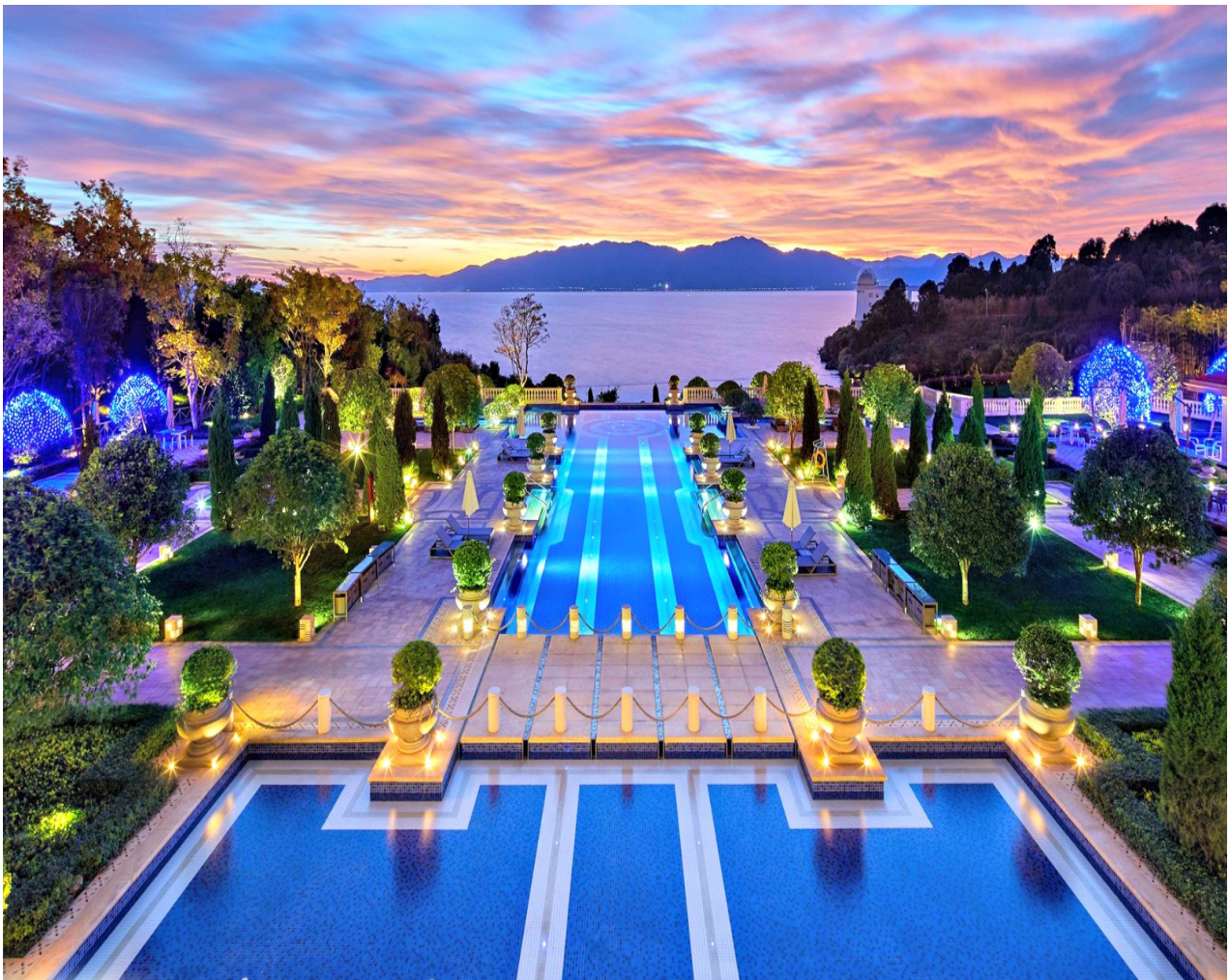


The Virgin Islands Consortium

Calling New \$25 Per Night Timeshare Fee Unconstitutional, Local Timeshare Owners File Suit Against Government

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The ARDA-Resort Owners' Coalition (ARDA-ROC), a nonprofit organization representing over 1.6 million timeshare owners with the mission of protecting and enhancing vacation ownership, on Monday filed a lawsuit in the District Court of the Virgin Islands against the V.I. government to challenge the constitutionality of the new Environmental/Infrastructure Impact Fee on timeshares.

Effective May 1, the fee imposes a \$25 per night fee for each night an owner occupies his or her own timeshare unit, says the release. The lawsuit is asking the court to declare

the fee unconstitutional and unenforceable.

“This fee is discriminatory and will drastically impact the future growth and health of the timeshare industry in the U.S. Virgin Islands,” said Ken McKelvey, ARDA-ROC chairman. “Timeshare owners in the USVI already pay the highest real estate property tax rate in the territory making this particular fee an exorbitant burden on the ability of the territory to compete with similar markets.”

The law came as part of Governor Kenneth Mapp's five-year Economic Enhancement and Recovery Act, [dubbed the sin tax measure](#), because it included laws that either introduced or increased taxes on rum, beer, tobacco products and sugary drinks.

The lawsuit contends that the fee violates the Commerce Clause and Equal Protection Clause of the U.S. Constitution, by discriminating against interstate commerce and intentionally targeting non-resident timeshare owners, according to the release, adding that the law places an unreasonable financial burden on timeshare owners and will have an overall negative effect on the local tourism industry. Additionally, the release says by proposing the law, Mr. Mapp solidified his intention to discriminate against non-residents.

The organization argues that adoption of the fee will prove detrimental to the region's tourism economy, as timeshare has been the only sector of the industry that has seen sustained growth and development over the last 25 years, bringing visitor spending, jobs and income for residents of the region.

Currently, the timeshare occupancy rate averages 70 percent in the USVI, due to the region's attractive vacation destination appeal. Rather than bringing additional revenue to the USVI government, the fee will likely cause owners and their guests to look elsewhere in the Caribbean to take their vacations, causing occupancy rates to fall, tax/fee revenues and consumer spending to drop over time, and eventually reducing the number of jobs and revenue to the local economy, contends the organization.

“This fee will hurt the local economy, discourage tourism to the USVI and negatively impact the continued growth of timeshare in the USVI. Fighting this fee will benefit the local economy, and those USVI residents whose incomes and livelihood depend on the local tourism industry, specifically timeshare,” said Mr. McKelvey.

For more information on this fee, ARDA-ROC's efforts to oppose this legislation and to read the official complaint, visit www.ardaroc.org/USVI