

The Virgin Islands Consortium

Blyden-Sponsored Bill Aimed at Protecting Homeowners from Frivolous Construction Liens Moves Forward

VIC News / **Published On November 08, 2019 09:56 AM /**

Staff **November 08, 2019**



A bill that seeks to protect Virgin Islands homeowners from frivolous liens on their properties by contractors was heard in the Committee of Housing, Transportation, Infrastructure, and Telecommunications on Thursday, and was successfully forwarded to the Committee on Rules and Judiciary for further vetting.

Bill No. 33-0152 was a result of contractors working in disaster recovery following the 2017 storms, who had yet to be paid by local and federal agencies, placing liens on the properties of Virgin Islands homeowners whose homes had been approved for repairs.

The action by the contractors was a tactic to receive payment for work performed -- even though the homeowners were not the ones responsible for paying.

[In June](#), it was revealed that 10 homeowners had liens placed on their property by North Carolina-based subcontractor TJ Sutton Enterprises, which was subcontracted to AECOM subprime contractor Citadel to perform work. Funds owed had not yet been paid to TJ Sutton, and the company was using the liens as a means to receive payment.

During a release issued in June, the Bryan administration said the liens should never have been served, and that the Virgin Islands Housing Finance Authority had been working with the Office of the Governor and AECOM to swiftly have them removed.

"While Sutton knows that these homeowners are not responsible for any payments to any of the almost 100 contractors participating in the federally funded housing repair program, this subcontractor is ruthlessly using storm victims as a means to an end, and I am committed to leading our administration's efforts toward ensuring this practice ends," Mr. Bryan said in June.

"We are deeply disappointed that some subcontractors, in order to resolve a payment dispute are unjustly using liens against the homeowners whose properties have been repaired by the EHRVI program," said V.I.H.F.A. Executive Director Darryl Griffith. "This is an intolerable tactic being used against hurricane survivors who do not owe these contractors any money whatsoever. This matter is a business dispute between a contractor and its subcontractor, and homeowners should not be dragged into the middle of this."

The idea of placing construction liens on homes in the territory repaired following Hurricanes Irma and Maria, is not new. In February [The Washington Post](#) reported that three subcontractors — Polaris Engineering, Lamar Contractors and SLSCO — threatened to file liens on properties in the Virgin Islands where they've done work that had not been paid for.

"We have no choice but to act to secure our legal rights," the subcontractors stated in a letter outlining their grievances over chronically late payments. The letter said some of the subcontractors' unpaid invoices were nearly a year old.

According to The Post, Chivonne A.S. Thomas, the president of the Virgin Islands Bar Association, said the threat to file liens on property owners could present "very large implications" for homeowners.

Under territorial law, subcontractors can file "a lien to secure payment of the contract price" during a dispute over work performed on a property. Ms. Thomas said such a lien would prevent the property owner from selling or using it as equity.

But Ms. Thomas said that while she wasn't sure the liens would stand up in court, territorial law appears to make an exception for projects being done for the Virgin Islands government, according to The Post.

During Thursday's hearing, Mr. Blyden said the measure seeks to protect Virgin Islanders from such abusive tactics. "This bill protects homeowners from receiving a lien on their homes from unlicensed contractors. It will prevent Virgin Islanders from experiencing this type of unlawful abuse," he said.

