

s/AWCJR

**AMENDMENT IN THE NATURE OF A SUBSTITUTE TO BILL NO. 36-0274  
Offered by Senators Clifford A. Joseph, Sr., and Marise C. James**

Bill No. 36-0274 is amended by striking the language after the enactment clause and inserting the following new language:

**“SECTION 1. (a)** For purposes of this act:

(1) “Comparable replacement residence” means a residential property that is comparable in the number of bedrooms and any ADA accessibility features.

(2) “Owner” means any natural person who holds legal title and ownership to property in the LBJ Gardens Community.

(3) “LBJ Gardens Community” means the Lyndon B. Johnson Gardens, formerly penitentiary land, Richmond Garden, Christiansted, St. Croix.

(4) “Replacement value” means the amount reasonably necessary to purchase, rehabilitate, or construct a comparable replacement residence.

(5) “VIHFA” means the Virgin Islands Housing Finance Authority.

(b)(1) Subject to the replacement value payment limitations set forth in subsection (c), an owner may elect one of the following options with respect to their LBJ Gardens Community property:

(A) For properties with constructed homes:

(i) direct monetary payment of the replacement value;

(ii) VIHFA-funded purchase of a residence identified by the owner as available on the open market;

(iii) VIHFA-funded rehabilitation of an existing VIHFA-owned structure; or

(iv) VIHFA-funded construction of a new residence on VIHFA-owned land.

(B) For vacant properties:

(i) direct monetary payment of the replacement value; or

(ii) a land swap of VIHFA owned subdivided property not greater than 0.25 acres and not less than 0.18 acres.

(2) For purposes of subsection (b)(1)(A)(iii), an owner shall have the right to select the specific property to be rehabilitated from among the inventory of existing VIHFA-owned property.

(3) For purposes of subsection (b)(1)(A)(iv), an owner shall have the right to select a specific home design from existing VIHFA-owned home design options.

(c)(1) The replacement value payment for an LBJ Gardens Community home is:

(A) 1-bedroom \$300,000

(B) 2-bedrooms \$350,000

(C) 3-bedrooms \$400,000

(2) The replacement value payment for an LBJ Gardens Community vacant property, with or without improvements, is \$15,000.

(3) Notwithstanding paragraphs (1) or (2), the replacement value payment for a property will be reduced if the property is subject to any liens or encumbrances. The reduction will be equal to the payoff amount of the lien or encumbrance.

(d) An owner who elects the option in subsection (b), (1), (A), (ii), (iii) or (iv), shall also receive payment of any required earnest money deposit on behalf of an owner, which deposit will be deducted from the replacement value payment.

**SECTION 2.** (a) Within 30 days after the effective date of this act, the VIHFA shall obtain, in writing, the option choice from each owner as provided in section 1, subsection (b) of this act.

(b) Within 30 days of an owner providing the VIHFA with their option choice, the owner shall convey title to the property to the VIHFA, which deed shall be held in escrow until the owner vacates the property in accordance with the timelines in subsection (c). Failure to convey title to the property voids any consideration under this act.

(c)(1) An owner shall vacate their LBJ Gardens Community property as follows:

(A) An owner who elects the option in section 1, subsection (b)(1)(A)(i) or subsection (b)(1)(B)(i), shall vacate the property no later than 30 days after receipt of the direct monetary payment from the VIHFA.

(B) An owner who elects the option in section 1, subsection (b)(1)(A)(ii), shall vacate the property immediately upon the closing of the purchase of the residence identified by the owner on the open market.

(C) An owner who elects the option in section 1, subsection (b)(1)(A)(iii) or (iv), shall vacate the property no later than 30 days after notification from the VIFHA that the property has obtained a certificate of occupancy.

(D) An owner who elects the option in section 1, subsection (b)(1)(B)(ii), shall vacate the property no later than 30 days after VIFHA has deeded the property to the owner.

(2) Within 180 days of the VIHFA's receipt of an owner's option under subsection (b)(1)(A)(i) or subsection (b)(1)(B)(i), the VIHFA shall make the direct monetary payment in full to the owner.

**SECTION 3.** The VIHFA shall submit monthly reports to the President of the Legislature detailing the following:

- (a) number of direct replacement value payments made;
- (b) number of owners who purchased homes;
- (c) rehabilitation and construction progress; and
- (d) any obstacles or issues pertaining to this act.

**SECTION 4.** (a) There is established in the Treasury of the Virgin Islands, a special fund to be designated the “LBJ Gardens Settlement Fund” (“Fund”). The Commissioner of Finance is directed to maintain and provide for the administration of the Fund as a separate and distinct fund in the Treasury and no funds therein shall be available for expenditure except as provided by the Legislature. The Fund shall consist of all sums appropriated thereto from time to time by the Legislature. The purpose of the Fund is to compensate the owners of the LBJ Gardens Community properties in accordance with Section 1 of this act.

(b) The Fund shall dissolve after the last owner of an LBJ Gardens Community property is compensated.

**SECTION 5.** (a)(1) The sum of \$3,000,000 is appropriated in the fiscal year ending September 30, 2026, from the stamp tax owed, due or becoming due to the Virgin Islands Housing Finance Authority under 33 V.I.C. § 130, to the LBJ Gardens Settlement Fund to compensate the owners under section 1 of this Act and for legal services as provided in paragraph (2).

(2) The sum of \$300,000 is allocated from the money appropriated in paragraph (1) for the purpose of contracting with an attorney who is licensed to practice law in the Virgin Islands and is a member of the Virgin Islands Bar Association and who regularly practices in the areas of real estate and probate law.

(b)(1) The sum of \$4,000,000 is appropriated in the fiscal year ending September 30, 2027, from the stamp tax owed, due or becoming due to the Virgin Islands Housing Finance Authority under 33 V.I.C. § 130, to the LBJ Gardens Settlement Fund to compensate the owners under section 1 of this Act.

(2) The funds appropriated in paragraph (1) shall be disbursed on October 1, 2026.

(c) The funds appropriated in subsections (a) and (b) remain available until expended or until the last owner has been fully compensated, whichever date is earlier”

**Amendment No. 36-796/May 28, 2026/Revised June 8, 2026/GC/Revised I June 8, 2026**