

12 GCA AUTONOMOUS AGENCIES
CH. 54 SMALL BUSINESS DEVELOPMENT FUND

CHAPTER 54
SMALL BUSINESS DEVELOPMENT FUND

- § 54101. Small Business Development Fund.
- § 54102. Same: Source of Moneys.
- § 54103. Same: Use of Fund Moneys.
- § 54104. Responsibilities.
- § 54105. Use of Funds.
- § 54106. Annual Reports.
- § 54107. Rules and Regulations.
- § 54108. Construction.
- § 54109. Funding.

§ 54101. Small Business Development Fund.

There is hereby established a special fund called the *Small Business Development Fund*, hereinafter referred to as the *Fund*, which shall be maintained separate and apart from any other funds of the Guam Economic Development Authority (the *Authority*), and independent records and accounts shall be maintained in connection therewith.

SOURCE: Formerly 12 GCA §2210. Added by P.L. 21-42:12(b).

§ 54102. Same: Source of Money.

(a) The Governor of Guam and the Director of the Department of Administration shall transfer to the Fund up to six hundred thousand dollars (\$600,000) annually of those revenues generated by any increase in the fees collected by the government of Guam for the application for or renewal of business licenses subsequent to June 30, 1995.

(b) The accumulated balance of the Fund inclusive of all receivables shall not exceed three million dollars (\$3,000,000). If the accumulated balance of the Fund inclusive of all receivables reaches three million dollars (\$3,000,000), funding to the Fund shall be suspended until such time as the accumulated balance of the Fund inclusive of all receivables declines below three million dollars (\$3,000,000).

(c) Any funds transferred to the Fund under this Act shall not be subject to the Governor's transfer authority.

SOURCE: Formerly 12 GCA §2211. Added by P.L. 21-42:12(b). Repealed/reenacted by P.L. 23-36:2 (6/95).

12 GCA AUTONOMOUS AGENCIES
CH. 54 SMALL BUSINESS DEVELOPMENT FUND

NOTE: P.L. 23-36:3 established an effective date for the amendment to this section, which provided:

Effective date of this Act. This Act shall take effect only upon the implementation of any increase in the fees collected by the government of Guam for the application for or renewal of business licenses granted by the government of Guam subsequent to June 30, 1995

§ 54103. Use of Fund Money.

(a) The money in the Fund is to be used by the Guam Economic Development Authority to encourage, assist, develop and expand the small business private sector in Guam's economy. The money is to be used in the form of loans to individuals who are U.S. citizens who have resided on Guam for a minimum of two (2) consecutive years, small corporations and partnerships, a majority of whose company equity ownership is held in majority by U.S. citizens who have resided on Guam for a minimum of two (2) consecutive years, for the purpose of stimulating and promoting small business growth. Additionally, the Authority shall be authorized to use money from this Fund for equity participation in a new company, or in an existing company, for the purpose of such company's expansion. The Authority shall base its decisions regarding equity participation on the merits of the project, and on other factors which the Authority may determine warrants participation by the Authority.

(b) The Authority shall place special emphasis on assisting local companies in the proposed outsourcing of BOS functions in Guam, as defined in §58128.7, Title 12, Guam Code Annotated. Consequently, pursuant to the powers, duties and responsibilities given the Authority in Division 2 of Title 12 of the Guam Code Annotated, the Authority is directed to ensure that those Guam-based business concerns participating in the Performance of BOS Activities as Contractors or Subcontractors, or otherwise, are granted special consideration, without necessarily compromising the credit-worthiness of each specific project in granting them loans or in taking equity interests therein to encourage, assist, develop and expand this particular aspect of the business private sector in Guam's economy.

SOURCE: Formerly 12 GCA §2212. Added by P.L. 21-42:12(b). Amended by P.L. 24-295:8. Subsection (b) amended by P.L. 27-103:2.

§ 54104. Responsibilities.

12 GCA AUTONOMOUS AGENCIES
CH. 54 SMALL BUSINESS DEVELOPMENT FUND

It shall be the responsibility of the Authority to: (a) provide the needed funds; (b) assist in providing financial, marketing and management information; (c) approve or disapprove specific proposals; (d) approve loans and/or equity participation consistent with proposals; (e) exercise continuing technical surveillance of each project. If, in carrying out the provisions of this section, the Authority acquires equity in any small business venture, the Authority shall provide appropriate provision to dispose of the equity once the business becomes viable. The recovery of this money is to be put back into the small business development fund.

SOURCE: Formerly 12 GCA §2213. Added by P.L. 21-42:12(b).

§ 54105. Use of Funds.

Funds will be disbursed in accordance with the agreed terms of the loan and in accordance with promulgated rules and regulations for approved applications/projects. Collateral security will be obtained, whenever possible, in accordance with established rules and regulations. Funds so disbursed will be on the basis of an interest charge deemed reasonable by the Authority. In addition, loan funds shall be disbursed on a continuing and revolving basis, until such time as the project is self-supporting.

SOURCE: Formerly 12 GCA §2214. Added by P.L. 21-42:12(b).

§ 54106. Annual Reports.

An annual report shall be made to the Governor and the Legislature, reporting upon the progress made and containing a detailed analysis with respect to the administration and financial commitments of the Fund.

SOURCE: Formerly 12 GCA §2215. Added by P.L. 21-42:12(b).

§ 54107. Rules and Regulations.

The Guam Economic Development Authority shall develop procedures, rules and regulations to implement the intent of this Chapter.

SOURCE: Formerly 12 GCA §2216. Added by P.L. 21-42:12(b).

§ 54108. Construction.

This Chapter shall be liberally construed to accomplish its purpose in aiding in the development of small business on Guam.

SOURCE: Formerly 12 GCA §2217. Added by P.L. 21-42:12(b).

§ 54109. Funding.

12 GCA AUTONOMOUS AGENCIES
CH. 54 SMALL BUSINESS DEVELOPMENT FUND

Three Million Dollars (\$3,000,000) are appropriated from the General Fund to the Guam Economic Development Authority for the Small Business Development Fund.

SOURCE: Formerly 12 GCA §2218. Added by P.L. 21-42:12(b).
