

STAND. COM. REP. NO.

1885

Honolulu, Hawaii

APR 03 , 2023

RE: S.B. No. 799  
S.D. 1  
H.D. 2

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 799, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TIME SHARING PLANS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require, for time share plans that use a title holding trust, the developer to submit a title report evidencing that the title is vested in the trustee;
- (2) Require, for time share plans that use a notice of time share plan, the recordation of the notice and its submission; and
- (3) Require, for time share plans that use alternative arrangements, the recordation of any alternative arrangement documents.

Your Committee received testimony in support of this measure from the American Resort Development Association - Hawaii, Marriott Vacations Worldwide Corporation, and one individual. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

2023-2991 SB799 HD2 HSCR HMSO



Your Committee finds that, under existing law, an escrow for a sale of a time share interest in a time share use plan may close only if the purchasers are protected from blanket liens either through the conveyance to a trust, by providing notice that is recorded, or via alternative arrangements accepted by the Director of Commerce and Consumer Affairs. Your Committee further finds that title reports are required upon registration and each subsequent renewal of registration. However, once a title report has sufficiently evidenced one of the aforementioned methods of protection, further evidence of conveyance is not needed as the purchasers are already sufficiently protected. This measure removes the unnecessary regulatory burden of requiring further title reports if a method of protecting purchasers is satisfied.

Your Committee has amended this measure by clarifying that the Director of Commerce and Consumer Affairs may require the submission of title reports for purposes other than to evidence protection against future blanket liens.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 799, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 799, S.D. 1, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



MARK M. NAKASHIMA, Chair



