

The Virgin Islands Consortium

Taking Action On 13 Bills, Mapp Sees 'Sad' Occurrence As Senators Go The Extra Mile To Help Caravelle Hotel

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ST. THOMAS -- Governor Kenneth Mapp has acted on 13 bills approved and forwarded to him by the 31st Legislature, Government House announced Monday.

In his May 27 [transmittal letter](#) to Senate President Neville James, the governor detailed concerns related to a bill to alter the Tax Increment Finance Program.

"While I have approved certain sections of Bill No. 31-0359, I have also line item vetoed Section 7 and Section 8 of the measure," the Governor wrote. "I have vetoed Section 7 of the bill in its entirety. Section 7 of the Bill seeks to amend certain sections of Title 29, Virgin Islands Code, Chapter 22 (the "TIF Act"). This section of the bill proposes to

expand the Tax Increment Finance Program (the “TIF Program”) and merge it with provisions of the Hotel Development Act, thereby giving access to the owners of the hotel and casino at Caravelle Hotel access to pledge government revenues to fund its capital investment requirement. Fortunately for the people of the territory, the amendment is filled with significant technical and legal errors that I must veto it and if overridden, the amendment cannot be implemented as constructed.”

Mr. Mapp said that currently the TIF Act limits qualified projects to government-owned infrastructure improvements.

“The Senate’s latest amendment would expand the TIF Act to authorize the financing of ‘construction, preservation, rehabilitation, repairs, or remodeling of private buildings, structures, or fixtures’,” he wrote. “The amendment also expands the source of government revenues that can be used to pay the private debt obligations beyond Incremental Gross Receipts Taxes and Incremental Real Property Taxes within the current TIF program and adds Casino Taxes and Hotel Room Occupancy Taxes, under the Hotel Development Act.”

On March 23, the territory's leader [line-item vetoed](#) a bill to allow the Casino Control Commission (C.C.C.) to waive certain room requirements to obtain a gaming license for a hotel in the enterprise zone – particularly the Caravelle Hotel.

“At the time of my veto, I asked, why would we waive the requirement for a gaming establishment owner to make a real investment in our economy before extracting dollars from the same? I asked on March 23rd about the construction jobs, the spending in the community, the purchase of land to build the new rooms,” Mr. Mapp reminded Mr. James.

The chief executive said that on March 30, the Legislature answered his inquiry by [overriding his veto and giving C.C.C. the authority](#) to waive the investment requirement of building the new rooms and public spaces before operating a casino. The C.C.C. subsequently delayed the investment requirement and on April 21st [the casino at Caravelle Hotel was opened](#).

The merger of the TIF Act and the Hotel Development Act, as approved by the 31st Legislature, would grant the owners and operators of the Caravelle Hotel and Casino access to taxes generated under the Hotel Development Act, as well as now gross receipts taxes, hotel occupancy taxes and designated casino taxes to finance the acquisition of land and the construction of the required number of rooms, Mr. Mapp said.

He questioned as to what senators believe should be the financial investment made by the owners of the Caravelle Casino into the economy of the Virgin Islands in order to operate a casino.

“The members of the 31st Legislature seem quite content by way of this amendment, to heave upon the taxpayers of the territory the capital investment requirements of the casino operator,” he wrote. “The Senate is clearly saying, not only are we prepared to suspend the casino operator’s personal investment requirements; but we are now prepared to allow the operator to use taxpayers’ money to pay for them. How sad.”

Mr. Mapp also vetoed a [Kurt Violet-sponsored amendment](#) to reduce the minimum base wage for tip service workers to 35%.

“Three months ago, I signed a bill into law allowing private employers in the Virgin Islands the authority to pay only 40% of the hourly minimum wage to tip service employees. I signed the Senate’s proposal to increase the minimum wage and the percentage of the minimum wage paid to tip service workers because your bill was consistent with my administration’s efforts to increase pay to all employees,” the governor stated. “Why is the Senate now reducing this paltry wage to tip service employees? Out of fairness and equity and on behalf of tip service workers in the Virgin Islands, I am vetoing this proposal.”

The governor rejected a bill to redistribute the revenues collected from traffic fines to three government entities. The revenues currently go to the Government Insurance Fund and he said the bill would eliminate a necessary source of revenue.

Mr. Mapp also found fault with a proposal reversing the body’s earlier decision to increase the number of signatures necessary for election nomination papers, when this year’s candidates did not seem to have an issue in meeting the new requirements.

“There are 44,752 registered voters in the US Virgin Islands,” he wrote. “Forty-six candidates have filed nomination petitions under Act 7863, with at least 100 signatures of registered voters to vie for the offices of Delegate to Congress and the Legislature of the Virgin Islands in the current election cycle. Why are we reducing the requirement back to 50?”

The governor vetoed Bill No. 31-0357, an Act amending Official Zoning Map SCZ-3 for Plot No. 115-A, Estate Green Cay, St. Croix for technical reasons as the Zoning Map number within the bill was incorrect and he approved Bill No. 31-0358, to rezone Plot No. 50 Estate Orange Grove, Company Quarter, St. Croix, Virgin Islands, from R-3 (Residential Medium Density) to B-2 (Business-Secondary/Neighborhood).

A measure mandating that the Government Employees Retirement System offer loans to active members of the G.E.R.S. in amounts not exceeding \$10,000, was among the legislation approved by the governor. However, he asked the Senate to amend the law to limit the amount of interest GERS can charge its members.

“Nothing in the Bill prevents the G.E.R.S. board from imposing usury interest rates against its members,” he wrote. “Because the G.E.R.S. reports that over 97% of these loans are paid without collection efforts, the Legislature should limit what interest rates the G.E.R.S. board may impose upon these loans.”

Mr. Mapp also approved a bill honoring and commending John W. Tranberg, Sr. of St. Croix, who turned 100 earlier this year and was [recently celebrated](#) by the Office of Veterans Affairs ceremony at Government House. The governor noted the many community contributions made by Mr. Tranberg, whom he described as a “Crucian Icon”, but he had serious concerns with the Senate’s petition to appropriate \$7 million from the interest earnings on the Debt Service Reserve funds to purchase property from Mr. Tranberg on St. Croix.

He reminded the Legislature that it is not within their authority to negotiate and purchase property on behalf of the government, nor is it prudent to appropriate funds for the purchase of property without conducting due diligence. And he questioned as to how the Legislature determined that the Tranberg property is valued at \$564,516 per acre.

Other measures approved by the Governor:

- Bill No. 31-0359, appropriating \$523,579 to the Law Enforcement Planning Commission for reimbursement to the federal government. This now gives the territory access to some \$7 million in new federal grant funding and was acted on at the request of the Governor.
- Bill No. 31-0130, an Act amending Title 5. Virgin Islands Code, relating to the Bureau of Corrections, establishing the “The Correctional Workers Safety Act of 2016”.
- Bill No. 31-0176, creating “The Virgin Islands Public Officials Compensation Commission Act.”
- Bill No. 31-0279, to provide grief and stress counseling training to school counselors. He urged the Legislature to identify appropriate funds to aid in meeting the requirements of this new law.
- Bill No. 31-0342, an Act naming Route 663 on St. Croix, “The Route 663—Eddie Ortiz Drive”. He indicated it was a most fitting honor for Mr. Ortiz’s many contributions.