

Senator Sabina Flores Perez Legislative Candidate Interview 9/30/2020

Vying For Election To The 36th Guam Legislature

A. Real Estate Industry Related

1. The Governor's office has upgraded the classification of the real estate industry as an *essential service* during COVID-19 "Condition of Readiness" operating restrictions. However, Government of Guam agencies that are part and parcel of the real estate industry remain either closed or inactive. (*The real estate industry encompasses private sector real estate activities as well as Government of Guam agencies that are involved in the processing of real estate transactions including taxation, recordation, land management interaction, construction and land use permitting, building inspections, building occupancy and document recordation*).

Will you support the preparation and passage of legislation to classify the whole of the real estate industry encompassing both the private sector and related Government of Guam agencies as TRUE ESSENTIAL SERVICES?

I support the real estate industry because it provides our people with homes, supports local businesses, and provides income to the government. But, in order to complete real estate transactions, government must fulfill its role and responsibilities. Our government agencies must serve the public and real estate industry in a safe manner, while protecting the safety of our civil servants.

I am open to legislative proposals that will safely support our real estate community. However, I believe legislation may not be the fastest or most effective means of accomplishing this aim.

The language in Guam law enabling the Governor's emergency declaration powers is designed with an eye toward addressing all types of emergencies, including those we cannot anticipate. I believe the fastest and most effective route would be for the Governor to accommodate these changes through an Executive Order.

Using her powers, she can provide a fine-tuned solution that will apply effectively to this pandemic in order to accommodate the many types of emergencies that our island may face in the future. Additionally, an

Executive Order can be enacted immediately, and adjusted just as quickly should it prove ineffective.

2. The Guam Land Use Commission (GLUC) application processing system has been rendered inactive by GovGuam COVID restrictions since March 2020 with no apparent urgency to restore the system to full operation. The estimated value of development projects currently awaiting Department of Land Management and GLUC-related action since March is nearly \$2 billion.

Will you support the classification of the GLUC application processing system (*critical to improving Guam's economic well-being*) as an essential service during the COVID-19 Condition of Readiness operating restrictions?

I support the classification of the GLUC application processing system as an essential service. Legislation, however, is not the fastest and most effective means of accomplishing this. Please see my response to question #1 for a more detailed explanation. But in summary, I believe an Executive Order is the best means of creating a clear and fine-tuned directive that addresses the pandemic fully, and that can be quickly amended should loopholes or problems be discovered. While I would support legislation, I believe an Executive Order is the most effective and proper tool for ensuring that GLUC applications are processed in a safe and timely manner.

B. General Government

1. 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?

I do not support a part-time legislature. I believe that the work of a Senator requires full-time dedication. As an elected leader and public servant, one of my key responsibilities is developing policies to address the needs of our community. I am committed to doing the persistent work that includes information gathering, crafting legislation, and engaging stakeholders for feedback and input in order to create long-term sustainable solutions.

We cannot have stakeholders reach out to Senators, only to be told they are unavailable because of their day job. This will reduce accessibility, reduce accountability, and disempower the voices of stakeholders. We deserve full-time Senators to answer to the people.

As a Chairperson of the Committee of Environment, Revenue and Taxation, and Procurement there are a plethora of issues that require specialized knowledge that is attained through research and consistent dialogue and meetings with relevant agencies with the intent to understand how best to support these agencies in achieving their mission and mandates to best serve the public. The budget discussions are another key component to the work of the Senator that is an expanded version of what I practice as a Committee chair. Although the budget bill is created by the Appropriations Committee, my role was to ensure fiscal responsibility and to address shortfalls during this pandemic.

Changing the Senatorial position as a part-time position would require Senators to take up another job that could negatively impact their focus and efforts to create long-term solutions and positive change for our island.

2. Will you support the repeal of the 1% increase in the Business Privilege Tax/Gross Receipt Tax rate, i.e. restoring the BPT/GRT rate to 4%?

During these uncertain economic times, it is important to come together to develop policies and a holistic plan to support our business community without the impacts associated with cutting an additional \$60 million from government expenditures that the 1% rollback entails. An additional and immediate cut in \$60 million dollars could potentially impact public health and other essential services, affect debt service payments, and create furloughs that can lead to a downward spiraling of the economy. A measured, targeted approach is necessary to streamline government and cutting costs and shifting savings towards direct assistance in the form of subsidies to struggling businesses or incentives to help entrepreneurs to shift and develop new industries.

3. Are you in favor of increasing taxes and/fees to deal with the Government of Guam revenue shortfall caused by COVID-19 imposed restrictions on private sector business operations?

I do not support tax increases because it would be detrimental to local businesses and would undermine efforts toward expanding our economy. In our efforts to rebuild our economy, tax incentives should be provided to entice new capital to help develop industries, such as healthcare, IT, agriculture and to simultaneously grow a local workforce that can provide much needed employment.

Rather than raising taxes, we must enforce current laws and address any loopholes that allow some bad actors to profit at the expense of all other businesses in their industry. This would allow the government to collect the current fees and taxes it is owed without increasing taxes.

Now is the time for our local government to tighten its belt and prepare for an extended, difficult economic environment. We did this with Public Law 35-99, the 2021 fiscal year budget. My colleagues and I made the difficult decisions needed in order to cut the government's budget dramatically, which is necessary during these uncertain times.

4. Will you support a significant reduction in Government of Guam expenditures including payroll during COVID-19 lockdown and PCOR2 periods in order to keep the Government solvent?

I support streamlining our government by consolidation of government operations through greater interagency collaboration, planned procurement to obtain best pricing for goods and services through bulk purchasing and minimization of shipping costs, decrease in leases as operations shift due to teleworking, and use of technologies that achieve greater efficiencies in government operations. I do not support furloughs because income that government workers receive circulates through, and helps stabilize, our economy, which in turn ensures the continuation of the many government services upon which our community depends.

Regarding agencies that are not considered essential, accommodations should be made to continue the work of agencies or shift government workforce to areas of need, and to re-evaluate their strategies to adapt to the new normal of social distancing and better serve our community.

5. Are you in favor of increasing the local minimum wage and Why?

In the past, I have been in support of local minimum wage increases, and subsequent impartial studies have shown that they benefited our economy. In the long-term, I am also supportive of a proper and balanced living wage. However, in the midst of this pandemic, I see how businesses and our people are suffering, and we must do all we can to support local enterprise and lay the foundation for a healthy and permanent economic recovery. To accomplish this, we must provide support to struggling businesses, a safety net and workforce training to our over 40,000 unemployed, and tax breaks to businesses and entrepreneurs in industries that spark new and diversified

economic engines for our economy. Once we have a thriving economy, we will need to work with local businesses and stakeholders to study the resiliency of our success and determine if a living wage will be a useful tool to implement. I hope we can get to that point, but in order to do so, we must do the hard work now to support local businesses and lay the proper foundation for a long-term recovery.

6. Are you in favor of *reducing* taxes and fees to assist in the start of small businesses and in maintaining their viability?

I am in favor of properly aligning taxes and fees in a manner that supports a strong, diversified, and localized economy. By providing targeted, meaningful tax breaks to small businesses and entrepreneurs, we can spark the economic progress we need to rise from this pandemic-induced recession. By eliminating government fees that are overly burdensome in this pandemic, we can help alleviate some of the financial obstacles preventing startups and small businesses from pursuing their dreams. I also believe we should target additional tax breaks and fee reductions to specific industries, large and small, that we wish to boost, such as green businesses and enterprises that seek to create new and diversified industries on Guam.

7. What functions of the Government of Guam do you believe should be privatized?

I support the type of public private partnerships that relate to the provision of technical expertise, implementing new technologies that increase efficiencies and effectiveness throughout the government and one that is value driven. I support performance-based service contracts vs. long-term concessions that limit or restrict competition and potential business opportunities.

8. Are you in support of the impending military buildup and the Marine relocation?

We must do all we can to support diversifying our local economy. We cannot become overly reliant on any single industry, including tourism and the military. In regards to the proposed military buildup, I am deeply concerned by the lack of comprehensive planning and safeguards to ensure that our local businesses, and our community at large, are not negatively impacted. We cannot allow for an unchecked buildup that raids our island of resources and focuses on generating profits for off-island businesses at our expense.

We must support and protect our local businesses. We must also ensure that the buildup does not harm our tourism industry or create negative impacts that harm our environment and the resources that have sustained us for generations. I am disappointed by the military's lack of effort toward providing adequate information and safeguards against these dangers. For that reason, we must not blindly support the buildup, and must demand increased accountability and transparency on their proposed actions.