



Office of the Speaker
THERESE M. TERLAJE

I Mina'trentai Sais na Liheslaturan Guåhan | 36th Guam Legislature
Committee on Health, Land, Justice and Culture

**Fund Road Repairs through General Fund
Not on the Backs of Struggling Families**

FOR IMMEDIATE RELEASE (April 7, 2022 – Hagåtña, Guam) – Speaker Therese Terlaje’s measures to provide relief to consumers at the gas pump were given a public hearing today. Bill 260-36 (LS) proposes to repeal Public Law 34-44 which increased the Liquid Fuels Tax Rate by four cents (\$0.04) per gallon in 2017. The second measure, Bill 261-36 (LS) proposes to repeal 11 GCA Chapter 26 Articles 4 & 5, which would eliminate the Liquid Fuels Tax altogether. Currently, every gallon of gasoline is taxed an additional 15 cents through a local liquid fuel tax and an additional 8 cents in surcharges, totaling 23 cents per gallon for non-diesel fuel. Bill 261-36 intends to aid working class residents by putting that money back in gas consumers’ pockets.

Local gas companies lent their support to the measures through written testimony. IP&E stated that reductions in liquid fuel tax “would have a net effect to reduce costs for Guam consumers.” South Pacific Petroleum Corporation concurred, noting that reductions, “if enacted, would be passed on to the consumers.”

BBMR originally estimated that eliminating the gas tax would decrease Guam Highway Fund revenue by \$9.6 M to \$10.5 M. However, at the public hearing, they conceded that the actual impact would be only \$5.25 million for the rest of FY 2022.

There was discussion at the hearing that a funding source needed to be identified, however, as has been stated at numerous public hearings, legislative sessions, and through the enactment of other bills, the administration’s policy, according to the fiscal team, is to fund Special Fund shortfalls with the General fund. The Speaker emphasized that the government should prioritize the current \$61 M in excess General Fund revenues and future General Fund monies to pay for critical services like road repairs, mass transit, and village services. Funding these services through the General Fund can help lower gas prices for all consumers and small businesses while still maintaining all of the critical government services currently funded by the Guam Highway Fund.

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“I absolutely believe that village road repairs, and other critical services provided by the Mayors, Guam Regional Transit Authority, and DRT are important and should be funded but I don’t think our road repairs should be funded on the backs of our gas consumers. The appropriations to the Mayors, GRTA, DPW, DOA, GPD, and DRT would not be repealed or impacted by these measures. These bills prioritize our families who are struggling to pay for gas, rent and utilities by removing the local liquid fuel tax and redirect our General Fund revenues so that village road repairs and other critical government services continue uninterrupted,” stated the Speaker.

In addition to the gas companies, former Executive Manager of GRTA, Cel Babauta, as well as the Guam Chamber of Commerce submitted testimony in support of the bills. The Speaker is encouraging residents to submit testimony via email or to the Office of Speaker Therese Terlaje at the Guam Congress Bldg; 163 Chalan Santo Papa, Hagåtña, Guam.

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For more information, please contact Speaker Therese M. Terlaje’s office at (671) 472-3586 or via e-mail at senatorterlajeguam@gmail.com.