

Office of the Lieutenant Governor

Honorable Osbert E. Potter
Lieutenant Governor



Property Tax Division

Testimony before Committee on
Government Services, Consumer and Veterans' Affairs
on Bill No. 31-0326

May 19, 2016

Presenter: Ira Mills, Tax Assessor

Good Day, Senator Justin Harrigan, Chairman, Committee on Government Services, Consumer and Veterans' Affairs, all other members of the 31st Legislature present, and to the listening and viewing audience, I am Ira R. Mills, Tax Assessor, within the Office of the Lieutenant Governor.

Mr. Chairman, I am here this morning to provide testimony on Bill No. 31-0326, "An Act, amending Title 33 Virgin Island Code, Chapter 83, and Section 2361, to renumber the existing language as (a) and adding section (b) that the Lieutenant Governor, through the Collections Unit, administer and enforce all laws relating to the collection of real property taxes, and to the attachment and sale of real property for the non-payment of real property taxes. Subsection (c) seeks to require the Lieutenant Governor to reinstate the position of *Enforcement Officer* in the Collections Office."

Section 1 Title 33 Virgin Islands Code, Chapter 83, section 2361, is amended by designating to read as subsection (a) and in the last sentence by striking ",levy and collection" and inserting " and levy" and adding subsections (b) and (c) that read as follows:

“(b) The Lieutenant Governor, through the Collections Division shall administer and enforce all laws relating to the collection of real property taxes, and to the attachment and sale of real property for non-payment of real property taxes.

(c) The Lieutenant Governor shall reinstate the position of Enforcement Officer in the Collections Division”

Section 1 The Office of the Lieutenant Governor is in support of the intent of subsection (a) to clearly define the role of the Tax Assessor in the “assessment and levy process of real property” and separating such from the “collection and attachment process of real property”. Best practices’ internal control of duties was in place in prior collections, attachments and auction processes, even though prior legislation did not designate the separate functions. This legislation now does that.

Subsection (b) delineates a Collection Division (or Unit) to administer and enforce all laws relating to the collection of real property taxes, and the attachment and sale of real property for non-payment of real property taxes. The Office of the Lieutenant Governor is in support of this and previous subsections.

Subsection (c) legislates that the position of *Enforcement Officer* be reinstated within the Office of the Lieutenant Governor. The Enforcement Officer position was never removed. Instead, the Office of the Lieutenant Governor opted not to fill the

position. The establishment of administrative functions within the Executive Branch is the sole responsibility of the Chief Executive and this piece of legislation may be bordering on encroachment of executive function. Additionally, modern collection practices do not support the costs of outfitting and dispatching individuals in uniforms and guns to collect delinquent revenues. If contacting delinquent taxpayers by communicating via letters, emails or phone calls fail to produce results, the law provides for the auctioning of the property. Over the past five years, the average annual collection of delinquent property tax is \$18.5 million. The Office of the Lieutenant Governor is NOT in support of this subsection.

Thank you, Mr. Chairman for the opportunity to testify on this measure. I am available to answer any questions that you or members of the committee may have related to this proposed legislation.