COMMITTEE ON FINANCE

BILL NO. 31-0052

Thirty-first Legislature of the Virgin Islands

February 17, 2015

An Act to authorize the Virgin Islands Government to purchase Estate Catherineberg from WICO by offsetting payments owed in lieu of taxes, as mandated by Act No. 5826, as amended

PROPOSED BY: Senator Janette Millin Young

WHEREAS, in accordance with Act No. 5826, as amended, the West Indian Company Limited (WICO), in lieu of taxes, is required to pay ten percent of its annual revenues, or $700,000 per year, whichever is greater, to the Government of the Virgin Islands; and

WHEREAS, WICO did not pay its obligation in Fiscal Year 2010, and it is unlikely that WICO will be able to meet its obligation for Fiscal Years 2011, 2012 or 2013; and

WHEREAS, as a result of its failure to meet its obligations, WICO currently owes the Government of the Virgin Islands $3,300,000 for fiscal years 2010, 2011 and 2012 “Payment in Lieu of Taxes”; and

WHEREAS, WICO owns the six-acre estate at Estate Catherineberg, commonly known as “Denmark Hill”; and

WHEREAS, the Estate Catherineberg property does not generate any revenue or contribution to WICO; and

WHEREAS, WICO is interested in removing the Estate Catherineberg property from its real estate portfolio; and

WHEREAS, Estate Catherineberg is often used by the Governor in his official capacity for conducting state functions and other official activities; Now, Therefore,

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

SECTION 1. Act No 6984, section 5, is amended by striking subsection (b) in its entirety.

SECTION 2. Act No. 5826, section 8, subsection (b), as amended by Act No. 6984, subsection 5, is amended by striking "ten percent of its annual net revenues or $700,000, whichever is greater" and inserting instead "$250,000" and by striking "Government of the Virgin Islands as a contribution to the General Fund" and inserting "Department of Public Works to be used exclusively for the maintenance of Estate Catherineberg".

SECTION 3. Pursuant to and in accordance with 31 V.I.C. §231a the Government of the Virgin Islands, through the Department of Property and Procurement, may purchase the Estate Catherineberg property from WICO for the People of the Virgin Islands.

SECTION 4. The net revenues owed by WICO to the Government of the Virgin Islands in lieu of taxes must be used as an offset in the purchase of the Estate Catherineberg property.

BILL SUMMARY

Section 1 repeals section 5(b) of Act No. 6984, which required the contribution received from WICO to obtain a letter of credit.

Section 2 of this bill amends Act No. 5826 to change the amount of payment in lieu of taxes that WICO is required to contribute annually to the Government of the Virgin Islands.

Section 3 of this bill authorizes the Government of the Virgin Islands to purchase Estate Catherineberg.

Section 4 of this bill authorizes the use of the outstanding payment in lieu of taxes owed to the Government of the Virgin Islands as an offset to purchase Estate Catherineberg.

BR15-0355/February 9, 2015/YLT