

U.S. Virgin Islands: Environmental/Infrastructure Impact Fee

ARDA-ROC Fights Unreasonable Fee for USVI Timeshare Owners

As one of its four legislative pillars, ARDA-ROC consistently opposes any effort to impose unreasonable taxes or fees on timeshare owners. ARDA-ROC believes an excessive tax or fee is not only unfair to timeshare owners who already pay property taxes at the highest assessed rate in the U.S. Virgin Islands (USVI), but will also hurt the local economy by making the region a less attractive tourism destination.

Effective May 1st, the Environmental/Infrastructure Impact Fee (Fee) in the USVI will impose a \$25 per night fee for each night a timeshare unit is occupied. Enacting such an excessive fee will likely cause a dramatic negative effect on the 70% occupancy rate experienced currently in the USVI. The region then becomes a less-attractive vacation destination when compared to other Caribbean locations that do not have this type of fee, or may charge a substantially lower amount. As occupancy rates fall, tax/fee revenues and consumer spending drop over time, reducing the number of jobs and contributions to the local economy. Over the last 25 years, timeshare has been the only sector of the USVI tourism industry that has witnessed sustained growth and development. This Fee would unravel that history quickly and definitively.

ARDA-ROC has collaborated with the Chamber of Commerce of St. Thomas-St. John, the Chamber of Commerce of St. Croix, the USVI Hotel and Tourism Association, and owners to work with the USVI Legislature on a reasonable solution that will support the growth of the local tourism industry.

ARDA-ROC has Worked Within an Aggressive Timeline:

- **December 16, 2016** – The Governor introduces the Environmental/Infrastructure Impact Fee legislation in a special session to move the law quickly through the legislature. With ARDA-ROC's efforts, the bill was defeated.
- **January 10, 2017** – The Governor again introduces the Impact Fee bill in a new legislative session. ARDA-ROC meets with the Governor, Commissioner of Finance, Director of the Bureau of Internal Revenue, Commissioner of Tourism, and a Senator at the Government House to express its opposition to the bill and to discuss the severe implications of this fee.
- **January 31, 2017** – ARDA-ROC provides testimony before the Senate Finance Committee of the USVI Legislature in opposition to the bill. ([For the full testimony, click here](#))
- **February 23, 2017** – ARDA-ROC again provides testimony in opposition to the bill before the Senate Rules and Judiciary Committee of the USVI Legislature. ([For the full testimony, click here](#))

ARDA-ROC will continue to work with partners, owners, and the USVI Legislature on a reasonable solution that will support the growth of the local tourism industry.

USVI Taxes/Fees on Timeshare Owners:

CURRENT:

- Real Property Taxes – assessed at the highest rate in the Territory
- Waste Management Fee – required to pay for removal of waste

NEW:

- Environmental/ Infrastructure Impact Fee - \$25 fee per night, effective May 1, 2017

Please Forward Comments or Letters of Support to:

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