

Testimony for the
36th Legislature's Committee on Budget, Appropriations and Finance on
10/07/2025

Good Day, Honorable Senator Novelle E. Francis, Jr., Chairman of the Committee on Budget, Appropriations and Finance of the 36th Legislature of the Virgin Islands, other Members of the Committee, all other Senators present, and the listening and viewing audience.

On behalf of the Honorable Lieutenant Governor, Tregenza A. Roach, Esq., I am Brent A. Leerdam, Tax Collector, of the Division of Real Property Tax, Office of the Lieutenant Governor.

I appear before this Committee today, to offer testimony on Bill No. 36-0083, an Act establishing a 90-day amnesty period for the waiver of penalties for payment of outstanding property taxes, income taxes, and gross receipt taxes for all tax years to assist taxpayers and businesses recovering from the aftermath of Hurricanes Irma and Maria and Tropical Storm Ernesto.

The Office of the Lieutenant Governor does not support this Bill for the following reasons:

First, the granting of property tax amnesty is one of the few tools available to the Office of the Tax Collector, to assist with stimulating an increase in the payment of delinquent property taxes. It is used primarily before a Final Collection Activity is scheduled. We respectfully ask that deference be given to this Office in applying the function of amnesty, considering that we constantly monitor collection trends and we readily possess the data to determine when an amnesty might be most productive.

Second, when a property tax amnesty is scheduled, it is preferably applied for sixty days or less, because during the beginning days of the amnesty, the totals reflect depressed collections. Towards the end of the amnesty period, a final burst of increased collections may occur, still resulting in reduced year over year monthly collections.

During FY2025, the Office of the Tax Collector engaged the public by way of print media and on radio shows stressing the importance of timely payment of taxes. Revenue permitting, we will continue this outreach into the future. Over the past two years, we have seen an increase in Installment Payment Plans, started by people desiring to resolve property tax delinquencies. We believe that this increase is directly related to our increased engagement with the public.

As we continue work to increase collections on delinquent properties, it involves several issues that we are working on to optimize. We expect to soon

update our payment options, to allow customers to pay with multiple payment types online and in our offices.

We are preparing a package of legislative requests in our desire to provide more communication methods to better assist our Office with the collection of revenue. Our legislative requests will work in a comprehensive way to boost our collection efforts and not rely on any one action item such as amnesty.

We are preparing rules and regulations to govern the in rem jurisdiction foreclosure process outlined in Title 33 Virgin Islands Code §2541, to provide a clear path for homeownership opportunity for first time homebuyers, veterans, middle & low to moderate income, senior citizens, or disabled persons.

As we continue our efforts to increase property tax collections, we look forward to working with this Body to find ways to provide relief to affected taxpayers.

Again, as indicated in the Office of the Tax Collector's Action Plan submitted to this Body in October of 2024, we ask for your financial support to accomplish our mandate of reducing delinquencies.

This concludes my testimony. Thank you, Mr. Chairman for the opportunity to provide testimony on Bill No. 36-0083. I remain available to answer any questions that you or Members of the Committee may have.

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