



GUAM CANNABIS ANALYSIS & LICENSE PROCESS REVIEW

DEPARTMENT OF REVENUE AND TAXATION

AUGUST 2026



AGENDA

Cannabis License Process

Cannabis Facilities Explained

California Benchmark

Cross-Facility Findings

Facility-Specific Considerations

- Cultivation Facility
- Manufacturing Facility
- Retail Facility
- Testing Facility

Final Recommendations

The Team, Contact, & Resources

License Process for the 4 License Types

- Cultivating
- Manufacturing
- Retail
- Testing Facility



License Process

Cannabis License Process (Step-5)

1 Mayor's Office / Department of Revenue and Tax

- Obtain Cannabis packet/
Application from DRT
- Obtain valid verification
of residency from the
Mayor's Office

Applicants may be required
to provide:

- Valid government issued
identification
- Proof of property
ownership
- Any additional
documents required by
Mayor's office

2 Department of Land Management

- Obtain Map and ce rtif ied
letter of site where
facility is located
- Obtain agency clearance

3 Department of Public Works

- Clearance from DLM is
required before DPW
 - DPW Permits section
recommends that the
applicant to schedule
a consultation prior
to clearance
- If there are no
pending/unresolved
remarks at this stage,
DPW will clear

4 Guam Fire Department

- Request for site visit
- Obtain agency clearance

5 Guam Waterworks Department

- Obtain GWA's CEL
requirements form and
submit to GWA Permits
- If there are no
pending/unresolved
remarks, GWA will stamp
and sign DRT CEL form with
noted conditions as
clearance

Cannabis License Process (Step 60)

6

Guam Environmental Protection Agency

- Request for site visit
- Obtain agency clearance

8

Department of Public Health and Social Services

- Request for site visit
- Obtain Health Certification
- Obtain agency clearance

10

Department of Revenue and Tax

- Submit Cannabis Establishment License (CEL) in person to DRT

7

Department of Agriculture

- Obtain From AAF -22
- Obtain agency clearance

9

Mayor's Office

- All Documents must be signed and cleared by all agencies
- Possible Site visit by Village Mayor to ensure compliance with Guam laws

Submit Cannabis Establishment License (CEL) in person to DRT.

- DLM CEL clearance
- Zoning & Drug -Free School verification
- Ownership & Business registration documents
- Proof of Guam residency
- Identity document
- Police, Court, and AG clearances
- Business license and Privilege Tax number
- Property ownership or lease documents
- Applicable application fee

License Process Summary

- DRT Compliance Branch reviews applicant's submission of all required documents.
 - All documents requiring signatures, notarization, and certification must be completed.
- If application is complete, requirements are met, and fee is paid, Compliance Branch will forward to the Cannabis Control Board for review.
- Upon the Cannabis Control Board's approval the Compliance Branch will issue the Cannabis Establishment License (CEL).



License Process

Cultivation Facility

“An entity licensed to cultivate, prepare, and package cannabis; and sell cannabis to retail cannabis stores, cannabis product manufacturing facilities, and other licensed cannabis cultivation facilities, but not to consumers.”

Manufacturing Facility

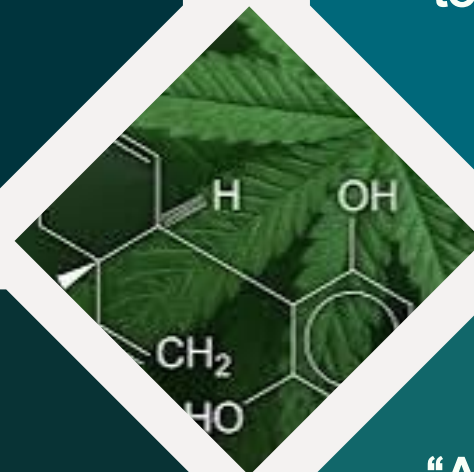
“An entity licensed to purchase cannabis from licensed cannabis cultivation facilities to manufacture, prepare, and package cannabis products; and to sell cannabis and cannabis products to other cannabis product manufacturing facilities and to retail cannabis stores, but not to consumers.”

Retail Facility

“An entity licensed to purchase cannabis and to sell cannabis and cannabis products to consumers. Nothing herein shall be construed to prohibit a licensed retail cannabis store to purchase, sell, or transfer cannabis and cannabis products to another licensed retail cannabis store.”

Testing Facility

“An entity licensed to analyze and certify the safety and potency of cannabis.”





Our Benchmark

WHY CALIFORNIA?

A mature, transparent market with codified fees and strict land-use standards.

CALIFORNIA



Takeaways

- California is one of the largest and longest-continuously-regulated legal cannabis markets in the U.S., with a mature, publicly documented fee and licensing structure.
- California's canopy-based cultivation tiers and revenue-scaled retail/testing fees offer a directly comparable structure to evaluate Guam's own tiered and flat-fee approaches.
- California enforces strict, codified public-safety and land-use standards, reflecting the kind of rigorous regulatory framework that makes it a meaningful benchmark, not just a large one.
- California offers public health and product-safety standards.
- California provides measurable experience in licensing, taxation, public health, supply-chain management, local control, social equity and enforcement.
- California reveals not only the economic possibilities of legalization but also the consequences of excessive taxation, fragmented permitting, limited retail access and inadequate competition with the illicit market.



Takeaways

Multiple Agency Coordination

Obtaining a cannabis establishment license requires coordination among several GovGuam agencies before final approval is granted.

Comprehensive Regulatory Review

Applicants must satisfy zoning, building, environment, health, fire code and operational requirements before receiving a Permit to Operate.

Location Compliance

All cannabis establishments must comply with Guam zoning regulations and Drug-Free School Zone requirements before approval.

Ongoing Compliance

Receiving a license is not the end of the process. Cannabis establishments remain subject to inspections, record keeping, and operational compliance requirements.

Cultivation Facility Considerations

- Types of Fees
- Advantages / Disadvantages
- Recommendations



Facility & Fees

Cultivation facility type corresponds directly to canopy size—the larger the growing space, the higher the license tier and fee.

LICENSE TYPE		APPLICATION FEE	NEW LICENSE FEE	LICENSE RENEWAL FEE	PERMIT TO OPERATE FEE
Type I Cultivation Facility	0 to 500 SQ.FT of Canopy	\$500	\$500	\$500	\$600 PER YEAR
Type II Cultivation Facility	501 to 2,500 SQ.FT of Canopy	\$2,000	\$3,000	\$3,000	\$2,000 PER YEAR
Type III Cultivation Facility	2,501 to 5,000 SQ.FT of Canopy	\$3,500	\$5,000	\$5,000	\$5,000 PER YEAR
Type IV Cultivation Facility	5,001 to 10,000 SQ.FT of Canopy	\$5,000	\$10,000	\$10,000	\$15,000 PER YEAR

Facility-Specific Considerations Cultivations



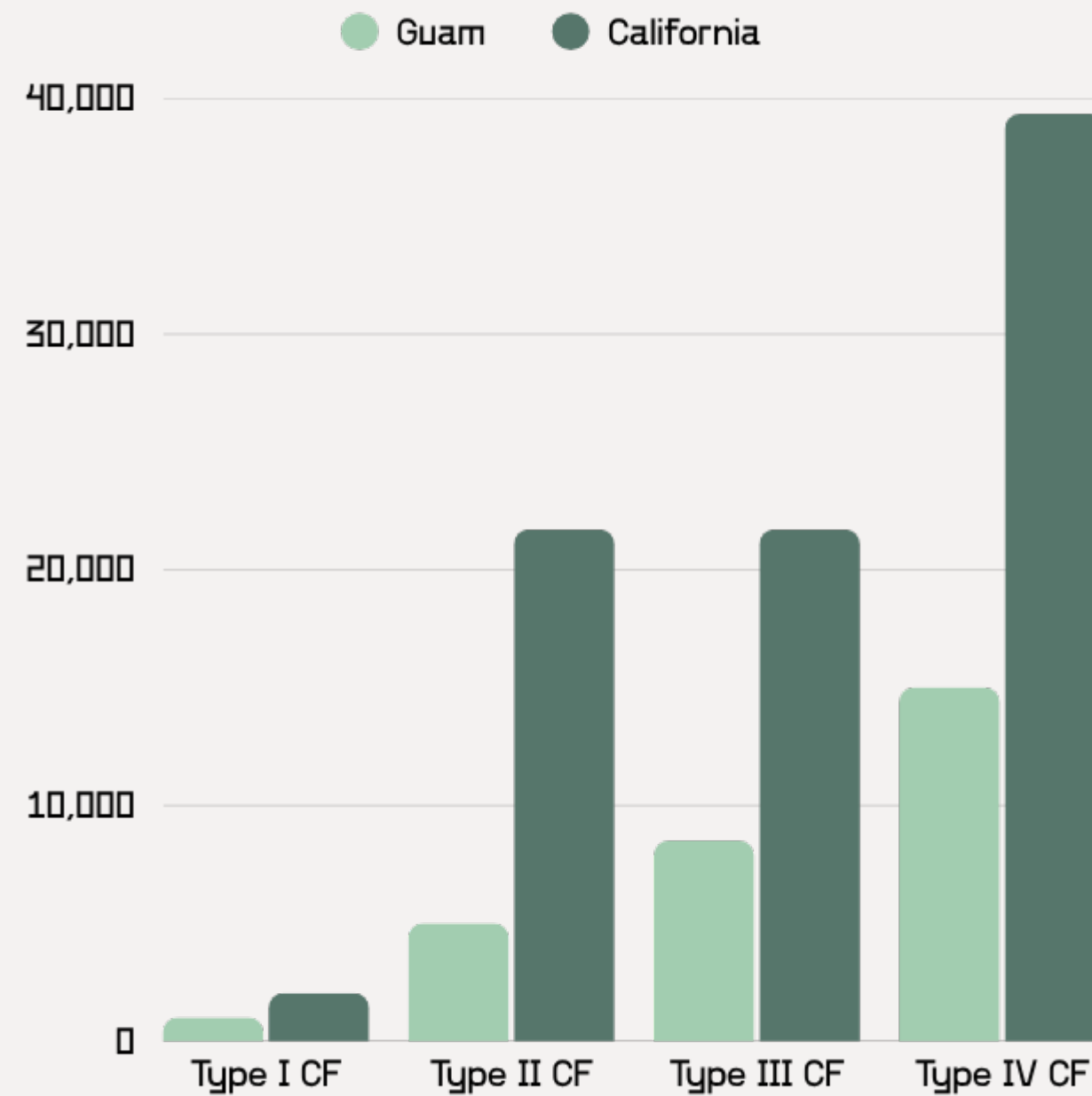
Cost Comparison

Application + License Fee

Guam's cultivation fees are tiered by canopy size — same structure California uses.

At every tier, Guam charges significantly less than California for the same square footage:

- Type I: Guam is 2x cheaper
- Type II: Guam is 4.3x cheaper
- Type III: Guam is 2.6x cheaper
- Type IV: Guam is 2.6x cheaper



Guam DRT Cannabis Establishment Fee Schedule
California DCC Cultivation License Fees (cannabis.ca.gov)

Facility-Specific Considerations Cultivations



Advantages

— Low Barrier to Entry

- Guam's cultivation fees are tiered directly to canopy size (four tiers, 0–10,000 sq ft). A small grower will not pay the same as a large one — Type I costs \$1,600 total, Type IV costs \$30,000 total. This allows for a low barrier to entry.
- All four tiers remain well below comparable California cultivation costs — California's small indoor cultivation runs \$7,000 –\$15,000 /year in license fees alone, and medium cultivation runs \$20,000 –\$40,000 /year — meaning even Guam's largest tier (Type IV, \$15,000 /yr Permit to Operate) sits at the low end of California's medium tier, despite matching California's medium canopy size.
- Renewal fees are set equal to the New License Fee at every tier (not a separate, higher recurring cost) — this gives operators cost predictability year over year, which lowers the risk of budgeting for a licensed cultivation business.



Disadvantages

— Underpriced Relative to Market Value

- Even though Guam's fee structure mirrors California's canopy -based tiering, the dollar amounts are consistently lower . The same canopy size range (5,001 –10,000 sq ft), Guam charges a \$15,000 /year Permit to Operate fee versus California's \$20,000 –\$40,000 /year for the equivalent tier .
- One-time entry costs (Application + New License Fee) are especially low compared to California — Guam's Type IV entry cost is \$15,000 combined (\$5,000 + \$10,000), more than 2.5 times cheaper than California for the equivalent tier .
- This gap is most pronounced at the top tier (Type IV) — meaning the biggest, most established operations are the ones getting the largest relative discount versus what a comparable -size California operation would pay.



Recommendations

- Increase renewal fees for Guam Cultivation Facilities to recoup revenue loss from below-market entry pricing, while keeping initial application costs low for new entrepreneurs . DRT should conduct a fee study comparing Guam's renewal (License Fee) rates against mature markets (e.g., California) to determine an appropriate adjustment .
- Cannabis cultivators face several financial challenges, such as high startup costs, taxes, and compliance expenses . However, with effective cost management and a solid business plan, the potential for profitability remains strong .



Manufacturing Facility Considerations

- Types of Fees
- Advantages / Disadvantages
- Recommendations



Facility & Fees

Guam charges a single flat fee for all cannabis manufacturing facilities—\$3,000 to apply, \$4,000 for the license, and \$5,000 per year to operate —regardless of the facility's size or production method.

LICENSE TYPE	APPLICATION FEE	NEW LICENSE FEE	LICENSE RENEWAL FEE	PERMIT TO OPERATE FEE
Cannabis Product Manufacturing Facility License	\$3,000	\$4,000	\$4,000	\$5,000 PER YEAR

Unlike Guam's single flat fee, California splits manufacturing licenses into distinct types based on production method and risk:

- Type 6 for non-volatile or solvent-free processing
- Type 7 for volatile-solvent extraction, which carries stricter safety requirements due to fire and explosion risk.



Facility & Fees

	GUAM	CALIFORNIA
License Structure	One flat license type	Split by production method (Type 6, 7, N, P)
Fee Basis	Fixed dollar amount	Scaled to business revenue
Solvent Risk Addressed	No distinction	Yes —Type 7 (volatile solvent) requires added safety standards
Fee If Using High - Risk Extraction	Same as any other manufacturer	Same base type, but subject to stricter safety compliance (§26105)(16)

- While Guam applies one uniform license and fee structure to every manufacturing facility, California scales its requirements by both business size and production risk—creating a more tailored (but more complex) regulatory approach.



Advantages

— Simplicity and Predictability

- Guam's flat fee structure (\$3,000 / \$4,000 / \$4,000 / \$5,000 -per-year) is simple to understand and apply to — no revenue disclosures, no production -method classification needed at the application stage.
- A single license type lowers the administrative burden for both applicants and DRT, compared to California's multi-tier system (Type 6, 7, N, P) which requires classifying every applicant by method and revenue before a fee can even be calculated .
- Predictable, fixed costs make it easier for small or first-time manufacturers to budget and enter the market, regardless of what they're planning to produce .



Disadvantages

— No Risk Based Differentiation

- Guam's flat rate doesn't distinguish between low-risk production (e.g., non-solvent edibles) and high-risk production (volatile -solvent extraction, which carries fire/explosion risk) — both are charged and regulated identically .
- Because there's no equivalent to California's Type 7 volatile -solvent classification, Guam's current structure may not be capturing the added safety oversight that higher -risk manufacturing methods actually require .
- A large-scale manufacturer and a small-scale one pay the same fee, unlike Cultivation (which scales by canopy size) — meaning Manufacturing doesn't currently reflect the same "pay proportional to scale" logic Guam already applies elsewhere in its own cannabis licensing .



Recommendations

- Guam should adopt a solvent-risk distinction for manufacturing licenses, similar to California's Type 6 (non-volatile/solvent-free) vs. Type 7 (volatile-solvent) split — separating low-risk production methods from those carrying fire/explosion risk.
- Volatile-solvent extraction facilities should be subject to additional safety requirements (ventilation, explosion-proof equipment, GFD site inspection standards) beyond what's currently required under the flat license structure.
- GFD should jointly determine whether this warrants a separate fee tier or simply added safety compliance requirements within the existing fee — this needs input from Fire Department code experts, not just a fee study, since the core issue here is safety oversight, not lost revenue (unlike Cultivation).



Retail

Facility Considerations

- Types of Fees
- Advantages / Disadvantages
- Recommendations



Fees & Facility

- Guam charges a single flat fee for all retail cannabis stores:
- \$5,000 to apply, \$5,000 for the license, and \$5,000 per year to operate — regardless of the store's size or sales volume .

LICENSE TYPE	APPLICATION FEE	NEW LICENSE FEE	LICENSE RENEWAL FEE	PERMIT TO OPERATE FEE
Retail Cannabis Store License	\$5,000	\$5,000	\$5,000	\$5,000 PER YEAR

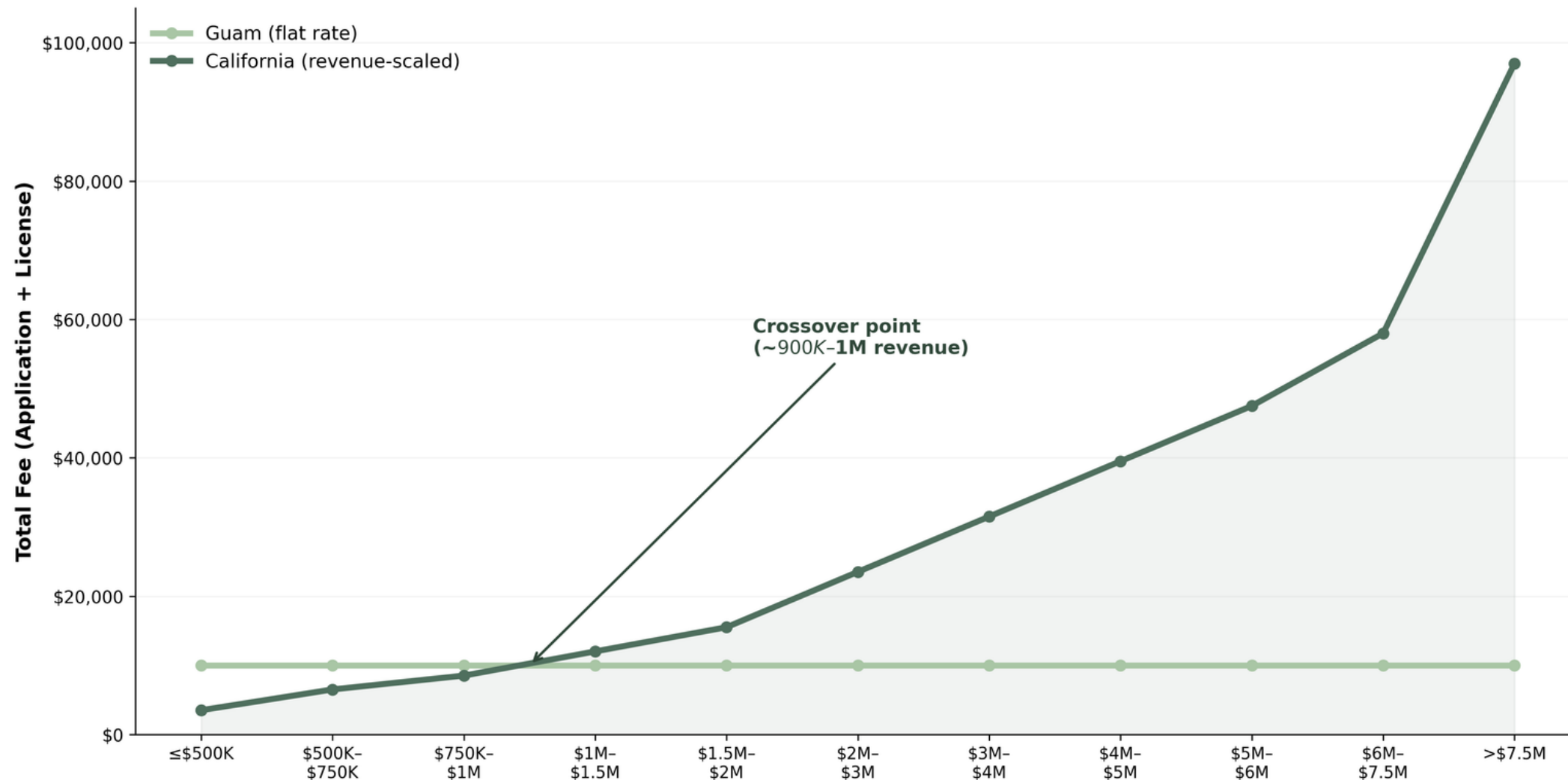
California, by contrast, scales its retail license fee to the store's gross annual revenue, creating a very different cost structure for small versus large operators.



Fees & Facility

Facility-Specific Considerations Retail

Retail License Fee: Guam Flat Rate vs. California by Revenue



The horizontal line shows Guam's fixed \$10,000 fee, while the rising line shows California's fee, which increases as a retailer's gross annual revenue increases—the point where the two lines cross marks where Guam's flat rate stops being the cheaper option .



Advantages

— Simplicity and Predictability

- Guam's flat fee (\$5,000 across application, license, and renewal, plus \$5,000/year to operate) is simple to understand and budget for —no revenue disclosure or tiered classification required at application.
- Predictable costs make it easier for small, first-time retail entrepreneurs to plan and enter the market without needing to project future sales volume just to know their licensing cost.
- Below roughly \$900K–\$1M in annual revenue, Guam's flat rate is actually cheaper than California's scaled system —meaning small Guam retailers pay less than a comparably small retailer would in California.
- One consistent fee across all retail applicants reduces administrative complexity for DRT, compared to California's model which requires verifying gross annual revenue before a fee can even be calculated.



Disadvantages

— Flat Rate - A Double-Edged Sword

- Higher barrier to entry for small retailers: A store earning under \$500K/year would pay only \$3,500 in California, but pays Guam's flat \$10,000 —nearly 3x more. Guam's flat rate makes it harder, not easier, for small or first-time retail entrepreneurs to enter the market compared to a scaled system.
- Missed revenue opportunity from large retailers: A store earning over \$7.5M/year would pay \$97,000 in California, but only \$10,000 in Guam —meaning Guam collects a fraction of what a scaled system would from its biggest, most profitable retail operators.
- The flat rate only serves the middle of the market well — retailers near the \$900K–\$1M crossover point pay roughly what they'd pay under either system, but both the smallest and largest retailers are mismatched relative to their actual revenue.



Recommendations

- Guam should evaluate transitioning from a flat retail fee to a revenue-scaled structure similar to California's — this would lower the barrier to entry for small/first-time retailers (currently paying 3x more than they would under a scaled system) while capturing more revenue from high-earning retailers currently paying a fraction of what a scaled system would collect .
- Any specific tiers or dollar amounts should come from a formal DRT fee study using actual or projected Guam retail revenue data — not an assumed match to California's brackets, since Guam's market size and consumer base differ significantly from California's .
- Separately, DRT should confirm point-of-sale requirements (age verification, secure cash handling, public access controls) are clearly codified for retail specifically, since retail is the only license type with direct consumer-facing transactions — unlike the fee question, this doesn't require a study, just confirmation the existing regulations address it explicitly .



Testing Facility Considerations

- Types of Fees
- Findings
- Advantages / Disadvantages
- Recommendations



Fees & Facility

Guam charges a single flat fee for all testing facilities:

- \$2,000 to apply, \$2,000 for the license, and \$2,000 per year to operate — regardless of the lab's size or testing volume .

LICENSE TYPE	APPLICATION FEE	NEW LICENSE FEE	LICENSE RENEWAL FEE	PERMIT TO OPERATE FEE
Cannabis Testing Facility License	\$2,000	\$2,000	\$2,000	\$2,000 PER YEAR

California, by contrast, scales its testing license fee to the facility's gross annual revenue, creating a very different cost structure for small versus large operators.

Facility-Specific Considerations Testing



Findings

- Cannabis testing laboratories in the U.S. must be ISO accredited — ISO 17025 certification is non-negotiable. Regulatory authorities will not accept testing and calibration results from cannabis laboratories that aren't accredited.
 - High-risk parameters need to be measured for the equipment's entire range of use with calibrated tools. This should be followed by a periodic holistic chemical check demonstrating the instrument's functionality.
- Because Guam law requires potency/safety testing before sale, the absence of a lab has stalled retail and cultivation businesses for over a dozen businesses.

Facility-Specific Considerations Testing



Advantages

- The cannabis [sativa] plant provides host of a variety of organisms: Grey and academic literature highlight the presence of pathogenic microbial contaminants, particularly bacteria and mold. Lab testing is the first line of defense against these contaminants which can be very dangerous for customers, especially those with compromised immune systems.
- Licensed cultivators must meet safety standards and regulatory requirements. Some cultivators nationwide believe they can conduct their own testing, however the impact of failing audits has put many growers out of business. Therefore, manufacturers and cultivators of cannabis-related products should work with reputable cannabis testing facilities.
- Lab testing facilities verify the potency (levels of major cannabinoids) to prevent consumer from potentially experiencing cannabinoid hyperemesis syndrome, or CHS.

Facility-Specific Considerations Testing



Disadvantages

- Equipment such as HPLC and GC-MS instruments, along with lab-grade ventilation and waste handling, is expensive to import and maintain on an island, with limited local supply-chain support for repairs/calibration.
- Risk of either a monopoly (pricing leverage) or lab operating below capacity due to Guam's relatively smaller population to mainland cannabis markets.
- Testing carries the lowest flat license fee of Guam's three non-scaled license types (\$2,000 vs. Manufacturing's \$3,000 –\$5,000 and Retail's \$5,000)—despite likely requiring the most expensive equipment to actually operate, creating a mismatch between licensing cost and real operating cost that the other two flat-rate types don't have.

Facility-Specific Considerations Testing



Recommendations

Accreditation & Activation

- Confirm with DPHSS early which accreditation bodies and standards they'll recognize, rather than assuming ISO17025 alone suffices.
- Rather than pursuing full-panel accreditation (potency, heavy metals, microbials, residual solvents) all at once, labs should pursue potency and safety testing accreditation first —getting a facility operational sooner, rather than waiting on every category before anyone can open.

Local Capacity

- Partner with GCCor UOG on a lab technician certification track, reducing reliance on recruiting off-island analytical chemists and lowering long-term staffing costs for lab facilities on Guam

Fee Structure

- DRT should evaluate whether Testing's \$2,000 flat fee reflects the real cost of operating a lab-grade facility, given the equipment expense (HPLC/GCMS, ventilation, waste handling).





Final Recommendations

Fee Structure

- Cultivation is the only license type that scales fees by size; Manufacturing, Retail, and Testing all use flat fees regardless of business scale or risk — DRT should evaluate extending scaled/tiered pricing where it fits (Retail, Manufacturing), and confirm flat fees reflect real operating costs where it doesn't (Testing).

Applicant-Facing Process

- Develop a Comprehensive Application Checklist — provide applicants with a standardized checklist so all required documents and agency approvals are clear before submission, across all four license types.
- Verify Location Requirements Early — applicants should confirm zoning compliance and Drug-Free School Zone restrictions before investing in any cannabis establishment location, not just retail.

Ongoing Operations

- Maintain Compliance Through SOPs — all cannabis establishments should regularly review and update their Standard Operating Procedures to remain compliant with Cannabis Control Board regulations.
- Employee Training — provide ongoing training on inventory management, security procedures, recordkeeping, and regulatory compliance across all license types.



Final Recommendations

Process Improvements

- Validate and streamline the licensing process where possible — identify steps that could be consolidated or run in parallel rather than strictly sequential.
- Re-evaluate the One Stop Permit Center's current design — DPW clearance can't begin until DLM clearance is complete, which undercuts the "one stop" concept if applicants still have to move sequentially through separate offices before reaching DPW.

Interagency Capacity

- Provide interagency training so staff across DRT, DLM, DPW, GFD, GWA, GEPA, DOAg, and DPHSS understand each other's requirements, not just their own.
- Explore forming an interagency committee with subject-matter experts from each agency, giving applicants — and DRT — a single coordinating body to resolve cross-agency issues.

Transparency and Applicant Support

- Publish a public list of applicants in process and licensed establishments, giving the public and prospective applicants visibility into where the market stands.
- Explore wraparound services and business partnerships — potentially locally funded startup grants through agencies like GEDA — to support new cannabis entrepreneurs through licensing and startup.

The Team

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Standing behind a podium flanked by Lt. Gov. Josh Tenorio and island lawmakers, Gov. Lou Leon Guerrero, announces her signing of Bill 32 into law during a press conference at Adelup on Thursday, April 4, 2019. Bill 32, authored by Sen. Clynton Ridgell, far left, became Public Law 35-5 with the governor's signature, now legalizes the recreational use of marijuana, by people at least 21 years old, with limitations.

Pacific Daily News
Rick Cruz/PDN, Pacific Daily News



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For any inquiries please contact the Guam Department of Revenue and Taxation.



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