

6/18/2013-HELD IN COMMITTEE

BILL NO. 30-0154

Thirtieth Legislature of the Virgin Islands

June 11, 2013

An Act amending title 33, chapter 111, section 3019, Virgin Islands Code to add a new section to authorize the Government of the United States Virgin Islands, acting through the Commissioner of Finance and/or the Virgin Islands Public Finance Authority to issue revenue anticipation notes, in any fiscal year, for working capital purposes; to appropriate additional funding for Health Insurance cost; to reprogram from Act No. 7414 OMB-Workmen's Compensation Increase to make payment on the Unemployment Trust Fund Loan in the Fiscal Year 2013; to increase the Bureau of Corrections' appropriation to meet its obligations; and to assess 2012 property tax bills at the 1998 rate and level of assessment; and setting January 1st as the official assessment date

PROPOSED BY: The Committee on Finance by Request of the Governor

1 *Be it enacted by the Legislature of the Virgin Islands:*

2 **SECTION 1.** Title 33, chapter 111, section 3019, is amended by adding a new section
3 3019a to read as follows:

4 **“§3019a.** The Government of the United States Virgin Islands, acting through the
5 Commissioner of Finance and/or the Virgin Islands Public Finance Authority, is authorized, in any
6 fiscal year, commencing with fiscal year 2013, to issue revenue anticipation notes in anticipation
7 of the receipt of taxes, rates, charges and other revenues to be received within such fiscal year, not
8 inconsistent with section 8 of the Revised Organic Act of the Virgin Islands. The proceeds of such
9 notes issued pursuant to this section shall be applied (a) to provide funds for any purpose for which

1 the Government is authorized to use and expend moneys, including but not limited to, current
2 expenses, capital expenditures and the discharge of any obligations of the Government, and (b)
3 shall be repayable within such fiscal year. Any revenue anticipation authorized pursuant to this
4 section (a) may be secured by and payable from either (i) the General Fund as a general obligation
5 of the Government, (ii) gross receipts taxes collected by the Government pursuant to title 33,
6 section 43 of the Virgin Islands Code, further secured by the general obligation of the Government,
7 or (iii) matching fund revenues to be collected by the Government of the United States Virgin
8 Islands pursuant to section 28(b) of the Revised Organic Act of the Virgin Islands and (b) shall
9 have a maximum interest rate of 9%, and maximum principal amount in any fiscal year not to
10 exceed \$40,000,000, plus the associated fees, charges and carrying costs associated with the
11 issuance of any such debt or required reserves, and shall mature by no later than the end of any
12 fiscal year in which such borrowing occurs.

13 The Government of the United States Virgin Islands, acting through the Commissioner of
14 Finance and/or the Virgin Islands Public Finance Authority are hereby authorized to (i) negotiate
15 the final terms of any borrowing authorized pursuant to this section, which may be procured
16 pursuant to the terms of a multi-year credit facility, (ii) execute and deliver all documents and
17 agreements necessary or advisable in connection with any borrowing authorized herein, and (iii)
18 pay all expenses associated with the issuance of any note authorized herein.”

19 **SECTION 2.** Act No. 7414, section 2, Miscellaneous, “M0081 DOP Health Insurance
20 Retirees” is amended by deleting the amount “23,963,000” and substituting in lieu thereof the
21 amount “\$35,963,000”.

22 **SECTION 3.** Act No. 7414, section 1, (B) the General Fund appropriation for the Bureau
23 of Correction in Fiscal Year ending September 30, 2013, is amended as follows:

24 **DELETE**

1	15100 Personnel Services	\$12,441,298
2	 Fringe Benefits	\$ 4,958,993
3		
4	25600 Capital	\$ 500,000
5	45,400 Supplies	\$ 1,475,656
6	95000 Other Services and Charges	\$ 5,120,283
7	96000 Public Utility Services	\$ 1,300,000
8	Total Org 150 Bureau of Corrections	\$25,796,230

9 **INSERT:**

10	59999 Lump Sum	<u>\$28,796,230</u>
11	Total Org 150 Bureau of Corrections	\$28,796,230

12 **SECTION 4.** The sum of \$1,190,848 in Act 7414, section 2 (Miscellaneous) is
13 reprogrammed from OMB-Workmen's Compensation Increase to Department of Labor to pay
14 interest [earned] [payable] on unemployment Trust Fund Loan.

15 **SECTION 5.** Section 4 of Act No. 7342 (Bill No. 29-0266) is deleted in its entirety and
16 replaced with the following language:

17 “Notwithstanding any law to the contrary, The Tax Assessor of the Virgin Islands shall
18 issue real property tax bills for all classes of real property, including residential and commercial,
19 and collect such real property tax payments at the 1998 rate and assessment level for tax years
20 2009 to 2012.”

21 **SECTION 6.** Title 33, chapter 85, section 2410, is amended by deleting the first sentence
22 in its entirety and replacing with the following language:

23 “All real property shall be assessed to the person who is either the owner or in possession
24 thereof as of January 1, and the person appearing of record as of January 1, shall be held to be the

1 true owner thereof, starting with the Y 2013 bills, and similarly following each year thereafter.
2 Except as otherwise provided, all taxes shall be assessed as of January 1 of the calendar year with
3 respect to which the taxes are assessed. Property characteristics and assessments are as of January
4 1 for the Calendar Year of which tax bills are issued.”

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BILL SUMMARY

7 Section 1 grants the Government of the United states Virgin Islands, in any fiscal year of
8 projected revenue shortfalls, borrowing authorization for issuance of revenue anticipation notes to
9 fund fixed, mandatory operating costs, including payroll, utilities, rents, ongoing essential
10 contractual obligations, for the continuing operations of the government.

11 Section 2 appropriates \$12,000,000 from the General Fund to the Division of Personnel to
12 pay additional employer share of Health Insurance coverage for retirees. In late September 2012
13 after the Board and CIGNA concluded negotiations, the insurance increase was 15.9%. Without
14 this appropriation, all retirees, employees and their dependents health insurance coverage will be in
15 jeopardy by July 2013.

16 Section 3 increases the Bureau of Corrections appropriation in Fiscal Year 2013 by
17 \$3,000,000 and makes it a lump sum budget instead of a line item budget, so that the Bureau can
18 utilize its budget more efficiently.

19 Section 4 reprogram funds from OMB-Workers Compensation increase to appropriate
20 \$1,190,848 to the Department of Labor to pay the interest that is earned on the Unemployment
21 Trust Fund loan that was utilized to pay employees who were unemployed.

22 Section 5 extend the issuance of bills at the 1998 rate and level of assessment to Calendar
23 Year 2012 in order to avoid foregoing the collections of real property tax bills in what would
24 otherwise be a revaluation year.

1 Section 6 changes the assessment date of record to January 1 from January 15 annually. It
2 also clarifies the year in which assessments are applicable to bills, and explicitly makes January 1,
3 2013 as the effective date of assessments for the 2013 CY bills, and similarly following each year
4 thereafter.

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6 **BR13-0732/June 10, 2013/**
7 **G30-0005**

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