



May 20, 2024
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St. Croix, USVI

Honorable Carla J. Joseph
35th Legislature's Committee on Government Operations, Veterans Affairs, and Consumer Protection

Bill No. 35-0193

Good Day, Senator Joseph and Committee Members.

My name is Daniel Savaro. I am a Realtor® and the current president of the Virgin Islands Territorial Association of REALTORS, which represents 95% of the licensed real estate practitioners in the Territory. We are happy to support the DLCA, the Real Estate Commission, and the committee members in this timely effort.

I thank you for the opportunity to testify before your committee on the Bill No. 35-0193– An Act amending Title 27 Virgin Islands Code, Chapter 15 relating to real estate brokers, sales associates, and property managers.

I am testifying to express my full support for the proposed bill. I believe that this bill is necessary for our Virgin Islands real estate industry, and beneficial for all Virgin Islands real estate consumers.

This bill proposes comprehensive amendments which better governs real estate practices. A few key provisions are:

1. This bill empowers the Real Estate Commission to conduct hearings, subpoena witnesses, recommend legal actions, and establish fees. It tasks the Real Estate Commission with establishing and developing pre-license education and post license continuing education requirements for all licensees. It also allows the commission to adopt a professional code of ethics consistent with industry standards.

2. This bill updates real estate definitions that have not been updated in several decades. And, clearly outlines requirements for real estate brokers, sales associates, and for the first time, property managers.
3. This Bill provides several critical measures that will better protect real estate consumers. Primary among them is the requirement for licensee's to disclose their agency relationship in writing. This will ensure all principals in a transaction know who is working for whom. In addition it provides specific definitions on each form of agency type. And, it clearly defines a licensee's fiduciary responsibilities to their clients.

This bill aims to modernize real estate regulations, ensure licensee competence, protect consumers in the Virgin Islands, and streamline administrative processes within the Virgin Islands real estate industry.

Having reviewed the proposed changes thoroughly, I am convinced that they will bring about several significant improvements to the existing regulatory framework including:

1. **Enhanced Consumer Protection:** The proposed changes introduce stricter regulations and licensing requirements for real estate brokers, sales associates, and property managers. These measures will undoubtedly enhance consumer protection by ensuring that only qualified and competent individuals are allowed to operate in the real estate industry. This, in turn, will help safeguard the interests of real estate consumers in our community.
2. **Required Educational Standards:** The proposed law would mandate that licensees complete pre-license and continuing education courses as prescribed by the Commission to ensure they stay abreast of the latest legal and regulatory requirements and are employing industry's best practices in representing their clients. A recent survey by our association showed that the U.S. Virgin Islands is the only state or territory in the nation that has no educational requirement for licensure, nor any requirement for continuing education as a condition of license renewal.
3. **Professional Standards:** By establishing clear guidelines for ethical conduct and professional standards, the bill will elevate the overall quality of services provided by real estate professionals in the Virgin Islands. This is crucial for maintaining the integrity of the real estate industry and fostering trust among real estate consumers.
4. **Streamlined Processes:** The bill seeks to streamline various administrative processes associated with real estate transactions, such as licensing procedures and disciplinary actions. By simplifying these processes the bill will promote efficiency and transparency.

5. **Adaptation to Changing Dynamics:** As the real estate landscape continues to evolve, it is essential for regulatory frameworks to adapt accordingly. The proposed changes demonstrate a proactive approach towards addressing emerging challenges and trends in this industry.

6. **Support for Economic Growth:** A well-regulated and vibrant real estate market is essential for the overall economic growth and prosperity of the Virgin Islands. By promoting professionalism, integrity, and innovation within the industry, the proposed bill will contribute to creating a conducive environment for sustainable economic development.

In conclusion, I wholeheartedly endorse this bill. I urge all to support this initiative, as it represents a significant step towards ensuring the long-term success and viability of the real estate market in our Virgin Islands.

Thank you for considering my input on this important legislation.

Sincerely,
Daniel Savaro