

The Virgin Islands Consortium

Calling It 'Ill-Conceived,' Mapp Vetoes EDC Residency Bill

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ST. THOMAS -- Governor Kenneth Mapp vetoed bill no. 31-0292 on Monday, which would prevent nonresidents hired by or owning an EDC beneficiary company from achieving residency status during their period of employment or ownership.

In his letter to Senate President Neville James, the governor underscored that the measure as drafted would have a devastating effect on the government's ability to attract sound investment and grow the economy of the territory, if he approved it.

"As you are aware, this bill was special ordered to the floor without any committee hearings or any input from the public, the EDC Commission or the EDC beneficiaries who

will be impacted," Mr. Mapp wrote. "If enacted into law, this bill will reverse the government's gains for economic recovery and the progress achieved over the span of several administrations, with the U.S. Department of Treasury.

"This measure is, quite simply, inconsistent with the Government's position on residency for EDC compliance purposes which was submitted to the U.S. Department of Treasury," he added.

The territory's leader stated that the proposed law as written would have an especially negative impact on Virgin Islanders living outside the territory who may want to return home to work for or own an EDC company.

"This bill basically provides that if you are not a Virgin Islands resident at the time of hire or ownership of an EDC Company, you could never attain such a status or ever be considered a Virgin Islands resident while employed with or owning such an entity during the benefit period. In short, a Virgin Islander living in New York as a resident of New York, and who returns home to work for or own a beneficiary company, could never be considered a Virgin Islands resident hired for purposes of the residency requirement as long as he or she is employed by or owns that beneficiary entity," Mr. Mapp said.

The governor indicated that he was willing to work with senators in order to tackle the concerns the legislation appears to address, but that it should be part of a more comprehensive reform process, "and we should include our private sector partners as well as the Economic Development Commission. We can work in a sensible manner to ensure that beneficiary and concession agreement packages provide mutual benefits for both the territory and the potential investors," he said.

The territory's leader also noted in his message to the Senate president that the Government of the Virgin Islands should never take any action or adopt any policy that discourages Virgin Islanders living abroad from returning home to aid in the development of our territory. The language contained in this bill, he said, and the barrier it would place on other Virgin Islanders who may want to return home to start or work for an EDC company, is unwarranted.

"This bill, as written, does a horrible job if it is intended to provide any economic gain for the people of the Virgin Islands," the governor concluded.