

The Virgin Islands Consortium

Bill To Limit Property Tax Assessments Moves Forward, But Changes Will Be Made

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ST. JOHN -- A bill sponsored by Senator Janette Millin Young, which aims to limit property tax assessments to a maximum of 1 percent for residents who owned their property the year before, beginning in the year 2013, was approved by the Committee on Finance on Tuesday in the legislative conference room on St. John. The law would also make provisions for those who inherited their property.

The measure -- [Bill No. 32-0030](#) -- was previously heard in the 31st Legislature, and is the exact same legislation, according to Mrs. Millin Young, who added that it was "to the displeasure of the administration."

"I must honestly say that I feel an extra sense of responsibility about property ownership and property taxes," Mrs. Millin Young said. "Some of my colleagues and I have discussed in the past that something must be done as to how some of our residents are taxed to ensure fairness." Mrs. Millin Young said she sponsored the measure particularly to help St. John residents.

Noting that taxes are the foundation for services provided to the community, Mrs. Millin Young -- who also stated that it should be expected of those who are wealthy and live in mansions to pay higher property taxes -- said that rezoning, which the government has to approve to allow residents to improve their properties, has led to the unintended impact of zone classification, which causes property value to increase. "In St. Thomas and St. Croix, this does not have as big an impact as here on St. John, which is a major problem -- an escalation of property values and taxes," Mrs. Millin Young said.

Further compounding the issue, she said, was the capitalist market of the United States, which allows anyone to buy and sell property without restrictions. She said the problem surfaced in earnest after 1995's Hurricane Marilyn, particularly on St. John, where over 70 percent of the island's homes and businesses were destroyed. The problem "grew into a monster," she said.

Mrs. Millin Young said Hurricane Marilyn (affecting St. John the most), and Hurricane Hugo, which devastated St. Croix, cost the territory over \$2 billion to rebuild -- leading to the appreciation of property value -- with St. John residents receiving the brunt of impact, according to the senator. Not only did St. John experience the highest increases in property value following the hurricane -- which led to higher property taxes -- the smallest of the three main U.S. Virgin Islands also saw the National Park Service making land purchases to increase its inventory, followed by rapid construction of villas and mansions due to the island's beauty. "Land prices rose exponentially," she said.

"So here we are with the complex problem that I stated earlier. St. Johnians have been steadfast in stating that there is something wrong with property taxes in Love City," Mrs. Millin Young said, referring to St. John. "Today our task is not to put fingers, or to find scapegoats. It is not to describe what went wrong, who would have, could have, should have done anything. It is time to break the cycle of stress, and it is time to prevent the dispossession of our people."

There was some opposition to the measure. Ira Mills, a tax assessor, said making the assessments retroactive to 2013 would force the government to release to affected residents taxes already paid. And he said there was already a system in place that allows residents to challenge assessments deemed exorbitant.

At the end of the hearing, all the senators who make up the Committee on Finance approved the measure. However, Senator Kurt Vialet said the bill would see multiple amendments to ensure that it's "legally sufficient," and that it does not serve as a premise for litigation against the government.