

## Union Calendar No. 435

112TH CONGRESS  
2D SESSION

# H. R. 3706

[Report No. 112-600]

To create the Office of Chief Financial Officer of the Government of the Virgin Islands, and for other purposes.

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### IN THE HOUSE OF REPRESENTATIVES

DECEMBER 16, 2011

Mrs. CHRISTENSEN introduced the following bill; which was referred to the Committee on Natural Resources

JULY 17, 2012

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on December 16, 2011]

# **A BILL**

To create the Office of Chief Financial Officer of the Government of the Virgin Islands, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CHIEF FINANCIAL OFFICER OF THE VIRGIN IS-**  
4 **LANDS.**

5 *(a) APPOINTMENT OF CHIEF FINANCIAL OFFICER.—*

6 *(1) IN GENERAL.—The Governor of the Virgin*  
7 *Islands shall appoint a Chief Financial Officer, with*  
8 *the advice and consent of the Legislature of the Virgin*  
9 *Islands, from the names on the list required under*  
10 *section 2(d). If the Governor has nominated a person*  
11 *for Chief Financial Officer but the Legislature of the*  
12 *Virgin Islands has not confirmed a nominee within*  
13 *90 days after receiving the list pursuant to section*  
14 *2(d), the Governor shall appoint from such list a*  
15 *Chief Financial Officer on an acting basis until the*  
16 *Legislature consents to a Chief Financial Officer.*

17 *(2) ACTING CHIEF FINANCIAL OFFICER.—If a*  
18 *Chief Financial Officer has not been appointed under*  
19 *paragraph (1) within 180 days after the date of the*  
20 *enactment of this Act, the Virgin Islands Chief Fi-*  
21 *nancial Officer Search Commission, by majority vote,*  
22 *shall appoint from the names on the list submitted*  
23 *under section 2(d), an Acting Chief Financial Officer*  
24 *to serve in that capacity until a Chief Financial Offi-*  
25 *cer is appointed under the first sentence of paragraph*

1       (1). *In either case, if the Acting Chief Financial Offi-*  
2       *cer serves in an acting capacity for 180 consecutive*  
3       *days, without further action the Acting Chief Finan-*  
4       *cial Officer shall become the Chief Financial Officer.*

5       (b) *DUTIES OF CHIEF FINANCIAL OFFICER.*—*The du-*  
6       *ties of the Chief Financial Officer shall include the fol-*  
7       *lowing:*

8               (1) *Develop and report on the financial status of*  
9       *the Government of the Virgin Islands not later than*  
10       *6 months after appointment and quarterly thereafter.*  
11       *Such reports shall be available to the public.*

12              (2) *Each year prepare and certify spending lim-*  
13       *its of the annual budget, including annual estimates*  
14       *of all revenues of the territory without regard to*  
15       *sources, and whether or not the annual budget is bal-*  
16       *anced.*

17              (3) *Revise and update standards for financial*  
18       *management, including inventory and contracting,*  
19       *for the Government of the Virgin Islands in general*  
20       *and for each agency in conjunction with the agency*  
21       *head.*

22       (c) *DOCUMENTS PROVIDED.*—*The heads of each de-*  
23       *partment of the Government of the Virgin Islands, in par-*  
24       *ticular the head of the Department of Finance of the Virgin*  
25       *Islands and the head of the Internal Revenue Bureau of*

1 *the Virgin Islands shall provide all documents and informa-*  
2 *tion under the jurisdiction of that head that the Chief Fi-*  
3 *nancial Officer considers required to carry out his or her*  
4 *functions to the Chief Financial Officer.*

5 (d) *CONDITIONS RELATED TO CHIEF FINANCIAL OFFI-*  
6 *CER.—*

7 (1) *TERM.—The Chief Financial Officer shall be*  
8 *appointed for a term of 5 years.*

9 (2) *REMOVAL.—The Chief Financial Officer shall*  
10 *not be removed except for cause. An Acting Chief Fi-*  
11 *nancial Officer may be removed for cause or by a*  
12 *Chief Financial Officer appointed with the advice*  
13 *and consent of the Legislature of the Virgin Islands.*

14 (3) *REPLACEMENT.—If the Chief Financial Offi-*  
15 *cer is unable to continue acting in that capacity due*  
16 *to removal, illness, death, or otherwise, another Chief*  
17 *Financial Officer shall be selected in accordance with*  
18 *subsection (a).*

19 (4) *SALARY.—The Chief Financial Officer shall*  
20 *be paid at a salary to be determined by the Governor*  
21 *of the Virgin Islands, except such rate may not be less*  
22 *than the highest rate of pay for a cabinet officer of*  
23 *the Government of the Virgin Islands or a Chief Fi-*  
24 *nancial Officer serving in any government or semi-*  
25 *autonomous agency.*

1           (e) *REFERENDUM.*—As part of the closest regularly  
2 scheduled, islands-wide election in the Virgin Islands to the  
3 expiration of the fourth year of the five-year term of the  
4 Chief Financial Officer, the Board of Elections of the Virgin  
5 Islands shall hold a referendum to seek the approval of the  
6 people of the Virgin Islands regarding whether the position  
7 of Chief Financial Officer of the Government of the Virgin  
8 Islands shall be made a permanent part of the executive  
9 branch of the Government of the Virgin Islands. The ref-  
10 erendum shall be binding and conducted according to the  
11 laws of the Virgin Islands, except that the results shall be  
12 determined by a majority of the ballots cast.

13 **SEC. 2. ESTABLISHMENT OF COMMISSION.**

14           (a) *ESTABLISHMENT.*—There is established a commis-  
15 sion to be known as the “Virgin Islands Chief Financial  
16 Officer Search Commission”.

17           (b) *DUTY OF COMMISSION.*—The Commission shall  
18 recommend to the Governor not less than 3 candidates for  
19 nomination as Chief Financial Officer of the Virgin Is-  
20 lands. Each candidate must have demonstrated ability in  
21 general management of, knowledge of, and extensive prac-  
22 tical experience at the highest levels of financial manage-  
23 ment in governmental or business entities and must have  
24 experience in the development, implementation, and oper-  
25 ation of financial management systems.

1       (c) *MEMBERSHIP.*—

2               (1) *NUMBER AND APPOINTMENT.*—*The Commis-*  
3       *sion shall be composed of 8 members appointed not*  
4       *later than 30 days after the date of the enactment of*  
5       *this Act. Persons appointed as members must have*  
6       *recognized business, government, or financial exper-*  
7       *tise and experience and shall be appointed as follows:*

8               (A) *1 individual appointed by the Governor*  
9       *of the Virgin Islands.*

10              (B) *1 individual appointed by the President*  
11       *of the Legislature of the Virgin Islands.*

12              (C) *1 individual, who is an employee of the*  
13       *Government of the Virgin Islands, appointed by*  
14       *the Central Labor Council of the Virgin Islands.*

15              (D) *1 individual appointed by the Chamber*  
16       *of Commerce of St. Thomas-St. John.*

17              (E) *1 individual appointed by the Chamber*  
18       *of Commerce of St. Croix.*

19              (F) *1 individual appointed by the President*  
20       *of the University of the Virgin Islands.*

21              (G) *1 individual, who is a resident of St.*  
22       *John, appointed by the At-Large Member of the*  
23       *Legislature of the Virgin Islands.*

24              (H) *1 individual appointed by the Presi-*  
25       *dent of AARP Virgin islands.*

1           (2) *TERMS.*—

2                   (A) *IN GENERAL.*—*Each member shall be*  
3                   *appointed for the life of the Commission.*

4                   (B) *VACANCIES.*—*A vacancy in the Com-*  
5                   *mission shall be filled in the manner in which*  
6                   *the original appointment was made. Any mem-*  
7                   *ber appointed to fill a vacancy shall be ap-*  
8                   *pointed for the remainder of that term.*

9           (3) *BASIC PAY.*—*Members shall serve without*  
10           *pay.*

11           (4) *QUORUM.*—*Five members of the Commission*  
12           *shall constitute a quorum.*

13           (5) *CHAIRPERSON.*—*The Chairperson of the*  
14           *Commission shall be the Chief Justice of the Supreme*  
15           *Court of the United States Virgin Islands or the des-*  
16           *ignee of the Chief Justice. The Chairperson shall serve*  
17           *as an ex officio member of the Commission and shall*  
18           *vote only in the case of a tie.*

19           (6) *MEETINGS.*—*The Commission shall meet at*  
20           *the call of the Chairperson. The Commission shall*  
21           *meet for the first time not later than 15 days after*  
22           *all members have been appointed under this sub-*  
23           *section.*



1           (7) *GOVERNMENT EMPLOYMENT.*—*Members may*  
2           *not be current government employees, except for the*  
3           *member appointed under paragraph (1)(C).*

4           (d) *REPORT; RECOMMENDATIONS.*—*The Commission*  
5           *shall transmit a report to the Governor, the Committee on*  
6           *Natural Resources of the House of Representatives and the*  
7           *Committee on Energy and Natural Resources of the Senate*  
8           *not later than 60 days after its first meeting. The report*  
9           *shall name the Commission’s recommendations for can-*  
10           *didates for nomination as Chief Financial Officer of the*  
11           *Virgin Islands.*

12           (e) *TERMINATION.*—*The Commission shall terminate*  
13           *upon the nomination and confirmation of the Chief Finan-*  
14           *cial Officer.*

15   **SEC. 3. DEFINITIONS.**

16           *For the purposes of this Act, the following definitions*  
17           *apply:*

18           (1) *CHIEF FINANCIAL OFFICER.*—*In sections 1*  
19           *and 2, the term “Chief Financial Officer” means a*  
20           *Chief Financial Officer or Acting Chief Financial Of-*  
21           *ficer, as the case may be, appointed under section*  
22           *1(a).*

23           (2) *COMMISSION.*—*The term “Commission”*  
24           *means the Virgin Islands Chief Financial Officer*  
25           *Search Commission established pursuant to section 2.*

1           (3) *GOVERNOR.*—*The term “Governor” means*  
2           *the Governor of the Virgin Islands.*

3           (4) *REMOVAL FOR CAUSE.*—*The term “removal*  
4           *for cause” means removal based upon misconduct,*  
5           *failure to meet job requirements, or any grounds that*  
6           *a reasonable person would find grounds for discharge.*



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