The Virgin Islands Consortium

Payless Paydays Looming, Senators Pass Measure Billing Residents Twice In 2015 For Property Taxes

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ST. THOMAS -- The territory's condition, as relayed by senators of the 31 Legislature at the Earl B. Ottley Legislative Hall on Thursday, is dire. There would be no money to pay government employees if RAN measure, bill No. 31-0148 was not passed. The bill essentially gives the Government of the Virgin Islands the leverage, through the guarantee of property tax payments, to take an immediate loan of $50 million. Loan payments will be made once the property tax payments (the bill calls for two years of property taxes to be paid in 2015), are made.

But Senator Terrence "Positive" Nelson, more concerned about not being preempted by the measure because he's the author of a bill with similar traits, cried foul.

"Today for me, tomorrow for you," Nelson declared, referring to bill No. 31-0148, brought to the floor by Sen. Kurt Vialet, arguing that the freshman Democract stole his intellectual property.

"If you don't have an idea, sign on to somebody else's bill who has the idea," Nelson went on. "I'm not one to tell you all don't sign on to my bill. But to just come and literally, in broad daylight, rip my bill from under me because you want to put two property taxes on the people of the Virgin Islands, I will stand up and fight. Because this is not a catch-up; this is a tax in advance. I don't care how you measure it. People of the Virgin Islands you can't take this taxation right now."

Vialet, however, shot back swiftly.

Pointing out that he's never had to steal anyone's intellectual property, and reminding his fellow colleagues that he was not the sponsor of bill No. 31-0148 -- it was sent down to the Senate by Governor Mapp's financial team -- the former edcuator levied a rebuttal at Nelson; and warned of the pending catastrophe if monies were not identified to keep the government afloat.

First, however, Vialet showed part of himself unknown to the Senate and a vast majority of Virgin Islanders.

"I'd just like to answer this conversation that we've been having about preemption, and what constitutes preemption," Vialet began. "And to easily solve it, I would suggest that if Senator Nelson has the bill, special-order it to the floor now. Let us deal with your bill now. You have it, special-order it and I will withdraw 31-0148. Special-order yours and it's done." The first-term Democrat had just challenged the veteran Independent Citizen's Movement, the sole remaining member of the fading party, to bring his bill, which currently lacks a majority support and has yet to be fully vetted, to the floor.

He continued: "Special-order your bill that suggests taking $60 million for liquidity purposes according to what you just said, and leveraging it over 30 years, so we could pay back probabbly $200 million on the $60 million. Versus the RAN (Revenue Anticpation Note) that is $50 million for a 24-month period and you don't have that exorbitant cost of interest.

"So bring yours," Vialet challenged. "I'm ready to backoff on it because I don't need to steal anything. But having a broad category cannot constitute that nothing else is going to come on the floor; to make sure that the Virgin Islands remain solvent." Vialet was referring to a Senate rule that allows any senator with a bill to block any measure with similarities that follows.

But Nelson's measure is an all-encompassing bill that includes the restructing of the territory's debt, a bill Vialet and others contend was not the measure needed for this current fiscal challenge. Furthermore, Vialet went on, the $50 million that the RAN seeks, was already alloted in the 2015 budget. "The $50 million is included in the budget for this year," he stressed.

"You don't want it then find the $50 million. It's as simple as that. Where are you going to find it from? It was included in the budget; and everybody now act like it wasn't there because it is popular to say, 'I am not supporting two property taxes.' Then find the money.

"Find the money and keep the government solvent until October. Let's see how you're going to accomplish that. Because it's easy to come up here screaming. Very easy. But I don't need to steal anybody's intellectual property; never needed to. And I don't agree that [Nelson's] bill was preeempted," Vialet said, referring to legal counsel's conclusion that bill 31-0148 violated the Senate's own rule because of Nelson's similar measure.

"This back and forth that we're having all the time is a waste of time. Bring your bill let's move things forward, brother, Vialet pitched. "You want to bring it, bring it on, I'm willing to support. But bring the bill -- bring the bill number and order it the floor and let's go. I will vote yes and I will withdraw mine."

Vialet's challenge to Nelson and strong argument for passing bill No. 31-0148 was followed by more dire outlooks for the territory if the measure was not passed. And it came with added weight because of who spoke on the subject.

"My colleague from St. Croix, the good former principal, is absolutely correct," Senator Clifford Graham, chairman of the Committee on Finance, strongly stated. "Ladies and gentlement, the FY15 budget is supported by $50 million in property taxes. The property tax bill is coming out in August; are we going to collect $50 million before the end of September? The answer is no. So all the RAN does, is allow you to collect that $50 million in a loan to complete the fiscal year, and then when the property tax bills are paid, it repays the RAN.

"So you make up your mind. It's either you support the RAN, or you're going to have payless paydays; it's as simple as that. There's no other way to add it up. The biggest cost of this government is payroll."

The bill was adopted by the Senate and was amended multiple times to add various measures, including an amendment that offers financial support to schools, sponsored by Vialet; relief to farmers in the amount of $500,000 for the drought the territory’s currently facing through the Dept. of Labor, sponsored by Sen. Millin Young; relief for tax payers who are faced with two property tax bills in 2015, giving them a grace period lasting until early 2016 to make said payments, sponsored by Sen. Marvin Blyden; and funds to help the St. Croix branch of Women’s Coalition, sponsored by Sen. Novelle Francis, among other amendments.

Along with bill No.31-0147, which will expand a 2013 law that allows the government to borrow up to $40 million in each fiscal year, secured by anticipated tax revenues — a setup that helps allay issues relative to cash flow by increasing the borrowing cap to $60 million while at the same time eliminating the requirement to pay back the loan within a 12-month period -- the government will have in its coffers roughly $100 million to keep the government solvent for the remaining of the 2015 fiscal year.