



**THE UNITED STATES VIRGIN ISLANDS
OFFICE OF THE GOVERNOR
GOVERNMENT HOUSE
Charlotte Amalie, V.I. 00802
340-774-0001**

October 23, 2026

VIA EMAIL DELIVERY

The Honorable Milton E. Potter
Senate President
Thirty-Sixth Legislature of the Virgin Islands
Capitol Building
St. Thomas, Virgin Islands 00802

Re: Proposed Series 2026 Gross Receipts Taxes Bonds Act

Dear Senate President Potter:

Under Section 11 of the Revised Organic Act of 1954, as amended, I am transmitting for the Legislature's consideration a proposed bill entitled:

“An Act to authorize the issuance of bonds, notes or other evidences of indebtedness (the “Series 2026 Gross Receipts Taxes Bonds”) to provide funds for the Series 2026 Projects described in this Act, together with amounts to provide for reserves, costs of issuance and other authorized uses, to establish conditions on the use of such funds by certain participating instrumentalities of the Government of the Virgin Islands (the “Government”), and to authorize the establishment of a wholly-owned Subsidiary (as defined herein) or Affiliated Corporation (as defined herein) of the Virgin Islands Public Finance Authority (the “Authority”) for the purpose of issuing the Series 2026 Gross Receipts Taxes Bonds which are to be secured directly or indirectly by gross receipts tax revenues of the Government.”

The bill authorizes the Virgin Islands Public Finance Authority, or a Subsidiary or Affiliated Corporation of the Authority, to issue the Series 2026 Gross Receipts Taxes Bonds to fund \$250 million in Series 2026 Projects. Proceeds may also cover reserves, costs of issuance, capitalized interest, credit enhancement and, as the Authority determines, the refunding of outstanding gross receipts tax obligations. The project allocations are:

(i)	Schneider Regional Medical Center	\$45,000,000
(ii)	Juan F. Luis Hospital	\$40,000,000
(iii)	Virgin Islands Waste Management Authority	\$40,000,000
(iv)	Virgin Islands Water and Power Authority	\$40,000,000
(v)	Legislative Branch capital funding	\$5,000,000
(vi)	Judicial Branch capital funding	\$5,000,000
(vii)	U.S. Virgin Islands Economic Development Authority	\$5,000,000
(viii)	First Bank line of credit repayment	\$30,000,000
(ix)	Government tax refunds and retroactive payment obligations	\$30,000,000
(x)	Government vendor payments	\$10,000,000
Total		\$250,000,000

The bonds will be repaid from gross receipts tax revenues, which will continue to flow from the Bureau of Internal Revenue through the existing collecting agent and special escrow arrangements, and the Government will issue general obligation loan notes to the Authority as evidence of its repayment obligation. To strengthen the credit and lower borrowing costs, the bill creates a statutory lien and statutory trust on those revenues consistent with Act No. 7951 of 2016, commits the Government not to impair bondholders' rights, and preserves the first \$250,000 of each year's collections for the Moderate-Income Housing Fund. If a Subsidiary or Affiliated Corporation issues the bonds, they will be secured indirectly through mirror bonds issued by the Authority. The bonds may not exceed 25 years in term or bear interest above 8 percent if tax-exempt or 10 percent if taxable.

Section 5 of the bill sets binding conditions for the Government Health and Hospital Facilities Corporation, the Waste Management Authority and the Water and Power Authority, which together would receive \$165 million. As a condition of receiving bond proceeds, each must submit a five-year financial sustainability plan, a workforce plan and targets for reducing its reliance on Government subsidies; bring all delinquent audits current within 24 months; publish its financial statements and quarterly reports; and certify compliance annually. Plans, reports and certifications must be submitted to the Office of Management and Budget, the Authority and the Legislature, which the bill designates as the Oversight Entities. An entity that falls out of compliance must cure the deficiency or submit a corrective action plan within 60 days, and continued noncompliance may result in independent monitoring, loss of eligibility for further Government financial assistance, required restructuring and withholding of discretionary subsidies. To protect investors, an entity's noncompliance will not affect the validity of the bonds or the security behind them.

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This financing allows the Government to meet pressing obligations without cutting essential services, while holding recipients accountable for how the money is used. I respectfully request the Legislature's prompt and favorable consideration of this measure.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Albert Bryan Jr.', with a stylized flourish extending to the right.

Albert Bryan Jr.
Governor

Enclosure: Proposed Bill

cc: Members of the Thirty-Sixth Legislature of the Virgin Islands