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Good afternoon, Honorable Senator Novelle E. Francis, Jr., Chairman of the Committee on Finance, distinguished Senators of the 36th Legislature, legislative staff, and all those present and listening.

I am Melissa I. Smith, Executive Director of the Virgin Islands Taxicab Commission (VITCC). Thank you for the opportunity to present testimony regarding the Commission's Fiscal Year 2027 budget and our vision for strengthening and modernizing the Virgin Islands taxi industry.

The Virgin Islands Taxicab Commission was established under Title 20, Chapter 37 of the Virgin Islands Code and serves as the primary regulatory authority for the taxi industry throughout the Territory. Our mission is to ensure safe, reliable, professional, and compliant transportation services for residents and visitors while supporting one of the Virgin Islands' most important economic sectors.

Our responsibilities include:

- Licensing and regulation of taxi operators and vehicles
- Issuing and managing taxi medallions
- Setting and enforcing fare schedules
- Conducting investigations and administrative hearings
- Monitoring regulatory compliance
- Supporting industry development and public safety

The taxi industry is often the first and last impression visitors have of our Territory. Therefore, investing in the Commission is an investment in tourism, economic development, public safety, and the Virgin Islands' reputation.

BUDGET OVERVIEW

The Virgin Islands Taxicab Commission's approved operating budget is currently **\$554,637**, consisting of:

- **Taxi Revolving Fund (2114):** \$395,603
- **Tourism Revolving Fund (6068):** \$160,440

As of June FY 2026, the Commission collected **\$245,624.80 in revenue**.

While we remain committed to fiscal responsibility, our current funding levels do not adequately support the operational needs of the agency. Based on staffing, enforcement, technology, and infrastructure requirements, the Commission estimates a minimum operational need of approximately **\$1.5 million annually** to effectively fulfill its statutory responsibilities.

WHAT THE COMMISSION HAS ACCOMPLISHED WITH LIMITED RESOURCES

Despite operating with only four employees and an Executive Director, the Commission has achieved significant progress:

Increased Enforcement

The hiring of two Taxi Inspectors has resulted in a noticeable decrease in the reporting and operation of illegal taxi services.

Improved Customer Service

Document approval times have improved dramatically, from approximately 30 days to same-day or next-day service in many cases.

Increased Productivity

The Commission has processed more than **3,500 transactions**, including:

- Certificates of Entitlement
- Operator Badges
- Business Licenses
- Lease Agreements
- Co-Ownership Agreements
- Medallion Transfers
- Medallion Sales
- Citations

Additionally, the Commission has issued **53 citations** to date, further demonstrating proactive regulatory oversight.

Expanded Education and Training

In partnership with the Department of Tourism and UVI CELL, the Commission has successfully processed over **300 aspiring taxi operators**, preparing a new generation of transportation professionals to serve the Territory.

Financial Accountability

The Commission continues to maintain daily oversight of revenue collection activities and has transitioned from handwritten receipts to electronic ERP-based receipts, improving accountability and transparency.

CRITICAL AREAS REQUIRING INVESTMENT

Staffing and Enforcement

The Commission currently serves the entire Territory with:

- 2 Taxi Inspectors
- 2 Administrative Secretaries
- Executive Director

This staffing level is simply insufficient to regulate an industry that serves millions of passengers annually.

To maintain visibility, compliance, and public safety throughout St. Thomas, St. John, and St. Croix, the Commission requires:

- Additional Taxi Inspectors
- Assistant Director/Special Assistant
- Collections Clerk
- Administrative Secretary II position upgrade

As cruise ship arrivals continue to increase, enforcement demands will increase as well. Adequate staffing is critical to ensuring fair competition, consumer protection, and industry compliance.

Technology Modernization

The Commission has made progress through assistance from the Bureau of Information Technology; however, much work remains.

Currently, many Commission functions continue to rely on paper-based systems that create inefficiencies and delays in:

- Licensing
- Collections
- Compliance monitoring
- Enforcement reporting
- Records management

The Commission is actively working with the Office of Management and Budget, Department of Finance, Bureau of Information Technology, and Performa Solutions to implement:

- Point-of-Sale payment systems
- Digital records management
- Secure document storage
- Automated processing systems
- Enhanced reporting capabilities

Technology modernization is estimated to require an investment between **\$200,000 and \$400,000**.

This investment would improve customer service, strengthen internal controls, increase revenue accountability, enhance interagency collaboration, and provide real-time data to policymakers and stakeholders.

Facilities and Accessibility

The Commission must also address long-standing office space challenges.

As the regulatory authority for the taxi industry, our offices must be visible, accessible, and adequately equipped to serve operators and the public.

Despite limitations in our current facilities, we have continued to provide uninterrupted services through strong collaboration with our government partners and dedicated staff.

FY 2027 STRATEGIC PRIORITIES

To ensure measurable outcomes and accountability, the Commission will track key performance indicators including:

- Document processing turnaround times
- License approval times
- Citation and enforcement activity
- Complaint resolution times

- Compliance rates
- Policy update frequency
- Staff training completion rates
- Resource utilization metrics
- Administrative error reduction

These performance metrics will allow the Legislature and the public to clearly evaluate the Commission's progress and return on investment.

CLOSING

Honorable Senator Francis, Members of the Committee on Finance, and Members of the 36th Legislature:

The Virgin Islands Taxicab Commission has demonstrated what can be accomplished with limited resources. We have increased productivity, strengthened enforcement, improved customer service, expanded industry training, and enhanced financial accountability despite operating with minimal staffing and constrained funding.

However, the demands placed upon this agency continue to grow alongside our expanding tourism industry and transportation sector.

The funding we seek is not simply an operational request. It is an investment in:

- Public safety
- Tourism excellence
- Economic development
- Government modernization
- Regulatory accountability
- Improved customer service for residents and visitors alike

Every visitor who arrives in the Virgin Islands deserves safe, reliable, professional transportation. Every licensed taxi operator deserves fair regulation and support. Every resident deserves confidence that the industry operates with integrity and accountability.

With your support, the Virgin Islands Taxicab Commission will continue building a modern, responsive, and efficient regulatory agency capable of meeting the needs of our growing Territory.

We respectfully request your favorable consideration of the Commission's funding needs and look forward to working in partnership with this body to strengthen transportation services throughout the Virgin Islands.

Thank you for your time, consideration, and continued support.

I am prepared to answer any questions the Committee may have.

