The Virgin Islands Consortium

Mapp Calls Emergency Senate Session As Government Funds Approach 'Perilous Condition'

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ST. THOMAS -- Governor Kenneth Mapp has called the 31st Legislature into special session at 2:00 p.m. on Thursday, Government House announced late Monday. The announcement sent a jolt through the territory as Mr. Mapp has said that the government's liquidity is running dangerously low and nearing the point where payroll would not be met, and essential government services would not be operational past November, if the matter is not addressed posthaste.

Mr. Mapp is asking the Senate to approve an amended version of Bill No. 31-0447, the government's working capital measure, after vetoing the bill as approved in its original form.

At a press conference at Government House on Tuesday, the territory's leader said the bill sent to him was disastrously flawed, and that signing the measure into law would spell doom for the territory's bond ratings, which are already at historical lows.

According to the release, the new version of the bill provides a mechanism for acquiring working capital through the issuance of bonds, which he says require statutory liens as security for lenders. Without the liens, the government's bond ratings may be lowered even further, which would drive the cost of borrowing higher than it already is.

Mr. Mapp has offered the assistance of his financial team to work with senators to craft the recommended legislation, according to the release. In his transmittal letter to Senate President Neville James, the governor describes the government's liquidity as "approaching a perilous condition." Without adequate working capital, he says, no guarantees can be made as to the availability of funding to support government operations in November.

The special session is imperative, Mr. Mapp added, to ensure that the necessary changes are enacted in a form which he can accept and sign into law. Without the amended legislation, he warns, there is no assurance that essential governmental services can continue, including meeting the payroll, paying vendors, or continuing to pay tax refunds.