The Virgin Islands Consortium

Here's What You Need To Know About The Upcoming Property Auctions, According To Potter And Tax Collector

Business / **Published On June 24, 2017 12:00 PM /**

Ernice Gilbert June 24, 2017

ST. THOMAS -- Lieutenant Governor Osbert Potter held a press conference at his office here on Friday, with the aim of clarifying the process of the upcoming government-sanctioned property auctions, and dispelling any beliefs that the government was attempting to snatch away properties from residents.

There will be two days of huge property auctions happening territory-wide, with listings as low as $ 2,545.94. On St. Croix, the auction takes place June 29 between 10:00 a.m. and 3:00 p.m. at the Juan F. Luis Hospital’s Bennie & Martha Foundation Conference Center.

In the St. Thomas-St. John District, including Water Island, the auction happens on July 6, same time, at the Windward Passage Hotel Caribbean A&B Conference Room.

Mr. Potter said no individual from the Lieutenant Governor's Office and their immediate family members will be allowed to participate in the auctions. He also revealed that a professional has been hired to conduct the events, and not someone from his office.

The lieutenant governor announced the elimination of an option that allowed a second opportunity to bid on a property that had already received a highest bidder. Mr. Potter suggested that this particular option was at the heart of fraudulent activity during the last property auctions.

"There was a pattern, there was a scheme where there was collusion, and the highest bidder and the second highest bidder colluded to have the highest bidder not follow through, and the second highest bidder, whose bid was a lot lower, was able to get the properties," Mr. Potter explained. "That has been totally eliminated. We will only have the highest bidder."

Mr. Potter mentioned other new basic steps his office has implemented to stave off fraud, including registration for those who intend to participate, which comes with a $50 fee. The fee can be paid prior to the event, or at the door, where it'll cost $100. The winning bidder must make a 10 percent down payment by the close of the business day to the Lieutenant Governor's Office -- whether credit card payment, money order or cashier's check. Failure to make the payment will forfeit the sale, Mr. Potter said, and the remaining 90 percent will have to be provided within ten days following the auction. Like the 10 percent down payment, failure to make the 90 percent payment within the allotted time will result in the forfeiture of the bid.

The Attorney General's Office will be onsite during the auction; in a release issued Friday, Attorney General Claude Walker said the Department of Justice intends to prosecute anyone who attempts fraud. “Persons having any ideas of engaging in fraudulent acts on auction day to secure property are hereby warned that they do so at their own peril as we intend to prosecute anyone having been found to have engaged in such activity at any of the lieutenant governor’s real property auctions,” Mr. Walker said.

The lieutenant governor’s office will be auctioning a total of 65 properties – on St. Croix, 23 properties valued at $12 million with $1.1 million owed in taxes; on St. Thomas, 36 properties valued at $16.7 million with $1.5 million owed in taxes; and on St. John, six properties worth $15 million with $909,000 owed in taxes.

"These are the basic guidance that will be accompanying these auctions," Mr. Potter said. He also made known that the owners of the properties will have up to one year of redemption time. Therefore, following the sale, the funds collected will be placed in an escrow account, so as to reimburse successful bidders if the original property owners pay the taxes owed within that year.

Mr. Potter revealed that there's over $100 million in delinquent property taxes owed to the Government of the Virgin Islands. "Our office will be moving diligently," Mr. Potter said, adding that the two upcoming auctions are the first of multiple events to be held in the Mapp administration's attempts to collect monies owed to the government. Mr. Potter said the auctions were also a means through which the government could continue collecting property taxes from the properties' new owners.

Mr. Potter said part of the reason for the press conference was to make the process as transparent as possible. He said his office has been reaching out to the delinquent owners, urging them to pay what is owed through agreements, which would remove said properties from the auction list. He said since publishing the list, many delinquent property owners have reached out to his office to setup payment agreements.

Ludence Romney, the territory's tax collector, sought to remove any perception that the government enjoyed the process of selling to the highest bidder delinquent properties.

"We really take no pleasure in having to conduct the auctions," he said. "Unlike what the public may think, all that we get on the auctions are the taxes that are due to the Government of the Virgin Islands; the remaining funds are given to the property owner."

Giving an example, Mr. Romney explained that if a delinquent property owner owes $10,000 in taxes, but the winning bidder pays $100,000 for the property, once the government collects the $10,000, the remaining $90,000 -- which will be placed in an escrow account for a period of one year -- goes to the original owner thereafter.

"So they [delinquent property owners] have in the Government of the Virgin Islands a real estate agent that charges them no fees," Mr. Romney said. "The only thing they'll have to pay is the income tax on the $90,000, so they have [to put] no effort. I say that to dispel the myth that the government is in the business of trying to steal people's property and do what they want with it. And that perception may have come about because of the types of activities that have been entered into by individuals who did things not within the law."

There was no talk about the property auctions before The Consortium published on its front page on June 15, the upcoming sales. The story reached over 48,000 people on the company's Facebook platform, and another 26,000 on the website. It garnered over 70 comments plus replies on our Facebook platform, and well over 300 shares.

Many residents as well as the Virgin Islands diaspora, shared their opinions. "So sad, I think local and very long-time residents should at least get first preference," suggested Sue Anthony. "It's so interest[ing] how they set the poor people up with paying high property tax for years to wait you out in paying off your mortgage while seeking out to take your property and land for a tax to the highest bidder. Real talk," added Delorez Hernandez.

Mr. Romney again urged individuals to visit the Lieutenant Governor's Office, stating that both Mr. Potter's Office and the Tax Collector's Office, are flexible. He said the down payment required from delinquent property owners is 25 percent of the taxes owed. However, properties are being examined on a case-by-case basis, according to Mr. Romney, suggesting that a lower initial payment may be accepted. Mr. Romney added, however, that the Tax Collector's Office must ensure that payment plans don't enable delinquent owners to enter agreements that allow perpetual delinquency.

Read the original document

© Viconsortium 2026