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Foreclosures and Auctions of Properties in Tax Arrears Will Begin in May, Lt. Governor's Office Says

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A property in the Caribbean. By. GETTY IMAGES

Starting in May, the Office of the Tax Collector will begin auctioning off real estate if owners are delinquent on their property taxes.

A notice from the Office of the Lieutenant Governor, under whose authority the right to sell parcels which are in arrears for real property tax resides, announced on Tuesday that the Office of the Tax Collector would begin to foreclose on delinquent properties at some undisclosed point in the future.

After those filings are completed, the announcement says, “the delinquent properties will be made available for sale at fair market prices to seniors, veterans, and first-time homebuyers, as provided

by law.”

Foreclosures on properties in the St. Thomas/St. John district are scheduled for May, with an auction to follow in November. According to the announcement, an auction of properties on St. Croix will occur in May 2023, with further foreclosures on the big island scheduled for November.

Prior to each event, the press release says, notices will be posted on the website of the Office of the Lieutenant Governor as well as in print and online media outlets.

There is still time for those delinquent on real property taxes to prevent their real estate from being auctioned off by the tax collector. But how much time?

According to the press release, those who are unable to pay the outstanding taxes in full can enter into a payment plan by depositing 15% of the total amount owing, which comprises “taxes, administrative fees, penalties, and interest.” However, the Office of the Lieutenant Governor provides unclear guidance to owners in arrears on exactly how they can avoid losing their properties.

At first, the Office of the Lieutenant Governor says the payment plan can be entered into “up until thirty days prior to the date of an announced auction or foreclosure.” The next paragraph begins “Within the thirty-day period prior to the date of announced auction or foreclosure, a property owner must pay the full amount of the delinquent taxes, accrued interest, penalties, plus the administrative fee required to cover the costs related to preparing the property for auction or foreclosure.”

If the second stricture applies to those establishing payment plans, it would mean that some property owners may only have days or weeks to settle accounts, even if they do not currently have the funds to pay all outstanding taxes right away.

Calls to the Lieutenant Governor’s Office for clarity were directed to voicemail.