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Governor Bryan, Lt. Governor Roach Close on $60 Million Revenue Anticipation Note

U.S. VIRGIN ISLANDS — Governor Albert Bryan Jr. and Lt. Governor Tregenza Roach closed on a $60 million line of credit with two local banks approved earlier this year by the 33rd Legislature, known as a Revenue Anticipation Note (RAN) to supplement government operations in anticipation of a potential decline in fiscal year 2021 second-quarter revenues as a result of the COVID pandemic.

The bill was originally passed by the 33rd Legislature on March 27, 2020, and was signed into law by Governor Bryan on April 14, 2020. That Act was repealed and rescinded in its entirety to incorporate borrowing terms between the banks and the government for the funds.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 authorizes 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 requires 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 cannot exceed 6 percent, and the maximum principal amount that can be borrowed is capped at $60 million.

The Bryan/Roach Administration continues to be committed to transparency, stabilizing the economy, restoring trust in government and ensuring the disaster recovery is completed as quickly as possible.

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