

COMMITTEE ON BUDGET, APPROPRIATIONS AND
FINANCE

03/20/2024-AMENDED AND REPORTED OUT TO THE FLOOR

03/05/2024-AMENDED AND REPORTED OUT TO THE COMMITTEE ON RULES AND JUDICIARY

BILL NO. 35-0196

Thirty-Fifth Legislature of the Virgin Islands

November 13, 2023

An Act amending title 3 Virgin Islands Code, sections 717(c) and 766(c) to establish a deadline for the Government Employees Retirement System to resume the personal loan program, remove the \$10,000,000 annual aggregate amount and the 8% interest rate cap, to limit the system's liability to \$75,000, and set a parameter in section 717 that all loans must be structured such that the payoff date occurs before the retiree reaches age 70

PROPOSED BY: Senators Milton E. Potter, Dwayne M. DeGraff, Ray Fonseca, and
Franklin D. Johnson
Co-sponsor: Marise C. James

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

2 **SECTION 1.** Title 3 Virgin Islands Code, section 717(c) is amended as follows:

3 (a) "at 8% interest rate" in the third sentence is stricken and replaced with "at an
4 interest rate set by the Board."

5 (b) "the retirement age." is stricken in the sixth sentence and replaced with "age
6 70."

7 (c) All the language after "shall be made payable as set by the Board." in the
8 eighth sentence is stricken.

9 (d) In the third paragraph, first sentence, strike "from time to time" and insert
10 "not to exceed 12%".

1 **SECTION 2.** Title 3 Virgin Islands Code, section 701(f) is amended by adding a
2 sentence to read as follows:

3 “No judgment may be rendered against the System in excess of \$75,000 in any suit or
4 action against the System with respect to any injury to or loss of property or personal injury or
5 death that:

6 (1) is caused by the negligent or wrongful act or omission of an employee of the
7 System while acting within the scope of the employee’s employment under circumstances
8 where the System, if a private person, would be liable to the claimant in accordance with
9 the law of the place where the act or omission occurred; or

10 (2) occurs in connection with the use of the System’s facilities.”

11 **SECTION 3.** Title 3 Virgin Islands Code, section 766(c) is amended as follows:

12 (a) “at 8% interest rate” is stricken and replaced with “at an interest rate “not to
13 exceed 12%.”

14 (b) “by striking the sentence: ‘Personal loans issued under this section are not
15 subject to subsection (b), paragraph (17) and shall not exceed the aggregate amount of
16 \$10,000,000 per fiscal year, per district for a maximum allocation of \$20,000,000.’”

17 (c) In paragraph (3):

18 (i) Strike the first sentence;

19 (ii) In the third sentence, strike “, at least three collateral options,”; and

20 (iii) Strike the last sentence.

21 **SECTION 4.** Title 3 Virgin Islands Code, section 750 is amended by adding subsection
22 (f) to read as follows:

1 “(f) No judgment may be rendered against the System in excess of \$75,000 in any
2 suit or action against the System with respect to any injury to or loss of property or
3 personal injury or death that:

4 (1) is caused by the negligent or wrongful act or omission of an employee
5 of the System while acting within the scope of the employee’s employment under
6 circumstances where the System, if a private person, would be liable to the claimant
7 in accordance with the law of the place where the act or omission occurred; or

8 (2) occurs in connection with the use of the System’s facilities.”

9 **SECTION 5.** The Board shall resume the personal loan program in title 3 Virgin Islands
10 Code, sections 717(c) and 766(c) not later than September 30, 2024.

11 **BILL SUMMARY**

12 Section 1 amends title 3 Virgin Islands Code, section 717 (c) and section 3 amends title
13 3 Virgin Islands Code section 766 (c) to empower the Board to establish the interest rate for
14 personal loans. Section 2 amends title 3 Virgin Islands Code, section 701 (f) and section 4
15 amends title 3 Virgin Islands Code, section 750 by adding subsection (f) to limit the System’s
16 liability. Section 5 establishes a deadline for GERS to resume the personal loan program.

17 **BR23-0522/June 6, 2023/HLF/REVISED/October 18, 2023/HLF**

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