board in cooperation and in conjunction with the Department of Public Works, Department of Revenue and Taxation and the Department of Labor may have investigative powers for purposes of carrying out the intent of this Section.

§ 70117. Hearings.

(a) In every case where it is proposed to refuse to grant a license or to revoke or suspend a license or to refuse to renew a license, the Contractors License Board shall give the person concerned notice and hearing in conformity with the Administrative Adjudication Law. The notice shall be given in writing by registered or certified mail with return receipt requested at least fifteen (15) days before the hearing.

(b) In all proceedings before it, the Board, and each member thereof, shall have the same powers with respect to administering oaths, compelling the attendance of witnesses and the production of documentary evidence and examining witnesses as are possessed by circuit judges at chambers. In case of disobedience by any person of any order of the Board, or any member thereof, or any subpoena issued by it, or the person, or the refusal of any witness to testify to any matter regarding which the individual may be questioned lawfully, any judge of the Superior Court, on application by the Board thereof, shall compel obedience as in the case of disobedience of the
requirements of a subpoena issued by the Superior Court, or a refusal to testify therein.

§ 70118. Appeal to Superior Court.

An applicant who has been refused a license and every licensee whose license has been suspended, revoked or not renewed may appeal the Contractors License Board's decision to the Superior Court in the manner provided in the Administrative Adjudication Law.

§ 70119. Disposition of Fees, Refunds.

(a) Notwithstanding the Central Accounting Act, all fees and money collected under the provisions of this Chapter shall be deposited in a special fund known as the Contractors License Board Fund. This Fund shall be kept in a bank licensed to do business on Guam and funds shall be paid out only upon a request for payment or requisition submitted by the Executive Director or its personnel and countersigned by the Chairman of the Board. All monies in this Fund shall require legislative appropriation.

(b) The Board may request the Treasurer of Guam to have any fee erroneously paid to it under this Chapter refunded when the Board deems it just and equitable.

§ 70120. Death or Dissociation.

No co-partnership, joint venture or corporation shall be deemed to have violated any provision of this Chapter by acting or assuming to act as a contractor after the death or dissociation of a licensee who had the direct management of the contracting business thereof prior to final disposition by the Contractors License Board of an application for a license made within thirty (30) days from the date of the death or dissociation.

§ 70121. Violation, Penalty.

Any person who violates or omits to comply with any of the provisions of this Chapter shall be fined an amount no less than Two Hundred Dollars ($200) but not to exceed fifty percent (50%) of the value of the project.

§ 70122. Injunction.

The Contractors License Board may, in addition to any other remedies available, apply to a judge of the Superior Court for a preliminary or permanent injunction restraining any person from acting or assuming to act or advertising as general engineering contractor, general building contractor
or specialty contractor, without a license previously obtained under and in compliance with this Chapter and the rules and regulations of the Board and upon hearing and for cause shown, the judge may grant the preliminary or permanent injunction.

§ 70123. Exemptions for Prior Licensees.

Any contractor who obtained a valid contractor's license under the existing license statute prior to July 1, 1977, shall be exempt from the provisions of this Chapter relative to application, investigations and examinations. Any contractor with a valid license issued prior to July 1, 1977, with a classification different from those enumerated in § 70106, shall be automatically placed in the appropriate classification without the necessity of complying with the application, investigation and examination provisions of this Chapter. All other provisions shall apply.