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Bill Seeking to Better Regulate Timeshare Sector in USVI Moves Forward

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A bill that aims to better regulate — including taxing — the timeshare sector in the U.S. Virgin Islands, sponsored by Senator Kurt Vialet, was favorably voted out of the Committee on Finance, chaired by Mr. Vialet, and is headed to the Committee on Rules and Judiciary for further vetting.

Bill No. 33-0218 is described as an Act amending Title 28 of the Virgin Islands Code by adding a new chapter 36 creating the Virgin Islands Timeshare Act.

“This bill addresses a long-standing problem in the territory as it pertains to timeshares,” Mr. Vialet said during the hearing last week. “There are 27,000 owners

of timeshare units in which property tax invoices should be disseminated. Presently, there is a large default of timeshare owners who have not been paying their taxes to the Government of the Virgin Islands."

Attorney George Dudley, Partner of Dudley Newman Feurzeig, LLP representing the American Resort Development Association, said the bill provides a mechanism by which defaulted timeshare developers, unit owners, and management are removed, while abandoned timeshare units are placed back on the market.

Attorney Ann Cecile O'Neill, District Counsel for the Department of Licensing and Consumer Affairs, recommended that the bill be amended because it does not provide for the regulation of the timeshare sector by the government.

Senators also voted favorably for bills relating to lease agreements and the St. Thomas Capital Improvement Fund.

However, senators voted to hold in committee at the call of the chair bills regarding the Virgin Islands Government Prompt Payment Act and the appropriation of funds to the Department of Human Services.

The two lease agreements are Bill No. 33-0208- An Act approving the Lease Agreement between the Government of the Virgin Islands and Panyard People, Inc. for Parcel No. 92 Remainder Submarine Base, No. 6 Southside Quarter, St. Thomas; and Bill No. 33-0212- An Act approving the Lease Agreement between the Government of the Virgin Islands and Universal Concrete, LLC for Parcel No. 149B Submarine Base, No. 6 Southside Quarter, St. Thomas.

"Currently, the concrete business is a monopoly on St. Thomas. The lease agreement establishes competition. Secondly, the Panyard People Inc. is a non-profit organization that strives toward preserving our culture and heritage through Steel Pan music," said Mr. Violet, sponsor of Bill No- 33-0208.

The rent payable under both leases is slated for annual adjustments, including any renewal term in accordance with the increase of Consumer Price Index as established by the U.S. Department of Labor, Bureau of Labor Statistics, according to Vincent Richards, deputy commissioner of Property & Printing in the Department of Property and Procurement (DPP). Mr. Richards testified on behalf of DPP Commissioner Anthony Thomas. Mr. Richards noted that the annual rent for Panyard People, Inc. totals \$1,200 with monthly installments of \$100 for ten years.

The purpose of the lease agreement is to repurpose the property so it could be used to educate and train the youths on Steel Pan. The annual rent for Universal Concrete, LLC totals \$72,000 or \$6,000 per month for twenty years. Operating a concrete company, a concrete plant, and storage units are some of the potential uses

of the property.

Policymakers approved Bill No. 33-0093- An Act amending Title 33, chapter 111 of the Virgin Islands Code by adding a new section 3057a establishing the St. Thomas Capital Improvement Fund.

Although the above measures were approved, policymakers voted to hold in committee Bill No. 33-0096- An Act repealing Title 33, chapter 115, subchapter IV of the Virgin Islands Code and replacing it with a new subchapter IV creating the Virgin Islands Government Prompt Payment Act. The measure seeks to provide details for timely payment for non-construction services, outline details and guidelines for mandatory interest for late-payments and establishes a public bid disclosure procedure. Sponsor of the bill, Sen. Allison DeGazon, said the bill repeals the existing generic payment process and replaces it with a comprehensive method.”

However, Jenifer O’Neal, director of the Office of Management and Budget did not support the measure due to the lack of penalties for departments in violation, which she contended should include deducting interest paid from the funds appropriated to the department’s fiscal year operating expenses.

Additionally, senators voted to hold in committee Bill No. 33-0209 — An Act appropriating funds from the Senior Citizens Center Revolving Fund to the Department of Human Services for the general upkeep of senior centers throughout the territory, since funds were not available to do so.