

Section 1386, act July 2, 1940, ch. 516, §6, 54 Stat. 725; 1946 Reorg. Plan No. 3, §801, eff. July 16, 1946, 11 F.R. 7877, 60 Stat. 1101, related to deposit of receipts into treasury, and was transferred to section 79d of Title 20.

Section 1387, act July 2, 1940, ch. 516, §7, 54 Stat. 725, related to authorization of appropriations, and was transferred to section 79e of Title 20.

## CHAPTER 7—VIRGIN ISLANDS

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### SUBCHAPTER I—GENERAL PROVISIONS

#### ADDITIONAL PROVISIONS

For additional provisions, constituting a revision of the Organic Act of the Virgin Islands of the United States, see section 1541 et seq. of this title.

#### CODIFICATION

A new organic act, or basic charter of civil government, for the people of the Virgin Islands of the United States, was passed in 1954. Act July 22, 1954, ch. 558, 68 Stat. 497, known as the Revised Organic Act of the Virgin Islands, is set out as section 1541 et seq. of this title. Section 8(c) of the Revised Organic Act, set out as section 1574(c) of this title, provides that laws of the United States, set out generally in this chapter, as well as local laws and ordinances, including provisions of the Organic Act of the Virgin Islands of the United States, act June 22, 1936, ch. 699, 49 Stat. 1807, section 1405 et seq. of this title, in force on July 22, 1954, and not inconsistent with act July 22, 1954, are to remain in force and effect until otherwise changed.

#### CONSTITUTIONS FOR VIRGIN ISLANDS AND GUAM: ESTABLISHMENT; CONGRESSIONAL AUTHORIZATION

Pub. L. 94-584, Oct. 21, 1976, 90 Stat. 2899, as amended by Pub. L. 96-597, title V, §501, Dec. 24, 1980, 94 Stat. 3479; Pub. L. 111-194, §2, June 30, 2010, 124 Stat. 1310, provided:

"[Section 1. Authorization to organize governments] That the Congress, recognizing the basic democratic principle of government by the consent of the governed, authorities the peoples of the Virgin Islands and of Guam, respectively, to organize governments pursuant to constitutions of their own adoption as provided in this Act.

"SEC. 2. [Constitutional conventions and draft provisions] (a) The Legislatures of the Virgin Islands and Guam, respectively, are authorized to call constitutional conventions to draft, within the existing territorial-Federal relationship, constitutions for the local self-government of the people of the Virgin Islands and Guam.

"(b) Such constitutions shall—

"(1) recognize, and be consistent with, the sovereignty of the United States over the Virgin Islands and Guam, respectively, and the supremacy of the provisions of the Constitution, treaties, and laws of the United States applicable to the Virgin Islands and Guam, respectively, including, but not limited to, those provisions of the Organic Act [this chapter] and Revised Organic Act of the Virgin Islands [section 1541 et seq. of this title] and the Organic Act of Guam [section 1421 et seq. of this title] which do not relate to local self-government.

"(2) provide for a republican form of government, consisting of three branches: executive, legislative, and judicial;

"(3) contain a bill of rights;

"(4) deal with the subject matter of those provisions of the Revised Organic Act of the Virgin Islands of 1954, as amended, and the Organic Act of Guam, as amended, respectively, which relate to local self-government;

"(5) with reference to Guam, provide that the voting franchise may be vested only in residents of Guam who are citizens of the United States;

"(6) provide for a system of local courts consistent with the provisions of the Revised Organic Act of the Virgin Islands, as amended; and

"(7) provide for the establishment of a system of local courts the provisions of which shall become effective no sooner than upon the enactment of legislation regulating the relationship between the local courts of Guam with the Federal judicial system.

"SEC. 3. [Selection and qualifications of members] The members of such constitutional conventions shall be chosen as provided by the laws of the Virgin Islands and Guam, respectively (enacted after the date of enactment of this Act [Oct. 21, 1976]): *Provided, however*, That no person shall be eligible to be a member of the constitutional conventions, unless he is a citizen of the United States and qualified to vote in the Virgin Islands and Guam, respectively.

"SEC. 4. [Submittal of proposed constitutions to governors and President] The conventions shall submit to

the Governor of the Virgin Islands a proposed constitution for the Virgin Islands and to the Governor of Guam a proposed constitution for Guam which shall comply with the requirements set forth in section 2(b) above. Such constitutions shall be submitted to the President of the United States by the Governors of the Virgin Islands and Guam.

“SEC. 5. [Transmittal to Congress and submittal to voters] (a) Within sixty calendar days after the respective date on which he has received each constitution, the President shall transmit such constitution together with his comments to the Congress.

“(b) The constitution, in each case, shall be deemed to have been approved by the Congress within 60 legislative days after its submission by the President, unless prior to that date the Congress has approved the constitution, or modified or amended it, in whole or in part, or has urged the constitutional convention to reconvene, by joint resolution.

“(c) REVISION OF PROPOSED CONSTITUTION.—

“(1) IN GENERAL.—If a convention reconvenes and revises the proposed constitution, the convention shall resubmit the revised proposed constitution simultaneously to the Governor of the Virgin Islands and the President.

“(2) COMMENTS OF PRESIDENT.—Not later than 60 calendar days after the date of receipt of the revised proposed constitution, the President shall—

“(A) notify the convention, the Governor, and Congress of the comments of the President on the revised proposed constitution; and

“(B) publish the comments in the Federal Register.

“(d) As so approved or modified under subsection (b) (or, if revised pursuant to subsection (c), on publication of the comments of the President in the Federal Register), the constitutions shall be submitted to the qualified voters of the Virgin Islands and Guam, respectively, for acceptance or rejection through islandwide referendums to be conducted as provided under the laws of the Virgin Islands and Guam, respectively. (enacted after the date of enactment of this Act) [Oct. 21, 1976].

“(e) Upon approval by not less than a majority of the votes (counting only the affirmative or negative votes) participating in such referendums, the constitutions shall become effective in accordance with their terms.”

[Pub. L. 94-584 is also set out as a note preceding section 1541 of this title.]

#### DELEGATE TO CONGRESS FROM VIRGIN ISLANDS

Provisions respecting representation in Congress by a Delegate from Virgin Islands to the House of Representatives, see section 1711 et seq. of this title.

#### § 1391. Repealed. Pub. L. 89-554, § 8(a), Sept. 6, 1966, 80 Stat. 643

Section, act Mar. 3, 1917, ch. 171, § 1, 39 Stat. 1132, provided for appointment and pay of Governor of Virgin Islands and other employees.

#### § 1392. Local laws continued; courts

Until Congress shall otherwise provide, insofar as compatible with the changed sovereignty and not in conflict with the provisions of this section and sections 1391<sup>1</sup> and 1394 to 1396 of this title, the laws regulating elections and the electoral franchise as set forth in the code of laws published at Amalienborg the 6th day of April, 1906, and the other local laws, in force and effect in said islands on the 17th day of January, 1917, shall remain in force and effect in said islands, and the same shall be administered by the civil officials and through the local judicial tribunals established in said islands, respectively; and the

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

orders, judgments, and decrees of said judicial tribunals shall be duly enforced. With the approval of the President, or under such rules and regulations as the President may prescribe, any of said laws may be repealed, altered, or amended by the colonial council having jurisdiction. The jurisdiction of the judicial tribunals of said islands shall extend to all judicial proceedings and controversies in said islands to which the United States or any citizen thereof may be a party.

(Mar. 3, 1917, ch. 171, § 2, 39 Stat. 1132; June 25, 1948, ch. 646, § 39, 62 Stat. 992.)

#### REFERENCES IN TEXT

Section 1391 of this title, referred to in text, was repealed by Pub. L. 89-554, § 8(a), Sept. 6, 1966, 80 Stat. 643.

#### AMENDMENTS

1948—Act June 25, 1948, repealed last sentence relating to appeals. See section 1294 of Title 28, Judiciary and Judicial Procedure.

#### EFFECTIVE DATE OF 1948 AMENDMENT

Amendment by act June 25, 1948, effective Sept. 1, 1948, see section 38 of that act set out as an Effective Date note preceding section 1 of Title 28, Judiciary and Judicial Procedure.

#### § 1392a. Repealed. Pub. L. 89-554, § 8(a), Sept. 6, 1966, 80 Stat. 650, 654

Section, acts May 24, 1940, ch. 209, § 3, 54 Stat. 220; July 31, 1946, ch. 704, § 1, 60 Stat. 716; June 25, 1948, ch. 646, § 30, 62 Stat. 991, related to salary of judge of District Court.

Section was formerly classified to section 5a of Title 28 prior to the general revision and enactment of Title 28, Judiciary and Judicial Procedure, by act June 25, 1948, ch. 646, § 1, 62 Stat. 869.

#### § 1392b. Repealed. Pub. L. 97-357, title III, § 308(c), Oct. 19, 1982, 96 Stat. 1710

Section, act July 1, 1932, ch. 370, § 2, 47 Stat. 565, vested in District Court of Virgin Islands jurisdiction of prosecutions for violations of section 1399 of this title, relating to obstruction of navigable waters.

#### § 1393. Repealed. Pub. L. 97-357, title III, § 308(a), Oct. 19, 1982, 96 Stat. 1710

Section, act July 12, 1921, ch. 44, § 1, 42 Stat. 123, declared as ineligible to hold office as a member of colonial councils of Virgin Islands or any other public office under Virgin Islands government, anyone owing allegiance to any country other than United States.

#### § 1394. Customs duties and internal-revenue taxes

There shall be levied, collected, and paid upon all articles coming into the United States or its possessions from the Virgin Islands the rates of duty and internal-revenue taxes which are required to be levied, collected, and paid upon like articles imported from foreign countries: *Provided*, That all articles, the growth or product of, or manufactured in, such islands, from materials the growth or product of such islands or of the United States, or of both, or which do not contain foreign materials to the value of more than 20 per centum of their total value, upon which no drawback of customs duties has been allowed therein, coming into the United States from such islands shall be admitted free of duty.

In determining whether such a Virgin Islands article contains foreign material to the value of more than 20 per centum, no material shall be considered foreign which, at the time the Virgin Islands article is entered, or withdrawn from warehouse, for consumption, may be imported into the continental United States free of duty generally.

(Mar. 3, 1917, ch. 171, §3, 39 Stat. 1133; Sept. 7, 1950, ch. 909, 64 Stat. 784.)

#### AMENDMENTS

1950—Act Sept. 7, 1950, permitted free entry of articles into the United States from the Virgin Islands when such articles contain foreign materials which may be imported directly into the United States free of duty.

#### § 1395. Tax laws continued; tax on sugar

Until Congress shall otherwise provide all laws now imposing taxes in the said West Indian Islands, including the customs laws and regulations, shall, insofar as compatible with the changed sovereignty and not otherwise herein provided, continue in force and effect, except that articles the growth, product, or manufacture of the United States shall be admitted there free of duty: *Provided*, That upon exportation of sugar to any foreign country, or the shipment thereof to the United States or any of its possessions, there shall be levied, collected, and paid thereon an export duty of \$6 per ton of two thousand pounds, irrespective of polariscope test, in lieu of any export tax now required by law: *Provided further*, That the internal revenue taxes levied by the Colonial Council of Saint Croix, or by the Colonial Council of Saint Thomas and Saint John, in pursuance of the authority granted by this section and sections 1391,<sup>1</sup> 1392, 1394, and 1396 of this title on articles, goods, wares, or merchandise may be levied and collected as the Colonial Council of Saint Croix, or as the Colonial Council of Saint Thomas and Saint John, may direct, on the articles subject to said tax, as soon as the same are manufactured, sold, used, or brought into the island: *And provided further*, That no discrimination be made between the articles imported from the United States or foreign countries and similar articles produced or manufactured in the municipality of Saint Croix, or in the municipality of Saint Thomas and Saint John, respectively. The officials of the Customs and Postal Services of the United States are directed to assist the appropriate officials of the municipality of Saint Croix, or of the municipality of Saint Thomas and Saint John, in the collection of these taxes.

(Mar. 3, 1917, ch. 171, §4, 39 Stat. 1133; Feb. 25, 1927, ch. 192, §5, 44 Stat. 1235; June 24, 1932, ch. 275, 47 Stat. 333.)

#### REFERENCES IN TEXT

Section 1391 of this title, referred to in text, was repealed by Pub. L. 89-554, §8(a), Sept. 6, 1966, 80 Stat. 643.

#### AMENDMENTS

1932—Act June 24, 1932, inserted provisos permitting local levy of internal revenue taxes, prohibiting discrimination against imports, and directing customs and postal services to assist in collecting taxes.

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

1927—Act Feb. 25, 1927, reduced export duty on sugar from \$8 to \$6 per ton.

#### § 1396. Duties and taxes covered into Virgin Islands treasury

The duties and taxes collected in pursuance of sections 1394 and 1395 of this title shall not be covered into the general fund of the Treasury of the United States, but shall be used and expended for the government and benefit of the Virgin Islands, under such rules and regulations as the President may prescribe.

(Mar. 3, 1917, ch. 171, §5, 39 Stat. 1133.)

#### § 1397. Income tax laws of United States in force; payment of proceeds; levy of surtax on all taxpayers

The income-tax laws in force in the United States of America and those which may hereafter be enacted shall be held to be likewise in force in the Virgin Islands of the United States, except that the proceeds of such taxes shall be paid into the treasuries of said islands: *Provided further*, That, notwithstanding any other provision of law, the Legislature of the Virgin Islands is authorized to levy a surtax on all taxpayers in an amount not to exceed 10 per centum of their annual income tax obligation to the government of the Virgin Islands.

(July 12, 1921, ch. 44, §1, 42 Stat. 123; Pub. L. 94-392, §5, Aug. 19, 1976, 90 Stat. 1195.)

#### REFERENCES IN TEXT

The income-tax laws in force in the United States of America, referred to in text, are classified to Title 26, Internal Revenue Code.

#### CODIFICATION

Section is from act July 12, 1921, popularly known as the Naval Service Appropriation Act, 1922.

#### AMENDMENTS

1976—Pub. L. 94-392 inserted proviso authorizing Legislature of Virgin Islands to levy a surtax, not to exceed 10 per centum, on annual income tax obligation of all taxpayers.

#### APPLICATION OF WESTERN HEMISPHERE TRADE CORPORATION PROVISION UNDER THE VIRGIN ISLANDS TAX LAWS

Pub. L. 92-178, title III, §307, Dec. 10, 1971, 85 Stat. 524, provided that for purposes of applying the income tax laws of the United States with respect to the Virgin Islands under this section, subpart C of part III of subchapter N of chapter 1 of the Internal Revenue Code of 1954 [former 26 U.S.C. 921, 922] (relating to Western Hemisphere Trade Corporations) shall be treated as having been repealed effective with respect to taxable years beginning after Dec. 10, 1971.

#### § 1398. Omitted

#### CODIFICATION

Section, act July 1, 1922, ch. 259, 42 Stat. 788, which related to quarantine and passport fees, was from the Navy Department and Naval Service Appropriation Act, 1923, was not repeated in subsequent years. See section 1642 of this title.

#### § 1399. Repealed. Pub. L. 97-357, title III, § 308(b), Oct. 19, 1982, 96 Stat. 1710

Section, acts July 3, 1930, ch. 847, §8, 46 Stat. 948; July 1, 1932, ch. 370, §1, 47 Stat. 565, made applicable to the

Virgin Islands and the navigable waters thereof, certain provisions of Title 33, Navigation and Navigable Waters, relating to obstruction of navigable waters.

**§ 1400. Repealed. Pub. L. 98-454, title VII, § 709, Oct. 5, 1984, 98 Stat. 1741**

Section, act May 20, 1932, ch. 194, 47 Stat. 160, related to extension of admiralty laws of the United States to Virgin Islands.

EFFECTIVE DATE OF REPEAL

Repeal effective on ninetieth day following Oct. 5, 1984, see section 1005 of Pub. L. 98-454, set out as an Effective Date of 1984 Amendment note under section 1424 of this title.

**§§ 1401 to 1401e. Repealed. Pub. L. 110-40, § 1(a), June 29, 2007, 121 Stat. 232**

Section 1401, act May 26, 1936, ch. 450, § 1, 49 Stat. 1372, set out the policy of Congress to equalize taxes on real property in the Virgin Islands.

Section 1401a, act May 26, 1936, ch. 450, § 2, 49 Stat. 1372, related to valuation of real property for assessment and uniformity of rates.

Section 1401b, act May 26, 1936, ch. 450, § 3, 49 Stat. 1372, related to rate of tax in absence of local laws and regulations by President for assessment and collection pending adoption of local laws.

Section 1401c, act May 26, 1936, ch. 450, § 4, 49 Stat. 1372, provided that taxes were to be deposited in the municipal treasury of the municipality in which collected.

Section 1401d, acts May 26, 1936, ch. 450, § 5, 49 Stat. 1372; June 30, 1949, ch. 285, § 12, 63 Stat. 356, related to payments to be made by the Virgin Islands Corporation into municipal treasuries of the Virgin Islands in lieu of certain taxes, valuation of real property in the Virgin Islands owned by the Virgin Islands Corporation as a basis for determining the amount of taxation, and payment to be made for any property owned by the United States in the Virgin Islands used for ordinary business or commercial purposes.

Section 1401e, act May 26, 1936, ch. 450, § 6, 49 Stat. 1373, related to exemptions from taxation and authority of municipalities to alter, amend, or repeal existing laws.

EFFECTIVE DATE OF REPEAL

Pub. L. 110-40, § 1(b), June 29, 2007, 121 Stat. 232, provided that: "This section [repealing sections 1401 to 1401e of this title] shall be deemed to have taken effect on July 22, 1954."

**§ 1401f. Omitted**

CODIFICATION

Section, act Oct. 5, 1992, Pub. L. 102-381, title I, 106 Stat. 1392, which authorized Territorial and local governments of Virgin Islands to make purchases through General Services Administration, was from the Department of the Interior and Related Agencies Appropriations Act, 1992, and was not repeated in subsequent appropriation acts. See section 1469e of this title. Similar provisions were contained in the following prior appropriation acts:

- Nov. 13, 1991, Pub. L. 102-154, title I, 105 Stat. 1007.
- Nov. 5, 1990, Pub. L. 101-512, title I, 104 Stat. 1932.
- Oct. 23, 1989, Pub. L. 101-121, title I, 103 Stat. 716.
- Sept. 27, 1988, Pub. L. 100-446, title I, 102 Stat. 1797.
- Dec. 22, 1987, Pub. L. 100-202, § 101(g) [title I], 101 Stat. 1329-213, 1329-231.
- Oct. 18, 1986, Pub. L. 99-500, § 101(h) [title I], 100 Stat. 1783-242, 1783-258, and Oct. 30, 1986, Pub. L. 99-591, § 101(h) [title I], 100 Stat. 3341-242, 3341-258.
- Dec. 19, 1985, Pub. L. 99-190, § 101(d) [title I], 99 Stat. 1224, 1238.
- Oct. 12, 1984, Pub. L. 98-473, title I, § 101(c) [title I], 98 Stat. 1837, 1851.

- Nov. 4, 1983, Pub. L. 98-146, title I, 97 Stat. 931.
- Dec. 30, 1982, Pub. L. 97-394, title I, 96 Stat. 1979.
- Dec. 23, 1981, Pub. L. 97-100, title I, 95 Stat. 1401.
- Dec. 12, 1980, Pub. L. 96-514, title I, 94 Stat. 2969.
- Nov. 27, 1979, Pub. L. 96-126, title I, 93 Stat. 965.
- Oct. 17, 1978, Pub. L. 95-465, title I, 92 Stat. 1289.
- July 26, 1977, Pub. L. 95-74, title I, 91 Stat. 295.
- July 31, 1976, Pub. L. 94-373, title I, 90 Stat. 1052.
- Dec. 23, 1975, Pub. L. 94-165, title I, 89 Stat. 987.
- Aug. 31, 1974, Pub. L. 93-404, title I, 88 Stat. 812.
- Oct. 4, 1973, Pub. L. 93-120, title I, 87 Stat. 433.
- Aug. 10, 1972, Pub. L. 92-369, title I, 86 Stat. 512.
- Aug. 10, 1971, Pub. L. 92-76, title I, 85 Stat. 233.
- July 31, 1970, Pub. L. 91-361, title I, 84 Stat. 673.
- Oct. 29, 1969, Pub. L. 91-98, title I, 83 Stat. 151.
- July 26, 1968, Pub. L. 90-425, title I, 82 Stat. 430.
- June 24, 1967, Pub. L. 90-28, title I, 81 Stat. 63.
- May 31, 1966, Pub. L. 89-435, title I, 80 Stat. 174.
- June 28, 1965, Pub. L. 89-52, title I, 79 Stat. 179.
- July 7, 1964, Pub. L. 88-356, title I, 78 Stat. 278.
- July 26, 1963, Pub. L. 88-79, title I, 77 Stat. 102.
- Aug. 9, 1962, Pub. L. 87-578, title I, 76 Stat. 339.
- Aug. 3, 1961, Pub. L. 87-122, title I, 75 Stat. 250.
- May 13, 1960, Pub. L. 86-455, title I, 74 Stat. 112.
- June 23, 1959, Pub. L. 86-60, title I, 73 Stat. 101.
- June 4, 1958, Pub. L. 85-439, title I, 72 Stat. 163.
- July 1, 1957, Pub. L. 85-77, title I, 71 Stat. 265.
- June 13, 1956, ch. 380, title I, 70 Stat. 264.
- June 16, 1955, ch. 147, title I, 69 Stat. 149.
- July 1, 1954, ch. 446, title I, 68 Stat. 372.
- July 31, 1953, ch. 298, title I, 67 Stat. 273.
- July 9, 1952, ch. 597, title I, 66 Stat. 457.
- Aug. 31, 1951, ch. 375, title I, 65 Stat. 263.
- Sept. 6, 1950, ch. 896, Ch. VII, title I, 64 Stat. 694.

**§ 1402. Extension of industrial alcohol and internal revenue laws to Virgin Islands**

Title III of the National Prohibition Act, as amended, and all provisions of the internal revenue laws relating to the enforcement thereof, are extended to and made applicable to the Virgin Islands, from and after August 27, 1935. The Insular Government shall advance to the Treasury of the United States such funds as may be required from time to time by the Secretary of the Treasury for the purpose of defraying all expenses incurred by the Treasury Department in connection with the enforcement in the Virgin Islands of the said Title III and regulations promulgated thereunder. The funds so advanced shall be deposited in a separate trust fund in the Treasury of the United States and shall be available to the Treasury Department for the purposes of this section.

(June 26, 1936, ch. 830, title III, § 329(c), 49 Stat. 1957.)

REFERENCES IN TEXT

The National Prohibition Act, as amended, referred to in text, is act Oct. 28, 1919, ch. 85, 41 Stat. 305, as amended. Title III of such Act was classified principally to chapter 3 (§ 71 et seq.) of Title 27, Intoxicating Liquors, and was omitted from the Code in view of the incorporation of such provisions in the Internal Revenue Code of 1939, and subsequently into the Internal Revenue Code of 1986.

CODIFICATION

Provisions similar to those comprising this section relating to Puerto Rico are classified to section 734a of this title.

**§ 1403. Issuance of bonds or other obligations by government or municipalities; use of proceeds; limit on public indebtedness; terms, execution, interest rate, and sale price; taxes**

To construct, improve, extend, better, repair, reconstruct, acquire, and operate any and all

types of public works which shall include, but not be limited to, streets, bridges, wharves, and harbor facilities, sewers and sewage-disposal plants, municipal buildings, schools, libraries, gymnasias and athletic fields, fire houses, electric distribution systems or other work pertaining to electric systems, and other public utilities, including those owned or operated by the Saint Thomas Power Authority, or to clear 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.

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

#### § 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,