DEPARTMENT OF LICENSING & CONSUMER AFFAIRS
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U.S. VIRGIN ISLANDS

EMPOWERING CONSUMERS.
ENSURING FAIRNESS.
PROMOTING TRUST.

OFFICE OF THE COMMISSIONER

H. Nathalie Hodge
COMMISSIONER
Department of Licensing and Consumer Affairs

Fiscal Year 2027 Budget Testimony
Before the 36th Legislature of the Virgin Islands

Novelle E. Francis Jr., Chair
Committee on Budget, Appropriation, and Finance

August 7, 2026

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Serving Businesses and Educating, & Protecting Consumers

Good afternoon, Honorable Novelle E. Francis, Chair, members of the Committee on Budget, Appropriations, and Finance, Senators of the 36th Legislature, Legislative staff, Team DLCA, and the listening and viewing audience. I am Nathalie Hodge, Commissioner of the Department of Licensing and Consumer Affairs. Joining me today are: Assistant Commissioner Horace Graham Jr., Deputy Commissioner Myrna George, Director of Administration and Business Management Kasai Rondon Seales, Director of Boards and Commissions Sarah Maynard, Director of Enforcement Wilbur Francis, and Director of Consumer Affairs Akil Brathwaite. Additionally, appearing with the DLCA Team is Executive Director of Office of Cannabis Regulations, Ms. Joanne Moorehead who will be giving testimony for the OCR separately. Not able to be here today due to previously planned leave is General Counsel Geraldine Vaval.

DEPARTMENT OVERVIEW

The Department of Licensing and Consumer Affairs (DLCA), established under Title 3, Chapter 16 of the Virgin Islands Code, is responsible for protecting consumers and regulating businesses throughout the Territory. The Department enforces several key statutes, including the Consumer Protection Law of 1973 (Title 12A), the business licensing provisions under Title 27, and the laws governing the sale and distribution of alcoholic beverages under Title 8 of the Virgin Islands Code. DLCA is comprised of seven divisions: the Office of the Commissioner; the Office of Boards and Commissions; the Division of Administration and Business Management; the Division of Licensing (which includes the Alcohol Control Unit); the Division of Consumer Affairs; the Division of Enforcement; and the Legal Division.

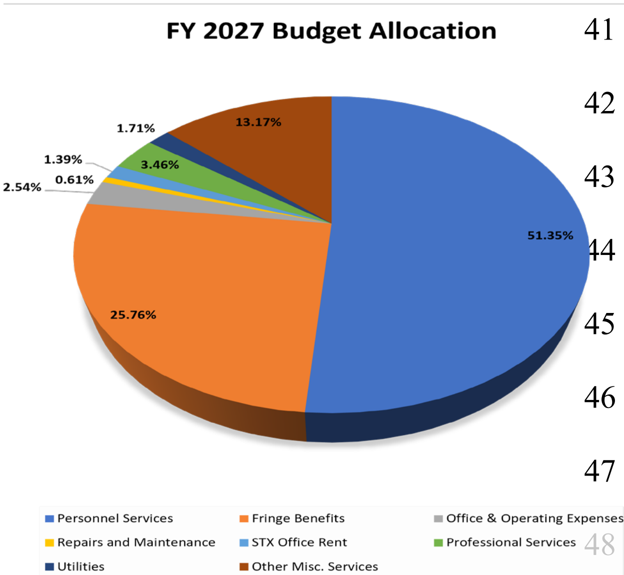
The DLCA is one of the government's most public-facing agencies. We serve residents, consumers, professionals, small businesses, contractors, vendors, boards and commissions, and visitors who interact with the Virgin Islands economy. Our motto is to serve businesses and assist, educate, and protect consumers. That mission requires licensing, enforcement, compliance monitoring, consumer education, complaint resolution, professional regulation, legal review, administrative due process, and continuous modernization.

REVIEW OF THE FISCAL YEAR 2027 BUDGET

Fiscal Year 2026 was a year of transition, rebuilding, and implementation. Fiscal Year 2027 must be a year of continuation, stabilization, and expansion. We have made meaningful progress, but the demands on the Department continue to grow. Our proposed FY 2027 budget is therefore not merely a request for operational funding; it is a request to sustain momentum, protect the public, strengthen internal accountability, and ensure that DLCA has the staffing, technology, legal capacity, administrative support, and outreach tools necessary to meet the needs of a modern Virgin Islands economy.

DLCA's Fiscal Year 2027 total budget includes $6,566,712.00[1] in General Fund appropriations and $700,000 from the Consumer Protection Fund. The General Fund allocation reflects an increase of $323,888.00 over the revised Fiscal year 2026 appropriation of $ 6,242,824.

Funding source	FY 2027 amount
General Fund	$6,566,712
Consumer Protection Fund	$700,000



Of the FY 2027 General Fund appropriation, $3,372,105.79 is allocated to Personnel Services and $1,691,870.26 to Fringe Benefits. The remaining $1,502,735.95 supports departmental operating expenses: Office and Operating Supplies, $167,000; Professional Services, $227,360; Repairs and Maintenance, $40,000; rent for the St. Croix office, $91,500; Other Miscellaneous Services, $864,875.95; and Utilities, $112,000.

[1] A difference of $1,160,218.00 is reflected in the budget book. This difference is an allocation for the Office of Cannabis Regulations (OCR) from Project M1803.

The $323,888 increase in the FY 2027 General Fund appropriation will fund the completion of the Territory's short-term rental market study.

The Consumer Protection Fund (CPF) is a revolving fund derived from the collection of license penalties and citation fines. This special fund is designated to address the costs associated with investigating/resolving consumer disputes/complaints and consumer education. Due to the General Fund Expenditure ceiling imposed by the Office of Management and Budget on the DLCA via correspondence dated January 13, 2026, the CPF has been utilized to defray costs for professional contracts, equipment, communication, and supplies. CPF expenses include but are not limited to Board Member Stipends, Uniform Allowances, Supplies, Professional Services, and Other Miscellaneous Charges.

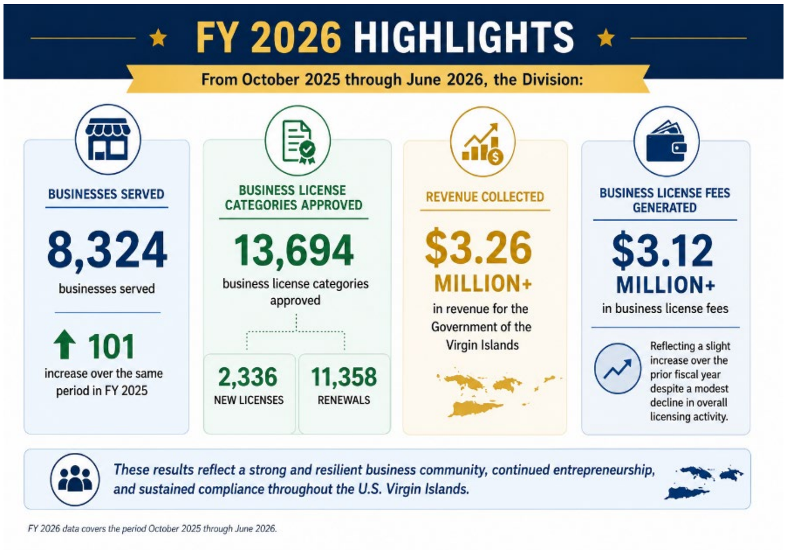
The DLCA **is not a recipient** of any federal funding.

FISCAL YEAR 2026 STATISTICAL OVERVIEW

Division of Licensing

The Division of Licensing remains the primary gateway for businesses seeking to operate legally in the U.S. Virgin Islands. Through its online licensing platform, the Division receives, reviews, and processes business license applications while coordinating required approvals from partner agencies, including the Office of the Lieutenant Governor, the Virgin Islands Police Department, the Department of Planning and Natural Resources, Virgin Islands Fire and Emergency Medical Services, and the Department of Health.

The Division continues to improve its operations through technology, staff training, and process enhancements to meet its statutory goal of issuing business licenses within ten business days once a complete application and all required approvals have been received. Throughout the reporting period of Fiscal Year 2026 (October 2025 through June 2026), the Division approved licenses covering 8,324



business entities, representing an increase of 101 businesses (1.2%) over the 8,223 businesses approved during the corresponding period in Fiscal Year 2025.

These businesses accounted for 13,694 licensed business activity categories, compared to 14,079 during the same period in FY2025, reflecting a decrease of 385 activity categories (2.7%). While the number of distinct businesses served increased modestly, the decline in licensed activity categories suggests that businesses, on average, renewed or applied for fewer individual license classifications than in the prior year.

These results demonstrate the continued strength and stability of the Virgin Islands business community. While most licensing activity consisted of existing businesses renewing their licenses and remaining in compliance, the approval of **1,588 new businesses** and **2,336 new license categories** reflects continued entrepreneurship, business investment, and economic growth throughout the Territory.

Territorial Licensing Activity

Licensing activity remained strongest on St. Thomas, which accounted for more than half of all business licenses issued and generated approximately 56% of total licensing revenue. St. Croix continued to experience strong business activity, representing approximately one-third of all license fee collections, while St. John maintained steady growth with nearly 900 licensed businesses operating during the reporting period.

DIVISION OF LICENSING – DISTRICT LICENSING ACTIVITY			
October 2025 – June 2026			
District	Businesses Served	License Categories	License Fee Revenue
STT	4249	7282	$1,750,867
STX	3185	4951	$1,032,608
STJ	890	1461	$336,630
Total	**8324**	**13694**	**$3,120,105**

Total license fee collections increased modestly by 0.38%, rising from $3,108,274.53 in FY 2025 to $3,120,105.17 in FY 2026.

Alcohol Control Unit

The Alcohol Control Unit (ACU), a specialized unit within the Division of Licensing, is responsible for regulating the manufacture, importation, distribution, sale, and exportation of alcoholic beverages throughout the Virgin Islands. Through licensing, inspections, compliance monitoring, and enforcement, the Unit helps ensure that alcoholic beverages sold in the Territory meet legal requirements while protecting consumers and supporting a fair marketplace.

The Alcohol Control Unit also tracks monthly rum exports from the Territory's two principal rum manufacturers, Diageo USVI and Cruzan Rum Distillery. This information supports regulatory oversight, inventory accountability, economic analysis, and revenue forecasting.

From October 1, 2025 through June 30, 2026, the Alcohol Control Unit oversaw 571 active licenses across 11 classifications, issued 19 Notices of Violation, monitored more than 890,000 imported units of alcoholic beverages, and tracked 16,241,273 gallons of rum exports.

Rum Exports by Manufacturer
October 2025–June 2026

Month	Diageo USVI	Cruzan Rum	Combined Total
Oct-25	994,232	1,104,041	2,098,273
Nov-25	1,010,003	986,572	1,996,575
Dec-25	390,056	317,589	707,645
Jan-26	921,846	524,879	1,446,725
Feb-26	664,734	1,032,575	1,697,309
Mar-26	827,081	1,161,704	1,988,785
Apr-26	846,962	1,050,776	1,897,738
May-26	1,307,642	1,000,696	2,308,338
Jun-26	1,279,960	807,925	2,087,885
Total	**8,242,516**	**7,986,757**	**16,229,273**

May 2026 recorded the highest combined export volume, with more than 2.3 million gallons exported. December 2025 recorded the lowest volume, with 707,645 gallons. The level of active licensing, sustained import activity, and more than 16.2 million gallons of rum exported during the reporting period demonstrate the continuing importance of the alcoholic beverage industry to the Territory's hospitality, tourism, retail, and manufacturing sectors.

Office of Boards and Commissions

The Office of Boards and Commissions oversees the regulation, certification, and licensing of various professions and trades, ensuring individuals meet required education, experience, and examination standards for legal practice in the territory.

BOARDS & COMMISSIONS
FY 2026 Accomplishments
LICENSING ACTIVITY

Performance Measure	FY 2025	FY 2026	Change
Examinations Administered	115	111	▼ 4
Initial Licenses Issued	300	328	▲ 9%
License Renewals	938	1,503	▲ 60%
Total Licenses Issued	1,238	1,841	▲ 48%

FY 2026 RESULT	**1,841** PROFESSIONAL LICENSES ISSUED **48%** increase over FY 2025

During FY 2026, the Office of Boards and Commissions continued to strengthen professional regulation while improving customer service and expanding community outreach. The Office administered examinations to 111 candidates and issued 1,841 professional licenses, consisting of 328 initial licenses and 1,503 renewals, representing a significant increase from the 1,238 licenses issued in FY 2025.

Beyond licensing and examinations, the Office increased its presence throughout the community by participating in housing and construction summits. They have also expanded educational outreach across several Boards and Commissions by visiting vocational schools, salon owners, and practitioners to provide guidance on licensing requirements, encourage voluntary compliance, and strengthen consumer protection through education.

The Office of Boards and Commissions also welcomed a new member to the Virgin Islands Board of Contractors, Trades, and Crafts. DLCA extends its sincere appreciation to the Office of the Governor and the 36th Legislature for approving this appointment, which further strengthens the Board's expertise and supports informed, consistent licensing decisions. The Office of Boards and Commissions also extends its sincere appreciation to all Board and Commission members for their continued dedication, professionalism, and service in safeguarding the integrity of the Territory's professional licensing system.

A full list of appointments and vacancies follows:

Board or Commission	Seats	Active	Vacant
Architects, Engineers and Land Surveyors	7	7	0
Barbering and Cosmetology	7	5	2
Contractors, Trades and Crafts	9	6	3
Public Accountancy	5	5	0
Real Estate Appraisers	7	5	2
Real Estate Commission	7	6	1
Social Work Licensure	5	5	0
Counselors	7	4	3

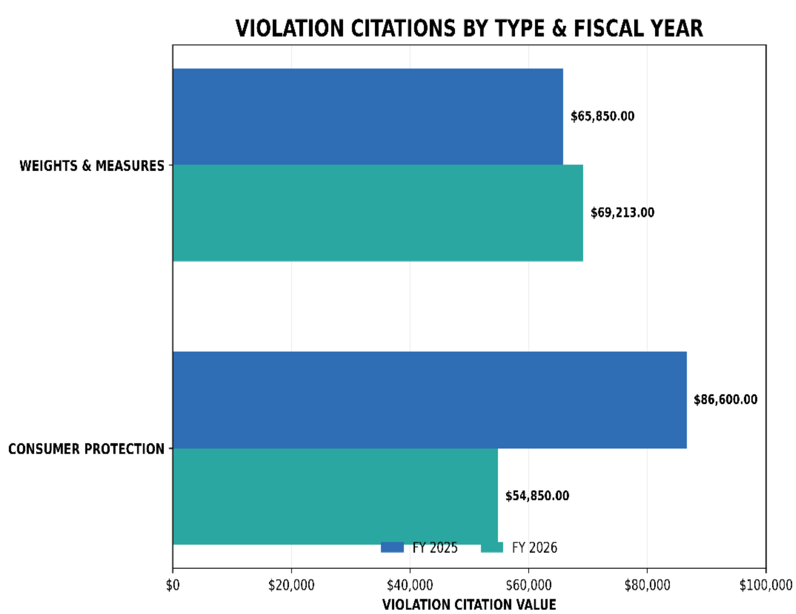
Division of Consumer Affairs

The Division of Consumer Affairs serves as one of DLCA's most direct points of contact with the public. Through the coordinated work of the Consumer Protection Unit and the Weights and Measures Unit, the Division responds to consumer complaints, addresses unfair and deceptive trade practices, enforces pricing and product-safety requirements, and verifies the accuracy of commercial weighing and measuring devices.

During Fiscal Year 2026, the Division of Consumer Affairs combined prompt complaint resolution, targeted inspections, and practical market information to protect residents and promote fair business practices. Through its Consumer Protection and Weights and Measures units, the Division's key results included:

Operational area	FY 2026 key highlights	Public benefit
Consumer Protection Pricing and scanners	Inspected **41 point-of-sale scanners**—33 on St. Croix and 8 on St. Thomas. Eight (8) of the 33 St. Croix businesses were fully compliant. **Assessed $54,850** in price-display citations: $31,225 on St. Croix and $23,625 on St. Thomas.	Improves price accuracy, disclosure, and retailer compliance.
Consumer Protection Complaint resolution	For FY 2026 received and mediated 114 consumer disputes *(**resolved 93** within FY)* and enforced prohibitions against unfair and deceptive trade practices, with an average case-closure time of fewer than 10 days. Secured $14,239 in consumer restitution.	Provides residents with prompt, meaningful assistance.
Consumer Protection Grocery comparisons	Published monthly supermarket comparisons using only identical commodities, quantities, grades, and package sizes.	Provides reliable, like-for-like price information.
Weights and Measures Pull-date inspections	Inspected 90 businesses Territory-wide. Sixty (60) were cited for expired products—28 on St. Croix, 30 on St. Thomas, and 2 on St. John—and **30 were compliant.**	Removes expired products and promotes safer retail practices.
Weights and Measures Citation enforcement	**Issued $69,213 in citations**, including $4,400 to one gas station under Title 12A V.I.C. § 155a. As of June 2026, $11,940 had been paid.	Strengthens accountability and supports consistent enforcement.
Weights and Measures Commercial scales	Completed 68 commercial-scale inspections: 44 on St. Croix and 24 in the St. Thomas/St. John District.	Helps ensure consumers receive the quantity purchased.
Weights and Measures Fuel and air pumps	Conducted weekly price surveys covering 55 gas stations, 8 marinas, and 4 propane providers, and inspected air pumps for safe operation and public access.	Improves fuel-price transparency and equipment safety.

Together, these efforts demonstrate that consumer protection extends beyond responding to individual complaints. It requires a consistent presence in the marketplace, reliable enforcement, practical public information, and prompt assistance when residents encounter unfair practices. Through this balanced approach, the Division continues to strengthen consumer confidence while encouraging businesses to comply voluntarily with the law.



The decrease in FY 2026 Consumer Protection citation values reflects staffing shortages and fleet maintenance issues that limited proactive field inspections. Available resources were prioritized for high-risk complaints, with enforcement activity expected to increase as staffing and operational capacity improve in FY 2027.

Division of Enforcement

The Division of Enforcement is responsible for ensuring compliance with the Territory's licensing and consumer protection laws through proactive inspections, investigations, regulatory enforcement, and administrative support. In addition to conducting compliance inspections, Enforcement Officers review and process business license applications, investigate complaints, serve legal processes, provide security escorts for departmental revenue deposits, and support collaborative enforcement initiatives with local and federal partner agencies.

During Fiscal Year 2026, the Division reviewed and processed approximately 2,421 business license applications, conducted approximately 2,267 random compliance inspections, served approximately 174 legal documents, and investigated 37 consumer and regulatory complaints throughout the Territory. These efforts resulted in the issuance of 135 citations and 9 written warnings, representing $48,050.00 in assessed civil penalties.

FY 2026 activity	Reported volume
Business-license applications reviewed	Approximately 2,421
Random compliance inspections	Approximately 2,267
Legal documents served	Approximately 174
Complaints investigated	37
Citations issued	135
Written warnings	9
Civil penalties assessed	$48,050

Frequent violations included operating without proper licensure, failing to comply with payment-method requirements, deceptive trade practices, and failure to display business licenses or required alcohol signage. Officers use graduated measures—from education and warnings to citations and other enforcement action—based on the nature and severity of each violation.

As commercial activity continues to expand across the Territory, continued investment in personnel and operating resources is necessary to increase proactive and after-hours inspections, improve response times, and provide consistent Territory-wide enforcement.

Legal Division

The Legal Division of DLCA plays a critical role in enforcing regulatory compliance, managing legal proceedings, issuing enforcement notices, and representing the Department in administrative hearings, while coordinating with other government agencies to uphold licensing laws in the Virgin Islands.

At the request of the Virgin Islands Bureau of Internal Revenue (VIBIR), the Legal Division also processed 70 Notices of Intent to Revoke Licenses for Non-Payment of Taxes, pursuant to Title 27, Section 304(k) of the Virgin Islands Code. Following notification, 15 cases were closed after VIBIR confirmed that licensees had either paid their outstanding taxes or entered approved payment plans. As a direct result of this initiative, 55 business licenses were revoked for continued non-compliance.

Additionally, the Legal Division's pursuit of unpaid citations through the "rocket-docket" calendar call before the Hearing Officer resulted in the collection of $70,953.00. Further, the Division filed five Petitions to Revoke Licenses with the Department's Hearing Officer.

Accomplishment	Consumer-protection impact
Landmark Lawsuit Against Meta December 2025	In partnership with the Government of the Virgin Islands and the Department of Justice, DLCA sued Meta Platforms over alleged deceptive practices, consumer fraud, and inadequate safeguards—particularly for children—against scams and online harms. The action demonstrates DLCA's commitment to holding even the world's largest corporations accountable.
Prescription Drug Pricing Litigation June 2026	DLCA sued the nation's largest pharmacy benefit managers and related entities, alleging practices that increased prescription costs, reduced consumer choice, restricted access to affordable medications, and harmed independent pharmacies. The litigation seeks greater transparency and fairness in prescription drug pricing.
Court Victory in Gas Retailer Investigation	In support of the Gas, Food, and Housing Study, DLCA sought gasoline retailers' operating records to assess pricing and market conditions. The Superior Court ruled in DLCA's favor, affirming its authority to obtain information required for its statutory consumer-protection responsibilities and strengthening data-driven oversight.

Matters are referred to the Legal Division when a business defaults, violates an approved payment plan, or otherwise requires legal enforcement. This process strengthens fiscal accountability and fairness. Businesses receive clearer expectations, delinquent accounts are pursued consistently, and compliant businesses are not disadvantaged by competitors that ignore citations. The Legal Division can focus its resources on matters that genuinely require legal intervention.

In partnership with the Government of the Virgin Islands and the Department of Justice, DLCA also pursued coordinated investigations and litigation involving deceptive practices, prescription-drug pricing, fuel-market transparency, and other conduct affecting Virgin Islands consumers.

Together, these matters reflect DLCA's broader approach: investigate unfair or deceptive practices, use statutory authority and litigation when appropriate, and protect Virgin Islands consumers from misconduct involving local businesses or multinational corporations. These efforts promote transparency, accountability, and marketplace fairness.

Strengthen Citation Collections

DLCA identified a gap between citation issuance and collection. Officers and inspectors issued citations and submitted them through the supervisory chain, but no dedicated process consistently monitored payments, payment plans, delinquency, and escalation.

The Department responded by establishing a citation-collection tracking function. Under the leadership of Deputy Commissioner George, DLCA will continue to strengthen and institutionalize its citation-collection and tracking program. The program monitors outstanding balances, payments, approved payment plans, delinquent accounts, and matters requiring referral to the Legal Division. During FY 2026, the program tracked 236 citations disseminated across divisions totaling $167,013.00, collected $135,116.00, established 14 payment plans, and referred 2 delinquent matters for legal enforcement.

Collections Totals by Division

October 2025 – June 2026

Division	Collections
Enforcement Division	$47,009.50
Weights & Measures	$40,883.32
Consumer Protection	$33,530.68
Payment Plans (Licensing)	$9,367.50
Alcohol Unit	$4,325.00
Grand Total	**$135,116.00**

This centralized oversight promotes consistent collection practices, strengthens fiscal accountability, and ensures that businesses that comply with citation requirements are not disadvantaged by those that fail to pay.

STAFFING

The Department's FY 2027 staffing includes 57 General Fund positions, all of which are filled or in the process of being filled: 28 in the St. Croix district and 28 in St. Thomas/St. John and one (1) position that is territorial until filled.

Division	STX	STT/STJ	Vacant	Total
Commissioner	6	3	1	**10**
Administration and Business Management	2	2	1	**5**
Legal	1	1	2	**4**
Licensing/Alcohol Control	6	8	1	**15**
Consumer Affairs	4	5	—	**9**
Boards and Commissions	3	2	1	**6**
Enforcement	4	3	1	**8**
Total	**26**	**24**	**7**	**57**

There are seven (7) vacancies for Fiscal Year 2027. Those vacant positions are as follows:

Position	District
Paralegal Researcher	STT/STJ
Legal Counsel	STX
Special Investigator, Boards and Commissions	STX
Enforcement Officer	STT/STJ
Office Assistant, Alcohol Control Unit	STT/STJ
Assistant Director, Administration and Business Management	STT
Special Assistant to the Commissioner	STT/STJ/STX

Filling these vacancies is important to avoid service delays, distribute workload more equitably, strengthen legal and investigative capacity, and provide adequate administrative support to frontline operations.

To strengthen field coverage, DLCA requests one additional Enforcement Officer for St. Thomas/St. John and one additional Weights and Measures Inspector for St. Croix. These positions will expand inspection capacity, improve response times, and better balance resources between districts.

DLCA also requests continuation of the $150,000 FY 2026 appropriation for overtime and night differential. As of June 30, 2026, $101,945.75 had been expended, with the balance committed to scheduled fourth-quarter enforcement initiatives.

This funding allows officers to inspect bars, nightclubs, and other alcohol establishments during evenings and weekends, when those businesses operate and compliance concerns are most likely to arise.

ACCOMPLISHMENTS, INITIATIVES, AND GOALS

The DLCA continues to demonstrate strong performance across its divisions, with key performance indicators reflecting consistent progress, accountability, and a customer-first approach. Across all units, DLCA is meeting or exceeding many targets while proactively addressing areas for improvement. Ongoing efforts include automation, digital enhancements, and strategic recruitment to ensure sustained service excellence and operational resilience in the year ahead.

Selected Budget and Performance Measures

Area	Selected measure
General Fund request	$6,566,712
Consumer Protection Fund	$700,000
Business-license fee collections, FY 2026	$3,120,105.17
Businesses licensed, FY 2026	8,324
Alcohol-related licenses, FY 2026	571
Professional licenses, FY 2026	1,841
Consumer complaints received/resolved	114 / 93
Consumer restitution	More than $14,239
Enforcement inspections, FY 2026	Approximately 2,267
Enforcement citations / penalties	135 / $48,050
Fuel-price survey locations	55 gas stations, 8 marinas, 4 propane providers
Reported General Fund positions	57, including 7 vacancies
After-hours enforcement request	$150,000

Major Accomplishments Over the Past Year

During FY 2026, DLCA advanced operational efficiency, workforce development, consumer protection, public engagement, and digital modernization. Major accomplishments include:

- **Standard Operating Procedures and Workforce Development:** Reached 90% completion of departmental SOPs, advanced agency reorganization, filled critical roles, supported internal advancement, and invested in leadership training.
- **Digital Modernization:** Improved the online licensing platform, consumer complaint system, and public website to strengthen access, tracking, reporting, and customer service.
- **Consumer Education and Outreach:** Expanded press releases, weekly fuel-price surveys, food-basket comparisons, and public engagement while initiating a rebranding and public-service campaign.
- **Gas, Food, and Housing Study:** Advanced market analysis with the Bureau of Economic Research and Analysis Group. DLCA subpoenaed all 63 gasoline retailers; 48 complied and three inactive St. Croix retailers were exempt. The records are being analyzed to assess pricing practices and market conditions.
- **Regulatory Improvement:** Advanced priority rulemaking and a tiered licensing pathway intended to reduce unnecessary barriers while maintaining consumer safeguards.
- **Accountability and Due Process:** Supported neutral administrative hearings and established centralized tracking of citation payments, payment plans, delinquencies, and legal referrals.

These accomplishments reflect a Department that is modernizing its systems, strengthening internal controls and due process, developing employees, supporting lawful entrepreneurship, and protecting consumers.

Fiscal Year 2027 Projections and Strategic Priorities and Goals

Fiscal Year 2027 Strategic Priorities and Goals

Building on the progress achieved in Fiscal Year 2026, DLCA's FY 2027 priorities are focused on measurable improvements in customer service, regulatory oversight, operational efficiency, revenue collection, and consumer protection. Through investments in technology, staffing, enforcement, and process improvements, the Department will strengthen accountability, promote compliance, and support a fair and competitive business environment.

DLCA will continue processing complete business-license applications within the statutory 10-business-day timeframe while expanding online services to improve transparency, reduce processing times, and enhance the customer experience.

FY 2027 Performance Projections

Performance Measure	FY 2026 Actual	FY 2027 Projection	Expected Outcome
Businesses Served	8,324	8,500–8,700	Continued business growth and improved service
Business-License Categories Approved	13,694	14,000+	Increased licensing activity and compliance
Business-License Fee Collections	$3.12 million	$3.20–$3.35 million	Increased revenue through growth, compliance, and streamlined licensing
Total Departmental Revenue	$3.26 million	$3.35–$3.50 million	Stronger collections and operational efficiency
Professional Licenses Issued	1,831	1,900+	Expanded outreach and licensure opportunities
Consumer Complaint Resolution	Timely investigations	Reduce processing and resolution times	Faster service and increased consumer confidence
Enforcement Collections	$135,116	Increase through enhanced payment tracking	Improved recovery of citations and penalties
Weights and Measures Inspections	FY 2026 baseline	Increase inspections Territory-wide	Greater marketplace accuracy and consumer protection
Alcohol Compliance Inspections	FY 2026 baseline	Expand after-hours inspections	Improved compliance and public safety

Performance Measure	FY 2026 Actual	FY 2027 Projection	Expected Outcome
Gas, Food, and Housing Study	Data collection substantially completed	Publish final report	Data-driven policy, enforcement, and consumer education
Rulemaking	Multiple professions under review	Complete priority regulations	Modernized professional standards
Digital Services	Enhancements underway	Launch improved licensing and complaint portals	Greater transparency and customer service

FY 2027 Strategic Priorities

Several FY 2027 priorities began during the latter part of FY 2026 and will be completed or substantially implemented during the coming fiscal year.

- **Modernize Digital Services:** Improve DLCA's online licensing, complaint-tracking, and public information systems.
- **Complete the Gas, Food, and Housing Study:** Publish findings on fuel, food, housing, construction materials, and other essential costs to support consumer education, enforcement, legislation, and policymaking.
- **Complete the Fuel-Market Analysis:** Evaluate wholesale and retail prices, business costs, and market conditions while working with DOJ to resolve outstanding subpoena matters.
- **Complete the Short-Term Rental Market Study:** The proposed $323,888 increase in DLCA's FY 2027 budget represents the project cost to complete a comprehensive study of the Territory's short-term rental market. The study will examine activity across online platforms and direct-booking channels, identify licensing and compliance gaps, and support coordination with the Bureau of Internal Revenue and other agencies. Its findings will guide enforcement and any necessary legislative or regulatory recommendations while supporting increased compliance with existing requirements.
- **Update Regulations:** Advance regulations for limousines, social workers, real estate professionals, certified public accountants, and cosmetology.
- **Expand Public Education and Outreach:** Implement DLCA's rebranding and public-service-announcement initiatives through television, radio, digital platforms, social media, workshops, and

community events. The RFP will support public education on licensing, contractor verification, complaint procedures, consumer rights, short-term rentals, and other marketplace concerns.

- **Develop Tiered Licensing:** Create practical licensing pathways based on business size, experience, scope, and risk.
- **Improve Citation Collections:** Strengthen the tracking and collection of outstanding citations, penalties, and payment plans.
- **Expand Enforcement:** Increase after-hours alcohol inspections and Territory-wide marketplace inspections.

Collectively, these priorities will modernize service delivery, strengthen fiscal accountability, promote voluntary compliance, and provide more effective protection for Virgin Islands consumers and businesses.

Partnership with the Office of Cannabis Regulation

Although the Office of Cannabis Regulation will present separate testimony, I would be remiss if I did not recognize the strong partnership between our agencies. Since OCR's inception, DLCA has provided administrative support—including human resources, payroll, procurement, and facility-related services—to help establish a solid operational foundation.

Over the past year, DLCA has continued to support OCR's organizational growth through shared training opportunities and coordination on regulatory matters. This collaboration has helped reduce duplication and facilitate the transition of hemp retailers into OCR's regulatory program. DLCA remains committed to supporting OCR as it develops into a fully independent and self-sustaining regulatory.

Before I close, I would like to recognize the outstanding employees whose dedication makes DLCA's success possible. Congratulations to Kimery Franklin, our St. Croix District Employee of the Year, and John Richardson, our St. Thomas/St. John District Employee of the Year. Your professionalism, commitment, and exceptional service embodies the very best of this Department.

I extend my heartfelt thanks to every member of Team DLCA. The progress and accomplishments highlighted today are a direct result of your hard work, resilience, and unwavering commitment to serving the people of the Virgin Islands. It is an honor to serve alongside each of you as we continue working to protect consumers, support businesses, and strengthen our communities.

I also thank the members of the 36th Legislature for their continued support and partnership, which have been instrumental to DLCA's success.

Lastly, I extend my sincere thanks to Governor Albert Bryan, Jr., and this Administration for their support of the DLCA. This concludes DLCA's Fiscal Year 2027 budget testimony. Thank you for your time; my team and I are available to answer any questions.