

The Virgin Islands Consortium

Potter Announces Formation Of Real Property Tax Reform Task Force

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ST. CROIX -- Lieutenant Governor Osbert Potter announced on Friday the formation of a new Real Property Tax Reform Task Force, its aim being to spend the next twelve months to address what Mr. Potter called the "vexing" problem of real property taxation in the territory. Mr. Potter submitted a letter on Tuesday to Senate President Neville James, advising Mr. James of the nine-member task force and to seek the Senate president's appointment of two members.

According to the release, Mr. Potter has pledged the resources of his office in helping to develop solutions that will address the higher assessments that are driving taxes up and people off their family lands -- and even out of their homes. And the efforts will help allay

the territory-wide concern of rising property taxes since the 2013 revaluation that was performed at fair market value.

"Many Virgin Islanders, especially the people of St. John, are worried about rising property values and want to know how to manage future assessments that are virtually certain to result in higher tax bills," Mr. Potter said.

The core mandate of the task force is to review the property tax system and offer reforms to relieve homeowners and other property owners of their increasing tax burdens. The nine-member group will be comprised of two senators chosen by the Senate president, and other experts in the field of taxation, assessment administration, real estate, and public finance. According to the release, task force members were selected from a wide cross-section of socioeconomic and political groups. Its members represent all three islands, and also include one expert from the continental United States, the release further stated.

The following individuals have been chosen by Mr. Potter to serve on the proposed nine-member team:

- Edward A. Crapo – Tax Expert and Certified Appraiser
- Ira Mills - Tax Assessor of the Virgin Islands
- R. Miles Stair – Realtor of Holiday Homes of St. John
- Jose Penn – Business owner and respected community member of St. John
- Atlee Connor – Local contractor and resident of St. John
- Bernadette Williams – Former tax assessor of the Virgin Islands
- Tami Archer – Attorney with Specialization in Taxation
- Senator - Shall be chosen by the Senate President
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At the conceptual level, the task force is charged with proposing tax policy recommendations that can address and harmonizes two competing claims: 1) addressing the territory's need to generate revenue to support public services and infrastructure maintenance; and 2) helping the people of the Virgin Islands to retain their property in the face of increasing tax liability directly related to increased property values.

In addition, the task force will provide a framework for dialogue with a view to considering developed and emerging best practices and approaches to property assessments throughout the United States.

"At the practical end of the spectrum, [I] expect that at the conclusion of the review period the task force will present a detailed, written real property tax reform plan that includes concrete recommendations that may be adopted by the legislative and executive branches," Mr. Potter said. "Ultimately, the work of the task force is to present several amended or new tax policies that are based on data-driven evidence and sound and sustainable economic principles."

The tentative date for the first face-to-face meeting of all task force members in St. Thomas on April 2, 2016, according to the release.