

BILL NO. 30-0166

Thirtieth Legislature Of The Virgin Islands

July 16, 2013

An Act implementing austerity measures for the Government of the Virgin Islands

PROPOSED BY: Senators Terrence “Positive” Nelson and Nereida “Nellie” Rivera-O’Reilly

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

2 **SECTION 1.** The Director of the Virgin Islands Bureau of Internal Revenue is authorized to
3 implement an early payment discount for gross receipts taxes for businesses that elect to pay estimated
4 gross receipts taxes in advance. Businesses that take advantage of this program shall receive a discount
5 of one percent (1%).

6 **SECTION 2.** The Government Employees Retirement System (GERS) and the Government of
7 the Virgin Islands are authorized to negotiate the sale and purchase of the 2012 real property tax
8 portfolio at a mutually agreed upon discounted price. As part of the agreement, the GERS will become
9 the beneficiary of any penalties and interest collected on real property taxes for Fiscal Year 2012, as
10 well as the returns from the receipt of payments made according to the face value of the tax portfolio,

1 pursuant to the laws of the Virgin Islands concerning interest and penalties owed on past due property
2 taxes.

3 **SECTION 3.** Notwithstanding any law or provision to the contrary, every Department and
4 Agency of the Government of the Virgin Islands shall suspend all non-essential locally funded contracts
5 for professional services. The provisions of this section expire on September 30, 2014.

6 **SECTION 4.** (a) There is hereby created within the Office of the Governor a Workforce
7 Reduction Planning Board (“Board”) to provide advice and recommendations to the Governor regarding
8 implementation of a workforce reduction in the executive branch of the Government of the Virgin
9 Islands. The purpose of the Board is to reduce the non-service unclassified workforce of the
10 government to a maximum limit of 1,000 employees.

11 (b) The Board shall be comprised of the Commissioner of Finance, the Director of the Office of
12 Management and Budget, the Director of Personnel, and two members of the Legislature of the Virgin
13 Islands appointed by the President of the Legislature.

14 (c) Three members of the Board shall constitute a quorum for the transaction of all business of
15 the Board. All decisions on all matters before the Board shall be made by a majority vote of those
16 members present.

17 (d) The Board is authorized to adopt such rules as it deems necessary to conduct its business.

18 (e) The Board shall meet once per month until all of its duties and responsibilities are
19 completed.

20 (f) The Boards shall have the following duties and responsibilities:

21 (1) Obtain the unclassified position count for each department and agency of the
22 Government of the Virgin Islands;

1 (2) Recommend to each department and agency the maximum number of unclassified
2 positions allowed on the payroll to achieve a total quarterly unclassified workforce reduction of
3 no less than 150 positions for 5 consecutive quarters beginning October 1, 2013;

4 (3) Obtain a plan from each department and agency of the Government of the Virgin
5 Islands demonstrating how each department or agency intends to achieve and operate within the
6 recommended maximum unclassified employee count, based on the recommendation in
7 paragraph (2);

8 (4) Review the plans submitted by each department and agency and make
9 recommendations to the Governor regarding approval or modification of each plan;

10 (5) Monitor the implementation of those plans approved by the Governor and advise the
11 Governor accordingly; and

12 (6) Provide monthly written reports to the Governor and the President of the Legislature.

13 (g) Each department and agency of the Government of the Virgin Islands shall provide the
14 Board with information as requested by the Board, including, but not limited to, preliminary employee
15 counts, workforce reduction plans, and any other information that may assist with the implementation of
16 this Act.

17 **SECTION 5.** All branches of the Government of the Virgin Islands are authorized to implement
18 voluntary part-time employment status for a period to two years for non-essential employees as a cost
19 saving measure. Employees opting to participate in a voluntary part-time program shall have all benefits
20 preserved, including, but not limited to sick and annual leave, insurance, and retirement benefits.

21 **SECTION 6.** All branches of the Government of the Virgin Islands are authorized to establish
22 PayPal accounts to expedite the payment of fees and taxes due through existing website pages.

23 **SECTION 7.** The Government of the Virgin Islands with the assistance of the Bureau of
24 Economic Research is authorized to commission an asset valuation of the Lonesome Dove Oil Wells

1 that are the property of the Government of the Virgin Islands. The cost of the asset valuation shall be
2 paid from the annual income generated by the Lonesome Dove Oil Wells.

3 **SECTION 8.** The sum of \$250,000 is reprogrammed from the residual funds of the proceeds
4 remaining from the 2003 GR Bonds for the Virgin Islands Police Department to purchase portable
5 automated credit card payment machines to process the payment of traffic tickets in real time. Payments
6 made at the time of ticket issuance shall be discounted by twenty percent (20%).

7 **SECTION 9.** The Department of Property and Procurement is authorized to negotiate leases
8 with mobile phone tower operators to place towers on government owned property. Lease payments
9 pursuant to this section shall be directed to the General Fund for government operations.

10 **SECTION 10.** (a) Notwithstanding any provision of law to the contrary, all companies holding
11 a Virgin Islands Economic Development Commission certificate shall be assessed an additional one
12 percent (1%) on the current gross receipts tax rate in exchange for an automatic three (3) year extension
13 of their certificate.

14 (b) Notwithstanding any provision of law to the contrary, all companies holding a Virgin Islands
15 Economic Development Commission certificate may be assessed an additional one percent (1%) on the
16 current excise tax rate in exchange for an automatic three (3) year extension of their certificate.

17 (c) The provisions of this section shall expire two (2) years from the enactment of this Act.

18 **BILL SUMMARY**

19 This Bill implements austerity measures for the Government of the Virgin Islands.

20 Section 1 authorizes the Director of the Virgin Islands Bureau of Internal Revenue to implement
21 an early payment discount of one percent for businesses that pay estimated gross receipts taxes in
22 advance.

1 Section 2 authorizes the Government Employees Retirement System (GERS) and the
2 Government of the Virgin Islands to negotiate the sale and purchase of the 2012 real property tax
3 portfolio.

4 Section 3 requires all government departments and agencies to suspend all non-essential locally
5 funded contracts for professional services.

6 Section 4 establishes a workforce Reduction Planning Board within the Office of the Governor
7 for the purpose of reducing the non-service unclassified workforce of the government to a maximum
8 limit of 1,000 employees. .

9 Section 5 authorizes all branches of government to implement voluntary part-time employment
10 status for a period to two years for non-essential employees.

11 Section 6 authorizes all branches of government to establish PayPal accounts to expedite the
12 payment of fees and taxes due through existing website pages.

13 Section 7 authorizes the Government of the Virgin Islands with the assistance of the Bureau of
14 Economic Research to commission an asset valuation of the Lonesome Dove Oil Wells.

15 Section 8 reprograms \$250,000 for the purchase of portable automated credit card payment
16 machines to process traffic ticket payments in real time.

17 Section 9 authorizes the Department of Property and Procurement to negotiate leases with
18 mobile phone tower operators to place towers on government owned property.

19 Section 10 provides for an additional one percent tax on gross receipts and excise taxes for
20 companies holding a Virgin Islands Economic Development Commission certificate.

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22 **BR13-0621/June 19, 2013/EEM/Revised June 27, 2013/Reviewed by MMH**