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Governor Bryan Submits Amended Legislation For Senate to OK $60 Million Revenue Anticipation Note

U.S. VIRGIN ISLANDS — After further discussions with financial institutions to finalize and set the loan terms, Governor Albert Bryan Jr. has submitted to the 33rd Legislature an amended request for approval of a $60 million Revenue Anticipation Note, which was approved by the Senate in March.

The money will be used to supplement government operations in the wake of the financial devastation in the Territory from the COVID-19 pandemic.

The bill originally was passed by the 33rd Legislature on March 27, 2020, and was signed into law by Governor Bryan on April 14, 2020. That Act has been repealed and rescinded in its entirety to incorporate borrowing terms between the banks and the government for the funds.

The Governor's proposed measure will authorize the use of any available source of public funds to issue revenue anticipation notes for working capital to supplement government operations amid the downturn in revenue collections as a result of COVID-19.

Governor Bryan said in March, when he initially sent the proposed legislation down to the Senate that while the public health and safety of the territory's residents is his primary concern and the focus of the government's response, it is also important to proactively plan for the economic impact of the pandemic.

“The Coronavirus has impacted the global, national, and local economies substantially, and the Virgin Islands has, as a consequence, experienced and expects to continue to experience, among other economic factors, significant disruption to the travel and cruise tourism industry,” Governor Bryan said at the time.

The proposed legislation also would authorize the Governor to:

- Negotiate the final terms of all borrowing vehicles approved by the legislation as the Governor and the Public Finance Authority deem necessary.
- Execute and deliver all documents and agreements necessary in connection with the borrowing.
- Pay all expenses associated with the issuance of any authorized borrowing.

The legislation also would require the Virgin Islands Department of Finance to report to the Senate Finance Committee no later than 15 business days following any draw of principal borrowed and provide information regarding the purpose for which the funds were used, as well as a description of the source of the repayment.

The interest rate on any revenue anticipation notes or bonds would not exceed 6 percent, and the maximum principal amount that can be borrowed is capped at $60 million.

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