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10/16/2024-SPECIAL ORDERED TO THE FLOOR

BILL NO. 35-0390

Thirty-Fifth Legislature of the Virgin Islands

October 16, 2024

An Act amending title 9 Virgin Islands Code, subchapter II to establish the Money Transmission Revolving Fund

PROPOSED BY: Senators Marise C. James and Donna A. Frett-Gregory

Be it enacted by the Legislature of the Virgin Islands:

SECTION 1. Title 9 Virgin Islands Code, subchapter II is amended by adding section 518 as follows :

"§ 518. Money Transmission Fee; Money Transmission Revolving Fund

(a) Any licensee under this subchapter shall collect a fee of 3% of the gross amount of each money transmission that originates within the Virgin Islands and terminates outside the United States, its territories, consulates, embassies, or military installations.

(b) Not later than 10 days after the last day of the calendar month during which the fees are collected, the licensee shall remit the fee to the Virgin Islands Bureau of Internal Revenue ("VIBIR"), on forms provided by the VIBIR.

(c) The VIBIR shall charge a late fee of $100 per day for each day that a licensee fails to timely submit the forms and remittances required under this section, unless an extension has been granted. The late fee may not be waived.

(d) The VIBIR shall transmit the fees to the Virgin Islands Department of Finance ("DOF") and DOF shall cover all revenues derived from the fees into the Money Transmission Revolving Fund.

(e) On a form prescribed by the VIBIR, every licensee, or a delegate authorized, shall post a notice advising customers that they are entitled to an income tax credit equal to the amount of the fee paid for the transaction, upon filing an individual income tax return with either a valid social security number, or a valid taxpayer identification number, and a receipt for the transaction including the money transfer number.

(f) If a licensee fails to file reports or to remit the fee required by this section, the Director may, pursuant to section 571, suspend the license of the licensee or its delegates. The Director shall send a copy of the of suspension to the Virgin Islands Department of Justice . The licensee may not reapply for a license until all required reports have been filed and all required amounts have been remitted to the VIBIR.

(g) Upon request from the Virgin Islands Department of Justice, the Director may make a claim against the surety bond posted by the licensee pursuant to section 513.

§ 519. Money Transmission Revolving Fund

(a) There is established in the Treasury of the Government of the Virgin Islands a fund designated as the Money Transmission Revolving Fund ("Fund"). The Commissioner of the Virgin Islands Department of Finance ("Commissioner ") shall administer the Fund as a separate and distinct fund in the Treasury of the Virgin Islands, and no amounts in the Fund are available for expenditure or disbursement except as provided in this section.

(b) The Fund consists of all sums collected under section 518(a); public or private monetary grants, gifts, donations, bequests, or devises; and all sums the Legislature of the Virgin Islands appropriates to the Fund.

(c) Pursuant to title 33 Virgin Islands Code, chapter 117 section 3336, the Commissioner shall deposit the Fund monies into interest-earning accounts, and the earned interest must be deposited into the Fund.

(d) To meet the needs, goals, and objectives of the Division of Banking, Insurance and Financial Regulation ("Division") in monitoring and enforcing compliance with Virgin Islands law as it relates to money laundering, electronic transmission of funds, fraud, and related activities, upon authorization of the Division, the Commissioner of Finance shall, upon appropriation of the Legislature of the Virgin Islands, disburse money from the Fund for operating expenses.

§ 520. Regulations

Pursuant to title 3 Virgin Islands Code, chapter 35, the Director of the Division of Banking, Insurance and Financial Regulation shall promulgate regulations to effectuate the purpose of this chapter.

SECTION 2. Section 1 of this Act takes effect 45 days after the enactment."

BILL SUMMARY

This bill amends title 9 Virgin Islands Code, subchapter II to establish the Money Transmission Revolving Fund and collect a fee of 3% of the gross amount of each transaction being transmitted which originates within the Virgin Islands and terminates outside the United States or its territories, consulates, embassies, or military installations. The fee established in subsection (a) shall be remitted to the VIBIR , on forms to be provided by the VIBIR in such manner as the VIBIR may prescribe for such purpose. Pursuant to title 33 Virgin Islands Code, chapter 117 section 3336, the Commissioner of Finance shall deposit the Fund monies into interest-earning accounts, and the interest earned must also be deposited into the Fund.

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