



OFFICE OF SENATOR
Eulogio Shawn Gumataotao

38th Guam Legislature | *I Mina'trentai Ocho Na Liheslaturan Guåhan*

Bill Seeks to Increase Housing Inventory by Authorizing Temporary Business Licenses for Residential Units

Proposal adds Certified Home Inspection requirements to boost economic activity in housing industry

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Senator Shawn Gumataotao has introduced legislation that would authorize the Department of Revenue and Taxation to issue temporary business licenses to homeowners who desire to rent out their residential units. The bill would allow a residential unit, such as a single-family home or apartment or condominium unit, to be rented out if the property meets inspection requirements established by a Certified Home Inspector licensed by the Government of Guam.

“This bill recognizes that the price and availability of residential units remain a challenge for individuals and families across our island,” said Senator Gumataotao. “With a limited housing inventory and a market influenced primarily by the immediate housing needs of our military partners and federal contractors we need a solution to meet this challenge head on.”

The average cost of a single-family home in Guam is reported to have doubled over the past 10 years. At a Society of American Military Engineers Guam Post Forum held in November 2024, Cornerstone Valuation Guam Inc. told those in attendance that what used to be about \$213,600 for that home costs \$420,000 in today’s dollars. Additionally, the Guam Housing and Urban Renewal Authority (GHURA) has stated publicly that outside of housing supply and demand issues, the overseas housing allowance provided to military service members is artificially inflating the cost of housing in Guam. GHURA expects that as of 2025, Guam faces a demand for 9,908 additional housing units driven by population growth, pent-up demand and hidden homelessness.

“If approved, this proposal creates a legal pathway for residential units to be rented out if they meet the inspection requirements of a Certified Home Inspector including, but are not limited to, structural, electrical, plumbing, and cooling systems,” said Senator Gumataotao. “Property owners will be given up to one year to complete any pending business license requirements and within that time frame, this bill allows them to generate income by providing other families with safe and affordable housing options.”

As drafted, the bill provides that if a residential unit is found in violation of any of Guam’s real property use laws or any health or safety regulations after a temporary business license is issued, the temporary business license shall be immediately revoked. All provisions in Guam law relating to fair housing and taxes including income taxes, property taxes, gross receipts taxes, insurance, and rentals would apply to temporary business licenses, and the Government of Guam shall not be held liable for any injury, death, or legal or financial obligation arising from a rental unit temporarily licensed under the proposed law.

For more information, please contact Senator Gumataotao’s office at (671) 647-1409/1411 or via email at office.senatorshawn@guamlegislature.gov.

Attachment: *ESG Residential Units Temporary Business License Bill No. 125-38 (COR)*