

June 13, 2024

Senator Diane T. Capehart, Chair

Committee on Rules and Judiciary, 35th Legislature of the USVI

35th Legislature of the Virgin Islands

Re: B. J. Harris Testimony on Bills # 35-0193 and 35-0117

Good afternoon Madam Chair, Committee Members, other Senators, Staff, and my fellow Virgin Islanders. I am here today, to offer my support of the currently proposed bills to modernize and update the existing statute which governs the licensing and regulation of the real estate industry in the Virgin Islands, and relating to the duties, qualifications and term limits of Real Estate Commissioners.

My name is BJ Harris. Many of you have seen me in these chambers before, and know that I am a loyal Virgin Islander since 1979, who is 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 VI 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. Some clarify roles and duties of the parties in real estate transactions, and some are new and exciting.

Those latter, are the ones I would like to address briefly today.

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.

We currently have a robust property management industry in the Territory. Property management generates substantial income, not only for property owners, but also in hotel and gross receipts taxes, and through the employment of thousands of Virgin Islanders who are essential to its success. But, historically, 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, rental house owners can have 'licenses' for the houses, but what's that? So people have gotten around not having a specific Property Manager license, and not going through the lengthy and cumbersome process of becoming a Broker, 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. It's the person operating the management company who handles the millions 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 'property managers' who are not real estate brokers. It doesn't require any kind of training or experience, and certainly doesn't have a Commission to help regulate the licensees. It doesn't provide a consolidated list of property managers, which would be helpful to Tourism, BIR and the Territory in general.

This bill offers a new specific 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 the DLCA the ability to monitor and track this vital part of our 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 be required to attend continuing education courses which can 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 creation provides another avenue for young people (or any people) to enter the real estate industry without the uncertainty of living from commission to commission. The ability to take the classes, then take the exams, 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, in this very uncertain world.

The bill relating to the duties, qualifications and term limits of Real Estate Commissioners is well balanced and takes into consideration the reality of filling vacancies. I fully support this bill.

I thank you for letting me take this time to support you in these very important pieces of legislation.

Respectfully,

B. J. Harris