

The Virgin Islands Consortium

Tax Study, Annual Business License Renewal Bill And Other Measures Approved In Finance Committee

VIC News / **Published On September 18, 2019 10:15 AM /**

Staff **September 18, 2019**



Lawmakers on Tuesday approved a number of measures in the Committee on Finance during a hearing on St. Croix. Along with [a resolution to pursue tax revenue](#) from oil exports produced in the U.S. Virgin Islands, the following measures were also voted upon favorably.

Bill No. 33-0090: proposed by Senators Stedmann Hodge and Myron Jackson, is an Act amending the Virgin Islands Code to implement a new methodology for assigning individual employer Unemployment Insurance taxes as administered by the Virgin Islands Department of Labor's Division on Unemployment Insurance.

D.O.L. Commissioner, Gary Molloy, said the department was in favor of the bill as proposed for three reasons: It would bring the U.S. Virgin Islands back into compliance with Federal Law; would ensure future solvency of the Virgin Islands Trust Fund; and would be easier to administer.

According to Mr. Molloy, there are two areas D.O.L. would recommend changes: (1) There should be an additional year added to the implementation dates; and (2) An amendment should be offered to the definition of a governmental body.

Mr. Molloy pointed out that the bill seeks to address and correct the financing imbalance and provide an automatic safeguard to ensure the Virgin Islands Unemployment Trust Fund (VIUTF) returns to solvency and remains solvent in the future. He added that as of September 11, the Virgin Islands outstanding Trust loan balance was \$63,408, 970.98. He added that the department had \$4,438,528. 45 in the current Trust Fund to cover current benefits as of Tuesday.

The commissioner said the bill would address several significant factors: the loan repayment and Trust Fund solvency; it would provide a financial structure that would bring VIUTF back into solvency and avert future deficits; assist with the time frame of repayment, which has a vital impact on the Federal Unemployment Tax Act Credit for employers; employers' taxes would again be based on their own payrolls and contributions payment into the system, instead of a flat rate; and it would promote economic growth.

Bill No.33-0033, proposed by Senators Donna Frett-Gregory and Marvin Blyden, seeks to add a new section to the Virgin Islands Code in order to reenact the Virgin Islands Tax Study Commission. The commission would be tasked with reviewing the current laws and tax structure of the Virgin Islands for the purpose of initiating tax reform, and maximizing revenue in a fair and impartial manner.

The measure was amended by Mrs. Frett-Gregory and voted out of the committee and sent to Rules and Judiciary for further consideration.

Bill No. 33-0146: Proposed by Senator Novelle Francis at the request of the governor, seeks to amend Virgin Islands Code by changing the license renewal period from biennial to annual for an authorized delegate of a money transaction, check cashing, or currency exchange business.

Gwendolyn Hall Brady, director of the Division of Banking, Insurance, and Financial Regulation, told the committee that Act No. 8137 transferred responsibility for licensing of authorized delegates for a money transmitter, check cashing or currency exchange business, from the Virgin Islands Department of Licensing and Consumer Affairs to the Office of the Lieutenant Governor, Division of Banking, Insurance and Financial Regulation.

She further stated that as of now, as the licensing and regulatory entity, the Division finds that a requirement of annual licensing renewals subject to and conditioned by the applicant's mandatory submission of specific compliance reports, is unequivocally necessary. She added that in accordance with the Virgin Islands Code, conducting business without a license will result in fines of \$100 for each day after the suspension.

The bill was technically amended by Senator Janelle Sarauw and favorably voted out of the Committee on Finance and sent to the Committee on Rules and Judiciary for further consideration.

Bill No.33-0147: proposed by Mr. Francis at the request of the governor, is an Act amending Virgin Islands Code by deleting from Section 232, the word “life” and “disability” and adding a new section 248 -- all to satisfy the accreditation standards established by the National Association of Insurance Commissioners and to provide more effective protection to the policyholders in the territory.

Ms. Brady said that new Section (248) added to Bill No.33-0147 states that the bill does not apply to life and health insurers that become insolvent prior to January 1, 2020, or was otherwise insolvent in fact prior to January 2020.

According to Ms. Brady, if life and disability are left in Section 232, then the Insurance Guaranty Fund will not include coverage to protect the policyholders in the U.S. Virgin Islands who are insured by life and health insurance companies that become insolvent. She added that if the bill become law, and a health insurance company becomes insolvent after January 1, 2020, then a valid claimant or insured at the time of insolvency shall have a covered claim payable for the Insurance Guaranty Fund.

The bill was amended by Mr. Blyden and favorable voted out of the committee and sent to Rules and Judiciary for further consideration.

Bill No.33-0148, proposed by Mr. Francis at the request of the governor, seeks to amend Virgin Islands Code to reflect a change to the definition of a third-party administrator trust fund account as it appears in Act 7695.

Attorney Glendina P. Matthew, assistant director and legal counsel to the Division of Insurance, in her testimony said that the division requested the committee's approval of the measure which would allow licensed TPAs to fully exercise their fiduciary duties based upon sound accounting principles in accordance with the Virgin Islands Code, by maintaining a separate account for funds collected and a separate account for funds disbursed.

The bill was amended by Mr. Blyden and voted out of the committee with a favorable recommendation and sent to Rules and Judiciary for further consideration.

Bill No.33-00149, proposed by Mr. Francis at the request of the governor, seeks to amend Virgin Islands Code to add a new Chapter 20b entitled “Corporate Governance Annual Disclosure Act.” The new chapter would require the territory's domiciled insurers and alien insurers not doing business in any other U.S. jurisdiction, to submit to the commissioner of Insurance a corporate governance disclosure report in accordance with the accreditation standards established by the National Association of Insurance Commissioners, and that all such reports and related documents, shall be kept confidential by law and privileged.

The bill was amended by Mr. Blyden and voted out of the Committee with a favorable recommendation and sent to Rules and Judiciary for further consideration.

Senators at Tuesday's meeting were Finance Committee Chairman Kurt A. Vialrt, Marvin A. Blyden, Oakland Benta, Janelle K. Sarauw, Dwayne M. DeGraff, Donna A. Fret-

Gregory, Stedmann Hodge, Jr., and Novelle E. Francis, Jr.

© Viconsortium 2026