

ACT NO. 8466

BILL NO. 34-0066

THIRTY-FOURTH LEGISLATURE OF THE VIRGIN ISLANDS

Regular Session

2021

An Act amending title 33 Virgin Islands Code, chapter 89, subchapter III, section 2541 to allow the Lieutenant Governor of the Virgin Islands to collect unpaid property taxes and unpaid public sewer fees from the sale of delinquent taxpayer's real property

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Be it enacted by the Legislature of the Virgin Islands:

SECTION 1. Title 33 Virgin Islands Code, chapter 89, is amended as follows:

(a) In subchapter III, section 2541 is amended by adding subsection (d) to reads as follows:

“(d) The Lieutenant Governor may elect to proceed to collect any due property taxes and public sewer system user fees that are unpaid within the period prescribed in section 2496 of this title pursuant to a judicial foreclosure in rem proceedings brought against the property of the delinquent taxpayer. Such proceedings is brought against the real property only, and is to foreclose the tax liens. No personal judgment may be entered herein for such taxes, or any part thereof.

(1) The Magistrate Division and the Superior Court have concurrent jurisdiction over the foreclosure in rem proceedings.

(2) Notice of such proceedings is considered sufficient when the Lieutenant Governor causes to be filed in court a Petition of Foreclosure of Tax Delinquent Parcels with an attached list of all parcels affected by delinquent taxes. Upon the filing of the Petition of Foreclosure, the Lieutenant Governor shall cause the Petition and the attached list to be published daily for eight consecutive weeks in a newspaper of general circulation within each district.

(3) The Petition of Foreclosure must give notice as to the effect of the filing, the nature of the proceeding, the persons affected, the right of redemption, the date for return of an answer, and the penalty for failure to answer. The List that is attached to the Petition must contain as to each parcel, the following:

(A) A brief description of the property including the parcel identification number, the physical description of the property, and the last property owner of record as it appears in the Office of the Tax Assessor, sufficient to identify each parcel affected by such tax lien; and

(B) A statement of the amount of delinquent taxes plus penalties and interest and costs.

(4) The Petition of Foreclosure must be signed by the Lieutenant Governor, or the Lieutenant Governor's designee, and must be mailed to the last owner of record to provide actual notice to the property owner of record within the Office of the Tax Assessor.

(5) If any person having the right to redeem or answer fails to answer, such person is considered in default and is barred and foreclosed from all his rights, title, and interest to the parcels described in the Petition of Foreclosure, and a judgment in foreclosure may be taken by default. A motion to reopen a default foreclosure judgment may not be brought later than 120 days after the entry of the judgment.

(6) Any proceeding brought pursuant to this subsection must be given preference over all other proceedings and actions in the Superior or Magistrate Court and must be resolved within 180 days from the filing of the petition.

(7) Upon entry of a final judgment, title to all properties foreclosed pursuant to this subsection vests in a Trust created and established in the Office of the Lieutenant Governor. All property so vested must be listed on an inventory to be updated annually by the Lieutenant Governor and made available for public inspection.

(8) Property acquired pursuant to this section must be disposed of pursuant to the regulations of the Trust, but 75% of the properties must be made available for sale and purchase annually as affordable housing for persons who qualify as first-time homebuyers, veterans, middle & low-to-moderate income, senior citizens or disabled persons.

(9) Pursuant to this subsection, there is established in the Treasury of the Government of the Virgin Islands a revolving fund for the Trust, administered as a separate and distinct fund in the Treasury of the Government of the Virgin Islands. The fund consists of all monies earned by the Trust, and the Commissioner of Finance shall submit an annual report on the financial status of the fund to the Governor and the Legislature.

(b) Subchapter IV, section 2584 is amended by designing the existing language as subsection (a) and inserting subsection (b) to read as follows:

“(b) The owner of any property that has been foreclosed, or the owner's or assigns or anyone having any right or interest in the property, may redeem the property not later than six months from the date of the foreclosure by paying to the Office of the Lieutenant Governor the full foreclosure amount plus all costs and attorney's fees, with interest at the rate of twelve percent per annum and real property taxes and public sewer system user fees due for the period between the date of foreclosure and the date tender is made to the Office of the Lieutenant

Governor. Upon payment of the required amount, the redemptioner shall receive a judgment of redemption, which judgment operates as a release and cancellation of foreclosure. Property so released remains subject to all liens and legal claims against it, other than the tax and public sewer system user fee liens for which it was foreclosed, to the same extent and in manner as though said property had not been foreclosed.”

SECTION 2. Title 33, subtitle 3, chapter 111 of the Virgin Islands Code is amended by adding an appropriately numbered section that reads as follows:

§ ____ Delinquent Property and Sewer Fees Revolving Fund

(a) There is established a special fund in the Treasury of the Virgin Islands designated as the “Delinquent Property and Sewer Fees Revolving Fund” consisting of all monies recovered from the sale of real property sold at auction pursuant to chapter 89, subchapter III, section 2541 of this title.

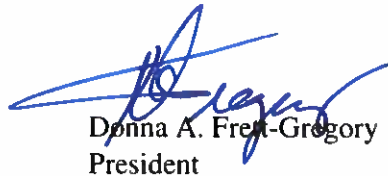
(b) The Commissioner of Finance shall make available, out of the funds disbursements to the Office of the Lieutenant Governor, for cost associated with the sale and collection of the proceeds of the sale of the foreclosed properties.


(c) The Commissioner of Finance shall maintain and provide for the administration of the Fund, and no funds therein shall be available for expenditure, except as provided in this section.

Thus passed by the Legislature of the Virgin Islands on August 3, 2021.

Witness our Hands and Seal of the Legislature of the Virgin Islands this 3rd Day of August, A.D., 2021.




Donna A. Frett-Gregory
President


Genevieve R. Whitaker
Secretary



Bill No. 34-0066 is hereby approved.

**Witness my hand and the Seal of the Government of
the United States Virgin Islands at Charlotte Amalie,
St. Thomas, This 16 day of August, 2021 A.D.**


Albert Bryan Jr.
Governor