

Virgin Islands Casino Control Commission
Eileen Ramona Petersen Casino Control Commission Building
3005 Orange Grove
Christiansted, VI 00820
Telephone: 340-718-3616 ♦ Fax: 340-718-3136
Email: info@casinocontrolcommission.vi
Website: www.casinocontrolcommission.vi



**TESTIMONY BEFORE
THE COMMITTEE OF THE WHOLE**

Thirty-Fifth Legislature of the Virgin Islands

**Earle B. Ottley Legislative Hall
St. Thomas, Virgin Islands**

**Wednesday, October 16, 2024
10:00 AM**

**Honorable Marvin L. Pickering
Chairman/CEO**

GOOD MORNING, CHAIRMAN NOVELLE E. FRANCIS, JR., AND MEMBERS OF THE COMMITTEE OF THE WHOLE OF THE 35TH LEGISLATURE OF THE VIRGIN ISLANDS, LEGISLATIVE STAFF, TESTIFIERS, AND PEOPLE OF THE U.S. VIRGIN ISLANDS WHO ARE WATCHING AND LISTENING. FOR THE RECORD, MY NAME IS MARVIN L. PICKERING, CHAIRMAN AND CHIEF EXECUTIVE OFFICER OF THE VIRGIN ISLANDS CASINO CONTROL COMMISSION (“THE COMMISSION”). ACCOMPANYING ME TODAY IS COMMISSIONER CAROLYN P. HERMON-PERCELL, VICE CHAIR OF THE COMMISSION AND THE COMMISSIONER RESIDING IN ST. THOMAS-ST. JOHN. COMMISSIONER LUTHER F. RENE, SECRETARY/TREASURER OF THE COMMISSION, IS FOLLOWING THESE PROCEEDINGS FROM THE COMMISSION’S HEADQUARTERS ON ST. CROIX.

WE APPRECIATE THE OPPORTUNITY TO OFFER COMMENTS ON BR24-1293, AN ACT TO PROVIDE FOR CRUISE SHIPS TO OPERATE THEIR CASINOS WHILE BERTHED IN ST. CROIX, VI, AS PROPOSED BY THE HONORABLE GOVERNOR ALBERT BRYAN, JR.

PRIOR TO SUBMITTING THE PROPOSED MEASURE TO THE LEGISLATURE, GOVERNOR BRYAN EXTENDED THE COURTESY TO ME, IN MY CAPACITY OF CHAIRMAN/CEO OF THE COMMISSION, TO MEET WITH HIM AND HIS TEAM TO DISCUSS ITS MERITS. I THANK GOVERNOR BRYAN FOR THAT OPPORTUNITY.

IN PREPARATION FOR THE MEETING WITH THE GOVERNOR, MY COLLEAGUES AND I REVIEWED THE PROPOSAL AND RESEARCHED VIRGIN ISLANDS LAW. WE ALSO CONSIDERED THE IMPACTS, IF ANY, POSED BY THE ENACTMENT OF THE PROPOSAL ON OUR CASINO LICENSEES AND THE BENEFITS THAT ACCRUE TO THE TREASURY AND PEOPLE OF THE VIRGIN ISLANDS, ST. CROIX IN PARTICULAR, FROM THE LEGAL LOCAL CASINO INDUSTRY.

AS YOU KNOW, THE COMMISSION IS RESPONSIBLE FOR THE LICENSURE AND REGULATION OF CASINOS IN THE U.S. VIRGIN ISLANDS PURSUANT TO THE VIRGIN ISLANDS CASINO AND RESORT CONTROL ACT OF 1995, AS AMENDED; INTERNET GAMING AND GAMBLING PURSUANT TO THE VIRGIN ISLANDS INTERNET GAMING AND GAMBLING ACT, AS AMENDED; HORSE RACETRACK

CASINOS PURSUANT TO THE VIRGIN ISLANDS HORSE RACING INDUSTRY ASSISTANCE ACTS OF 2011 AND 2016; AND THE CASINO IV ESTABLISHMENTS ACT PERMITTED WITHIN THE ENTERPRISE ZONES OF CHRISTIANSTED AND FREDERIKSTED. THE COMMISSION CURRENTLY HAS TWO CASINO LICENSEES, NAMELY DIVI CARINA BAY CASINO (“DIVI”) AND CARAVELLE HOTEL AND CASINO (“VIGL”). THESE LICENSEES PAY BETWEEN \$160,000 TO \$240,000 TO OBTAIN FOUR-YEAR LICENSES TO OPERATE THEIR CASINOS. IN ADDITION, COMBINED, THEY PROVIDE EMPLOYMENT TO MORE THAN 300 ST. CROIX RESIDENTS, WITH AN ANNUAL AVERAGE PAYROLL IN EXCESS OF \$9 MILLION DOLLARS. THEIR DIRECT SPENDING FOR OTHER GOODS AND SERVICES AVERAGES ABOUT \$22 MILLION DOLLARS ANNUALLY AND THEY PAY TAXES AT A RATE OF 12% ON THEIR GROSS CASINO EARNINGS. THOSE TAX PAYMENTS AMOUNTED TO \$2.176M IN FISCAL YEAR 2023 AND \$2.216M IN FISCAL YEAR 2024. TWENTY-FIVE PERCENT OF THOSE TAX REVENUES PROVIDES PARTIAL SUPPORT FOR THE COMMISSION’S OPERATING EXPENSES, WHILE THE OTHER 75% IS ALLOCATED TO PROVIDE SUPPLEMENTAL SUPPORT TO

GOVERNMENT AGENCIES, SUCH AS THE DEPARTMENTS OF EDUCATION, HEALTH, SPORTS PARKS AND RECREATION, AND AGRICULTURE, TO NAME A FEW.

IN TAKING A DEEP DIVE INTO THE RATIONALE FOR BR24-1293, THE COMMISSION DETERMINED THAT:

- 1. THE PROPOSED MEASURE IS DESIGNED TO ENTICE AND ENCOURAGE CRUISE SHIPS TO REMAIN IN PORT FOR LONGER PERIODS OF TIME IN ST. CROIX. AS GOVERNOR BRYAN NOTED IN HIS TRANSMITTAL LETTER DATED SEPTEMBER 9, 2024, THE SHIPS TYPICALLY ARRIVE AT 7 AM AND DEPART BY 5 PM. A LATER DEPARTURE WILL ALLOW PASSENGERS TO EXPERIENCE MORE OF ST. CROIX (“A VIBE LIKE NO OTHER”) AND ENGAGE WITH LOCAL VENDORS. DUE TO THE EXTRA TIME TO BE SPENT ON ST. CROIX, THE MEASURE ALSO HAS THE POTENTIAL OF CONVERTING SOME OF THESE PASSENGERS TO FUTURE OVERNIGHT GUESTS.**
- 2. THE PROPOSED MEASURE LIMITS ACCESS TO THE CRUISE**

**SHIP CASINOS TO THE CRUISE SHIP PASSENGERS.
RESIDENTS CANNOT ENTER THE SHIPS.**

- 3. THE PROPOSED MEASURE WILL SAVE FUEL COSTS FOR THE
CRUISE SHIPS BECAUSE, AS ALSO NOTED IN THE
GOVERNOR'S TRANSMITTAL LETTER, THE SHIPS WILL NOT
HAVE TO SAIL TO AND CIRCLE FOR HOURS IN
INTERNATIONAL WATERS TO OPERATE THEIR CASINOS.**

**FURTHER, THE COMMISSION SHARED BR24-1293 WITH OUR
CASINO LICENSEES AND REQUESTED THEIR INPUT ON ANY
PERCEIVED ADVERSE EFFECTS TO THEIR OPERATIONS. IN
RESPONSE, DIVI STATED THAT THEY HAVE NO OBJECTION TO THE
PROPOSAL, WHILE VIGL INDICATED ANY IMPACT TO THEM WOULD
BE NEGLIGIBLE. WE THANK OUR CASINO LICENSEES FOR SHARING
AND ENGAGING IN THIS PROCESS.**

**FOR THESE REASONS, THE COMMISSION DOES NOT OPPOSE
THE SPIRIT AND INTENT OF BR24-1293. HOWEVER, IN CONDUCTING
OUR RESEARCH, THE COMMISSION FOUND THAT:**

1. ON APRIL 17, 1999, ACT NO. 6287, THE SHORT-TERM REVENUE ENHANCEMENT ACT OF 1999, WAS ENACTED. SECTION 23 OF SAID ACT PROVIDED AS FOLLOWS:

CRUISE SHIPS ANCHORED OR DOCKED AT THE PIERS IN ST. THOMAS AND ST. JOHN MAY OPERATE THEIR ONBOARD CASINO FOR USE BY THEIR PASSENGERS ONLY.

2. SECTION 23 OF ACT NO. 6287 IS CURRENTLY NULL.

3. ON APRIL 9, 2011, ACT NO. 7245 WAS ENACTED. ACT NO. 7245 CREATED A NEW STATUTE WITHIN THE VIRGIN ISLANDS CODE CITED AS TITLE 25, CHAPTER 17, § 501. SECTION 501, WHICH IS CURRENT LAW, PROVIDES, AS FOLLOWS:

NOTWITHSTANDING TITLE 14, CHAPTER 61 AND TITLE 32, CHAPTER 21 OF THIS CODE, CRUISE SHIPS ANCHORED OR DOCKED AT THE PIERS IN ST. THOMAS AND ST. JOHN MAY OPERATE THEIR ONBOARD CASINOS AFTER 5 P.M. WHILE IN PORT FOR USE ONLY BY THEIR PASSENGERS.

THIS HAS BEEN THE LAW APPLICABLE TO THE ST. -ST. JOHN DISTRICT FOR MORE THAN 13 YEARS.

AS SUCH, THE COMMISSION RECOMMENDS THAT THE ALLOWANCE OF CRUISE SHIPS TO OPERATE THEIR CASINOS WHILE BERTHED IN ST. CROIX, ALSO BE CODIFIED WITHIN THE VIRGIN ISLANDS CODE AND THAT THE HOURS OF OPERATION BEGIN AFTER 5:00 P.M. TO ENSURE UNIFORMITY IN THE LAW AND CONSISTENCY BETWEEN THE DISTRICTS OF ST. THOMAS AND ST. JOHN AND ST. CROIX. THIS CAN EASILY BE ACCOMPLISHED BY AMENDING 25 V.I.C. § 501 TO ADD ST. CROIX, AND TO READ AS FOLLOWS:

NOTWITHSTANDING TITLE 14, CHAPTER 61 AND TITLE 32, CHAPTER 21 OF THIS CODE, CRUISE SHIPS ANCHORED OR DOCKED AT THE PIERS IN ST. THOMAS AND ST. JOHN AND IN ST. CROIX MAY OPERATE THEIR ONBOARD CASINOS AFTER 5 P.M. WHILE IN PORT FOR USE ONLY BY THEIR PASSENGERS.

OUR RECOMMENDATION ALIGNS WITH GOVERNOR BRYAN. IN HIS SEPTEMBER 9, 2024 TRANSMITTAL LETTER ON PAGE 2, IN THE FIRST FULL PARAGRAPH, IN EXPLAINING THE PROPOSAL, HE WRITES THAT “THE LAW IS VERY DELIBERATE AND ONLY ALLOWS THIS ACTION AFTER 5 PM, NEGATING THE NEED TO LEAVE PORT AS SOON AS POSSIBLE.” ON OCTOBER 8, 2024, THE COMMISSION CONVEYED ITS RECOMMENDATION ON 25 V.I.C. § 501 TO THE OFFICE OF THE GOVERNOR AND RECEIVED THEIR SUPPORT.

MR. CHAIRMAN, THIS CONCLUDES THE TESTIMONY OF THE VIRGIN ISLANDS CASINO CONTROL COMMISSION RELATIVE TO BR24-1293. THE REPRESENTATIVES OF THE COMMISSION STAND READY TO RESPOND TO ANY QUESTIONS THAT YOU OR OTHER MEMBERS OF THE BODY MAY HAVE, TO THE BEST OF OUR ABILITY.