

slums, accomplish urban redevelopment or provide low-rent housing, negotiable general obligation bonds and other obligations may be issued by the government of the Virgin Islands or any municipality thereof: *Provided*, That no public indebtedness of any municipality thereof shall be incurred in excess of 10 per centum of the aggregate assessed valuation of the taxable real property in such municipality and that no public indebtedness of the government of the Virgin Islands shall be incurred in excess of 10 per centum of the aggregate assessed valuation of the taxable real property in the islands. Bonds issued pursuant to sections 1403 to 1403b of this title shall bear such date or dates, may be in such denominations, may mature in such amounts and at such time or times, not exceeding thirty years from the date thereof, may be payable at such place or places, may be sold at either public or private sale, may be redeemable (either with or without premium) or nonredeemable, may carry such registration privileges as to either principal and interest, or principal only, and may be executed by such officers and in such manner, as shall be prescribed by the government of the Virgin Islands or of the municipality issuing the bonds. In case any of the officers whose signatures appear on the bonds or coupons shall cease to be such officers before delivery of such bonds, such signature, whether manual or facsimile, shall, nevertheless, be valid and sufficient for all purposes, the same as if such officers had remained in office until such delivery. The bonds so issued shall bear interest at a rate not to exceed 4 per centum per annum, payable semiannually. All such bonds shall be sold for not less than the principal amount thereof plus accrued interest. All bonds issued by the government of the Virgin Islands or any municipality thereof, including specifically interest thereon, shall be exempt from taxation by the Government of the United States, or by the government of the Virgin Islands or any political subdivision thereof, or by any State, Territory, or possession or by any political subdivision of any State, Territory, or possession, or by the District of Columbia: *Provided further*, That the government of the Virgin Islands and any municipality thereof shall be obliged to levy and collect sufficient taxes for servicing any of the outstanding bonds, even if such taxation is required at a rate in excess of or in addition to the tax or tax rate of 1.25 per centum of the assessed value which is provided for in section 1401b<sup>1</sup> of this title.

(Oct. 27, 1949, ch. 769, § 1, 63 Stat. 940.)

#### REFERENCES IN TEXT

Section 1401b of this title, referred to in text, was repealed by Pub. L. 110-40, §1(a), June 29, 2007, 121 Stat. 232.

#### § 1403a. Expenditure of bond proceeds for public improvements

The proceeds of the bond issues or other obligations herein authorized shall be expended only for the public improvements set forth in section 1403 of this title, or for the reduction of the debt

created by such bond issue or obligation, unless otherwise authorized by the Congress.

(Oct. 27, 1949, ch. 769, § 2, 63 Stat. 941.)

#### § 1403b. Bond liability of United States

Bonds or other obligations issued pursuant to sections 1403 to 1403b of this title shall not be a debt of the United States, nor shall the United States be liable thereon.

(Oct. 27, 1949, ch. 769, § 3, 63 Stat. 941.)

#### SUBCHAPTER II—CIVIL GOVERNMENT

#### § 1405. Geographical application of subchapter; land and waters included in term “Virgin Islands”

The provisions of this subchapter, and the name “the Virgin Islands” as used in this subchapter, shall apply to and include the territorial domain, lands and waters acquired by the United States through cession of the Danish West Indian Islands by the convention between the United States of America and His Majesty the King of Denmark entered into August 4, 1916, and ratified by the Senate on September 7, 1916 (39 Stat. L. 1706).

(June 22, 1936, ch. 699, § 1, 49 Stat. 1807.)

#### §§ 1405a, 1405b. Repealed. Pub. L. 97-357, title III, § 307, Oct. 19, 1982, 96 Stat. 1709

Section 1405a, act June 22, 1936, ch. 699, § 2, 49 Stat. 1807, related to division of Virgin Islands into municipality of Saint Croix and municipality of Saint Thomas and Saint John.

Section 1405b, act June 22, 1936, ch. 699, § 3, 49 Stat. 1807, related to constituting into bodies politic and juridic of inhabitants of municipalities of Saint Croix and of Saint Thomas and Saint John.

#### § 1405c. Transfer of property to government

##### (a) Property not reserved

All property which may have been acquired by the United States from Denmark in the Virgin Islands under the convention entered into August 4, 1916, not reserved by the United States for public purposes prior to June 22, 1937, is placed under the control of the Government of the Virgin Islands.

##### (b) Applicability of United States law

Except as otherwise expressly provided, all laws of the United States for the protection and improvement of the navigable waters of the United States shall apply to the Virgin Islands.

##### (c) Applicability of tonnage duties

No Federal laws levying tonnage duties, light money, or entrance and clearance fees shall apply to the Virgin Islands.

##### (d) Presidential determination of applicable laws

The legislature of the Virgin Islands shall have power to enact navigation, boat inspection, and safety laws of local application; but the President shall have power to make applicable to the Virgin Islands such of the navigation, vessel inspection, and coastwise laws of the United States as he may find and declare to be necessary in the public interest, and, to the extent that the laws so made applicable conflict with

<sup>1</sup> See References in Text note below.