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Container Tax Doubled After 22 Years as Lawmakers Push Financial Lifeline for Waste Management Authority

The new law doubles rates for 40-foot containers and introduces a fee for 45-foot flat racks, aiming to raise \$4.1 million annually; lawmakers supported the changes as a long-overdue update aligned with rising port and solid waste costs.

Government / **Published On July 11, 2025 05:41 AM /**

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The V.I. Port Authority's Crown Bay Cargo Facility on July 5, 2025. By. V.I. CONSORTIUM.

Lawmakers on Thursday voted in favor of legislation to increase the cost of bringing containers or flat rack containers into the Virgin Islands. Bill 36-0039 was sponsored by Senator Angel Bolques

Jr., who called it a “long overdue update to the Virgin Islands Container Tax.”

According to the draft legislation, a container up to 39 feet will be charged \$100 instead of \$50. Containers 40 feet and more will be charged \$200 instead of the previous \$100. The fee, Bolques said, “has not been updated despite the rising cost of port operations, infrastructure maintenance and waste management.”

The bill also adds a “new container rate for 45-foot flat rack containers, which are the standard across the global shipping industry in the areas of heavy materials and construction.” Still, Mr. Bolques maintained that despite the increase, the USVI will remain competitive. He also dismissed concerns over the impact on consumers. “Let's be realistic, while shipping companies may threaten to pass the cost along to consumers, the actual impact per item is negligible when broken down.”

Bill 36-0039 was an easy ask for lawmakers. “I am definitely in favor...It's been over 22 years. The container tax hasn't been modernized to reflect inflation and other increases of cost,” said Senator Ray Fonseca.

The main point of contention was with how the funds collected from the container fees will be distributed. As written, the bill allocates half of the funds to the general fund with the remaining 50% earmarked for the Anti-Litter Beautification Program. Of that 50%, half (i.e. a quarter of the collected total) is intended for solid waste collection efforts by the Waste Management Authority. The other half will fund the Anti-Litter Beautification Summer Youth Program.

Julio Rhymer, the director of the Office of Management and Budget, vehemently opposed the proposed fund distribution. He reminded lawmakers that WMA is a semi-autonomous agency “with the ability to establish rates for solid waste collection and disposal,” but has thus far “failed to do so.” According to Mr. Rhymer, “to continue to provide additional sources of tax revenues for the Virgin Island Waste Management Authority does not provide any incentives for WMA to address their revenue shortfalls.”

Instead, Mr. Rhymer suggested that the split be “75% to the general fund and 25% to the Anti-Litter Beautification Program.” Mr. Rhymer also suggested the introduction of other related fees, including a \$25 container documentation fee to “support administrative oversight.” An additional \$3 would be considered a technology fee to “fund technology requirements, improvement and enhancements.” With the adjustments and fees, the Government of the Virgin Islands could collect an estimated \$4.1 million per year, said Mr. Rhymer.

Daryl Griffith, WMA's interim executive director, felt differently from Mr. Rhymer. “The authority's annual budget has been underfunded for its entire existence,” Mr. Griffith testified. “This has led the authority to accumulate an account payable of over \$20 million.” Mr. Griffith estimates that the proposed legislation, combined with “garbage collection fees that WMA is presenting currently to the PSC,” will grant WMA a “budget that is better than break even.”

“The authority appreciates the Senate's efforts to provide Waste Management with the necessary financial resources to serve the community adequately,” Mr. Griffith said.

Though most lawmakers complained about having to bail out the Waste Management Authority, they sided with the WMA during Thursday's debate.

“This body has appropriated somewhere along the lines of \$30 million each year to the Waste Management Authority. And if there's some way that we can sort of scale back on that reliance, I

think it's going to be a win,” said Bolques.

“I understand what the OMB director is saying, but this is not all that amount of money, even with all adjustments,” said Fonseca. “My vote will be to help the Waste Management Authority to get these additional revenues because we all agree that the Waste Management Authority is almost in a state of crisis.”

“I’m also inclined to support the 50/50 split in spite of the eloquence of [the] OMB director, just based on the urgent operational needs right now of the Virgin Islands Waste Management Authority,” added Senator Milton Potter. He did, however, agree with Mr. Rhymer that there should be a “gradual weaning off of reliance from the central government.”

“I support what you are saying but the reality is we have to find the money,” noted Senator Dwayne DeGraff.

Their comments prompted Mr. Rhymer to suggest a sunset clause. “You can sunset his portion of the 25%, you keep the 25% that's going to be for the program,” he offered. Doing so would give WMA a “push.” Sen. DeGraff agreed, calling it a “suggestion that makes a little more sense.”

“I can understand the logic behind it, and I wouldn't have a problem if you put one like five years or seven years,” said Mr. Griffith. He assured the Authority is “aggressively working to get off of the general fund so that we can start collecting our own fees.”

Bill 36-0039, with slight amendments, was passed on Thursday. A sunset clause has not yet been added. The fund distribution remains the same as originally written – 50/50. These and other proposed changes will be likely be discussed once more in the Committee on Rules and Judiciary.

Lawmakers have also encouraged the Waste Management Authority to lobby the Office of Management and Budget for some \$1.8 million sitting in the tire tax fund. “If he requests the tire tax, I believe we will transfer it,” said Mr. Rhymer.