

TESTIMONY OF B. J. HARRIS ON BILL # 35-0193

April 22, 2024

Senator Carla Joseph, Chair
Committee of Government Operations, Veterans' Affairs and Consumer Protection
35th Legislature of the Virgin Islands

Re: Testimony on Bill # 35-0193

Good afternoon, Madam Chair, Committee Members, Senators, Staff, and my fellow Virgin Islanders.

I am here today, in support of the proposed bill to modernize and update the existing statute which governs licensing and regulation of the real estate industry in the Virgin Islands.

My name is B. J. Harris. Many of you have seen me in these chambers before, and know that I have been a Virgin Islander since 1979, and that I am passionate about affording opportunities to our youth, and committed to protecting our resources, and real property rights in the Territory. Today I am here as the Vice Chair of DLCA's Real Estate Commission and as a veteran of the industry, having served six times as president of the Territorial Association of REALTORS during my 42 years as a real estate licensee.

The proposed modernization of our existing 1968 law is long over-due. Many of the changes are technical in nature--adding references to electronic communication, the internet, and bringing the statute into alignment with federal anti-trust laws and federal real estate settlement regulations, as well reflecting current practices. Some clarify the roles and duties of the parties in real estate transactions, and some are new and exciting.

As a Real Estate Commissioner, I am here to report that we have repeatedly found the existing laws lacking in depth and specifics, to a point where when we receive a complaint, we are so limited in what we can legally do to help the complainant, that we feel useless. These amendments and modifications will change that, and by more clearly defining the duties and expected conduct of licensees, will allow us to help, and to protect the public, to a much greater degree.

The Virgin Islands has a very robust long and short-term property management industry, which generates substantial income, not only for property owners, but also in hotel, and gross receipts taxes, as well as through the employment of thousands of Virgin Islanders who are essential to its success. But, we have never had a license specifically for "Property Manager". A real estate broker can be a property manager, an 'Owner Representative' can do some of the property manager jobs--but not handle money. People who don't want to go through the lengthy and cumbersome process of becoming a Broker, get around this by having an 'Owner Representative' license and a joint bank account with each owner--so they can say it's the owner handling the money. But it's not really. Nine times out of ten, it's the people operating the management companies and taking the reservations and preparing the leases, who handle the hundreds of thousands of dollars of rental income for the owners. The current law does not protect the owner or the renter, and frankly is uncomfortable for many 'owner representatives' who are not real estate brokers. It doesn't require any kind of training or experience, and it doesn't have a Commission to help guide and regulate the licensees. And it doesn't provide for a consolidated list of property managers, which would be quite helpful to Tourism, Internal Revenue, and to the Territory in general.

This bill offers a new designated Property Manager license which requires education--a clear understanding of the fiduciary duties of a manager, knowledge of accounting and reporting procedures, new technology, and guest services. It gives DLCA the ability to monitor and track this vital part of our real estate industry, by consolidating the many license 'options' into one Property Manager license. This will assist in greater enforcement of our tax laws, and when the Territory has a new initiative to roll out, this will provide an actual list of people in the hospitality sector, who are not hotels. The licensees will also be required to attend continuing education courses, which can only help keep the Virgin Islands the leader in Caribbean hospitality. The Property Managers will become a strong cohesive partner in our tourism sector.

And although those who manage family properties will not be required to obtain this license, its very creation provides another clear avenue for young people to enter the real estate industry without the uncertainty of living from commission to commission. The ability to take the classes, then pass the exam, then have a potential career in an industry that touches every single one of us, is truly a gift you will be giving to our youth. And it's our duty to offer them opportunities to succeed whenever we can, especially in today's uncertain world.

I am grateful for the opportunity to support you, today, as you review this very important legislation.

Thank you.