

Guam Association of Realtors

SENATOR JOE S. SAN AGUSTIN

QUESTIONNAIRE RESPONSES:

A. REAL ESTATE INDUSTRY RELATED ISSUES

1. Increase in Real Estate Tax Rate for Properties with Improvement valued at \$1 million or more. Public Law 35-1 was signed into law by the Governor on March 2,2019 to correct an error in the previous law created by the 34th Legislature to make clear that the law imposes an additional 100% tax levy on Guam real property with property improvements valued at one million (\$1 million) or more. This additional tax levy has created a severe financial burden to a certain class of property owners and most especially to residential and commercial tenants whose rental spaces happen to be in buildings valued at \$1 million or more, being that the additional cost of the tax levy will most surely be passed on to the tenants. This tax levy places the financial burden on the backs of middle- and low-income wage earners and owners of small businesses.

Do you support the repeal of this law?

Support

Opposed

Undecided

Please Explain your choice:

While I do not support a repeal of the law, I would work toward placing a moratorium on the law to ensure that the government will be able to reassess the effect of the law versus what it was intended to do which was to increase collections for the Territorial Educational Facilities Fund. Additionally, I would work to ensure the government agencies responsible for collections are provided the tools necessary to properly collect from these taxpayers. The moratorium will assist in easing the cost of rent for residents who seek housing through such properties.

2. Improving the Building Permit Process. Property owners seeking to construct improvements on their property as well as contractors engaged to construct such improvements are confronted by a building permit application and occupancy permit process that is rife with unreasonable and unresponsive review periods, potentially corrupt communication with individual agency review personnel, unreasonable, inconsistent, and shifting permit requirements and standards of certain review agencies, and a frustrating linear review process.

What will you do to improve and expedite the building permit application and the occupancy permit issuance process?

Please Explain:

The permitting process is an Executive Branch function. I would work toward providing support and infrastructure funding needed to streamline and modernize this process. Working with the committee with oversight and the Executive Branch in establishing a smoother, more business-friendly process will help in encouraging local and off-island developers to trust in Guam.

3. Housing Shortage. Guam is experiencing a severe housing shortage due to a variety of reasons. These include the rising cost of construction labor and materials, rising mortgage/construction loan interest rates, unresponsive, stifling and potentially corrupt build permit application process, increasing restrictive environmental regulations, and conditions placed on local housing development by competing and more lucrative military construction contracts, and H2 visa labor restrictions.

What legislative action will you pursue with commitment and purpose to address/resolve Guam's severe housing shortage?

Please Explain:

This is a complex issue affecting the entire nation, but as Senator I authored Bill No. 89-36 now Public Law 36-29. This law increased the threshold for the First Time Homeowners Program, updating it for today's real estate

market. I also plan to introduce a bill to spur construction of more affordable housing units with Qualifying Certificates.

4. Repeal of Business Privilege Tax (BPT)Rate Increase. In March 2018, Public Law 34-87 increased the BPT tax rate from 4% to 5%. The law stated that the increase was “temporary” and was necessary to combat the loss of revenue caused by Federal tax cuts, but with no sunset date to the increase specified. This BPT Tax increase has resulted in significant increases in construction labor and materials and generally adversely affects the entire business environment in Guam. Despite many proposals to repeal this increase considered by subsequent legislatures, private sector businesses effectively paralyzed by Covid-19 operation restrictions, and a change in President's political party, the rate re-mains at 5%.

Do you support the repeal of the BPT Rate increase and return the rate to 4%?

Support

Oppose

Undecided

Please Explain:

I wrote a law that amended the Dave Santos Act that lowered the BPT for Guam's small businesses of a defined size - 90% of local businesses got a reduction to the BPT

under that law. I do not support further rollback of the BPT, instead I am in favor of converting the BPT to a true sales tax, which is more transparent.

B. GENERAL GOVERNMENT

1. Full-time or Part-Time Legislature. The Guam Legislature over the past many decades has been a “full-time” legislature. Some candidates aspire to a senatorial position as a career goal that pursues and emphasizes popularity rather than effectuating a smaller and more efficient and cost-effective government.

Will you support the creation, introduction and passage of a bill to change the operation of the Guam Legislature from full time to part time?

Support **Oppose** Undecided

Please Explain your choice:

Since serving my first term as Senator, I quickly learned that this is a full-time job. Creating policy, working with stakeholders on their concerns, and maintaining oversight of my committees requires constant communication and work the entire term. A part-time Legislature also opens the door to conflicts of interest - right now my only boss are the People of Guam

2. Legislative Priorities. Whether you are an incumbent, a former legislator or a first-time candidate for Senator in the 37th Guam Legislature, what are the top two (2) legislative priorities you will pursue if elected? Please respond to this question under two conditions: (1) if you are in the majority or (2) if you are in the minority.

Please Explain:

1.) **I still maintain my goal to convert the Gross Receipts Tax/Business Privilege Tax to a sales tax; we should be able to see on our receipt(s) the true cost of goods. I also plan to revisit my "No Primary" bill. The taxpayers should not pay to eliminate just 1 or 2 candidates.**

2.) **Whether I am in the majority or the minority, I will continue working with all my colleagues as I have done throughout all my terms; which is to collaborate on legislation and services that truly benefits our people.**

3. Repeal of Useless or Problematic Laws. Are there current laws that you believe are not useful or problematic that should be repealed? If yes, can you

list the top two (2) laws that you believe should be repealed?

Please Explain:

The present and future needs of our people are factors to consider before completely identifying if repeals or amendments are needed for existing laws. My experiences as a policy maker encourages me to listen and engage based on what is the overall need of our people here and in the future.

4. Military Buildup on Guam. Given that there is currently a significant military buildup on Guam and that the U.S. Marine base in Okinawa is in process of relocating to Guam (a "fait accompli" if you will), local legislative support of or opposition to these Department of Defense actions will determine the 37th Guam Legislature's general political posture vis-a-vis our military community. The membership of the Guam Association of Realtors (GAR) is interested in your position on these current military activities.

As a Senatorial candidate, do you support the current military buildup and relocation of the U.S. Marine base from Okinawa to Guam?

SUPPORT OPPOSE UNDECIDED

Please Explain your choice:

The activities that will be conducted by the military in the preparation of and relocation for the Marines to Guam must be beneficial for all, both inside and outside the fence. We must ensure that all agreements made through the Economic Impact Statements for cultural preservation, environmental impacts and funding are fulfilled by the federal government and supported by the local government - maintaining checks and balances for productivity and success.

5. Political Status. The topic of Guam political status is in constant discussion and debate by our island community, i.e., (1) remain a U.S. Territory, (2) become a state or (3) seek independence. Holding a firm position on one of the above options would seem to influence your actions as a Senator.

What political status option draws your support?

Remain a U.S Territory Statehood

Independence

Please Explain your choice:

I advocate for CHamoru Self-determination. If I was given a chance to choose it would be Independence because it will allow us to negotiate with the U.S and other nations as we desire. As we move through legislation on sustainability for our island, it offers a glimpse of our capability for self-governance. Status Quo is not an option for decolonization as Guam would still serve as an Unincorporated Territory of the US and not be free or fully incorporated.

C. PUBLIC AND PERSONAL HEALTH AND SAFETY

1. Continuation of the Governor's Covid-19 Pandemic Emergency Powers. The Governor declared a state of emergency to deal with the Covid-19 pandemic in the spring of 2020. It is now the fall of 2022, and the state of emergency is still in effect but scheduled to expire October 5th. By

law, the Guam Legislature has the authority to terminate or to extend the Governor's extensive emergency powers.

Discounting a year into the pandemic which most people acknowledge as the public health emergency period, are you in support of the Governor's continuing extension of emergency powers into October 2022?

Support Oppose Undecided

Please Explain your choice:

I support the governor's efforts to keep us safe and healthy while we see our ability to positively combat the various medical, social and mental health issues brought on by the COVID-19 pandemic.

2. New Public Hospital. The Governor has determined that we need to construct a new hospital and that the site will be at former Eagles Football Field in Mangilao along Route 15. Since the Guam Legislature must eventually be involved in the development of a new hospital, your role as a Senator will be to decide your position in

determining the location and the funding of a new hospital.

Do you believe Guam needs a new public hospital and, if yes, where do you think it should be located and how do you propose to fund the design and construction of the new facility?

Please Explain: **Yes, and I authored the "Guam Twenty-First Century Healthcare Center Construction Act of 2021." This law funds the design, build, transfer, lease and maintenance of a new GMH and healthcare campus.**

3. Drug Abuse. Drug abuse is rampant on our island and is no doubt a cause of criminal activity, acts of violence against the public, homelessness, family violence and gradual destruction of the family unit and businesses. As a Senator, you will be in a powerful position to affect public policy changes to prevent or at a minimum mitigate drug abuse and its impact on our community.

As a legislator, what will you do to address the problem of drug abuse on our island?

Please Explain: First, we need to protect our borders from the entry of illegal drugs by enhancing and providing the latest technology for all public safety officers so they may better intercept narcotics or any illegal substance at all our points of entry. Second, we need to continue to fund and support rehabilitation services.

4. 2nd Amendment Support. Home invasions and predatorial acts of violence against the community can succeed only if homeowners and individuals are defenseless. The 2nd Amendment to our U.S. Constitution gives the right to our people to keep and bear arms. Although Guam law has strict licensing requirements governing the exercise of this right, many of our citizens, having met those requirements, do own and bear firearms.

Do you support the right of a Guam citizen to protect one's home and property with a firearm?

Support Oppose Undecided

Please Explain your choice: As a former police officer and retired from Active Duty in the

Guam National Guard, I believe that the weapon is not the culprit, the individual in possession of the weapon is. I am a firm believer that each person has the right to defend his or her property or home, thus my introduction of Bill 12-36 that would expand the Castle Doctrine Law to allow for self-defense in a work-place, vehicle or other place one is legally allowed.