



CONTACTS: Jason Gamel, ARDA  
(407) 245-7601, [jgamel@arda.org](mailto:jgamel@arda.org)

Lou Ann Burney, ARDA  
(202) 207-1156, [lburney@arda.org](mailto:lburney@arda.org)

Chris Stewart, ARDA  
(407) 245-7601, [cstewart@arda.org](mailto:cstewart@arda.org)

## **Timeshare Owner Protections Become Law**

### ***Florida Legislature Passes Bill to Ensure Timeshare Exchange Not Subject to Tax***

**WASHINGTON**, August 3, 2009 – According to The American Resort Development Association (ARDA), recent passage of legislation by Florida’s state legislature ensures that important protections for timeshare owners are in place. In addition to ensuring timeshare owners will not pay tax on timeshare exchange transactions, the bill, HB 61, codifies a common industry practice regarding the taxation of transient stays at timeshare resorts as well as allows timeshare developers to offer “Debt-Cancellation” products to purchasers.

Though no state or jurisdiction currently collects a tax on timeshare exchange, it has become an increasing concern as state and local governments seek new revenue to fill ever growing budget shortfalls. Florida becomes the third state to pass legislation specifically protecting timeshare owners from taxes on exchange, one of the major attractions for timeshare buyers in recent years. HB 61 protects the competitive position of Florida timeshares and the ability of Florida timeshare owners to effectively use the exchange process by preventing taxes that could raise the cost and lower the desirability of exchanges into the state.

"For 40 years, ARDA has worked with federal and state government officials in support of legislation to protect consumers," said Howard Nusbaum, ARDA president and CEO. "The value of our industry rests in the continued trust of our owners and members."

ARDA, along with its Resort Owner's Coalition, has advocated for state legislation guaranteeing that timeshare owners are protected from such taxes.

“Without the consistent and strong support from sponsors Sen. Mike Haridopolos (R-Melbourne) and Rep. Steve Precourt (R-Winter Garden), HB 61 could not have been enacted,” said Jason Gamel, Vice President of State Government Affairs of ARDA. “This ARDA-backed measure clarified the existing tax status of exchange which had been questioned by some jurisdictions as they searched for revenue in a down economy.”

HB 61 also cleared the way for timeshare developers to offer “Debt Cancellation” products. Much like products previously offered by auto manufacturers, these arrangements would allow purchasers to return a timeshare to the developer if hit with the loss of a job or the occurrence of other specified events without negatively impacting the consumer's credit score.

The legislation also delineates the tax status of transient stays at timeshare properties. The common industry practice in such cases has been to remit tax in the same manner as a traditional hotel, but a recent court decision in South Florida called into question the taxability of these transactions. HB 61 updated Florida tax statutes to clarify that transient stays are taxable codifying the long-time practice.

---

The American Resort Development Association is the Washington D.C.-based professional association representing the vacation ownership and resort development industries. Established in 1969, ARDA today has over 1,000 members ranging from privately held firms to publicly traded companies and international corporations with expertise in shared ownership interests in leisure real estate. The membership also includes timeshare owner associations (HOAs), resort management companies, and owners through the ARDA Resort Owners Coalition (ARDA-ROC).