

The Virgin Islands Consortium

Are EDC Firms Hiring Required Number Of Locals? Sen. Roach Says His Bill, Vetoed By Mapp, Was Attempt To Find Out

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Senator Tregenza Roach (Credit: VI Legislature)

ST. THOMAS -- Senator Tregenza A. Roach said on Tuesday via press release that he was compelled to respond to Governor Kenneth Mapp's veto of bill no. 31-0292, a measure Mr. Roach said was intended to change how companies which are granted economic benefits, in exchange for creating local employment, actually report their employment data.

In a press release issued on Monday, [the governor called the bill](#) "ill-advised" and unfriendly to potential investors.

According to Mr. Roach's release, the bill provides that when a non-resident is hired by an entity receiving economic incentives, that that person will be identified as a non-resident hire throughout the term of their employment for purposes of compliance with the agreement with the Government of the Virgin Islands.

Mr. Roach said it is important to emphasize that the provisions of the bill do not operate to prevent the person so described from actually becoming a resident of the Virgin Islands for voting and other purposes. It applies specifically and only to the manner in which the beneficiary entities report their employment data.

The independent senator said Governor Mapp's stated concern that Virgin Islanders who have relocated to the mainland and who may be recruited by such a company are somehow disenfranchised by the bill is totally unfounded. Specific sections of our economic development law already address such persons who can qualify as resident hires by demonstrating that they attended high school or University in the territory, or other established criteria such as being registered to vote in the Virgin Islands.

In addition, the release continued, Mr. Roach said the territory's leader makes erroneous references to residency requirements already provided to the U.S. Treasury Department which have nothing to do with hiring criteria, but which are addressed only to tax treatment of dividends and other income received by company owners or shareholders who seek tax benefits as bona-fide Virgin Islands residents.

"Mixing up the two does nothing to help our residents understand a situation which is a valid employment issue in the territory," Senator Roach said. He then added, "A measure such as this will help our government determine if its objectives in these agreements are being realized and whether beneficiary companies are actually hiring persons who were already residents of the territory at the time of their hiring."

At present, companies may recruit any number of employees from the mainland and then report them as resident employees by the following year. This raises the concern of whether our local workforce is ultimately seeing the benefit of these arrangements.

"We already provide waivers to allow these companies to recruit from the mainland when they can establish that the non-resident employee possesses skills, abilities, and other capacities that a beneficiary company may not be able to find in the local workforce. All we ask is that companies be sincere in their stated commitment to employ Virgin Islands residents as well," Mr. Roach said.

He concluded: "There is no argument that EDC companies benefit the territory and that new residents contribute to the life of the community as well as its tax base. But we also have to remember that underlying our economic development program is an expectation about the development of our own human capital -- that our workforce will grow in its skill level and other capabilities. We must remain committed to that ideal."

Although Mr. Roach proposed bill 31-0292, all 15 members of the 31st Legislature have signed on as co-sponsors and voted in favor of the measure at the most recent legislative session.

Feature Image: Senator Tregenza Roach.

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