Honolulu, Hawaii

Feb 13, 2006

RE: H.B. No. 3238 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Third State Legislature Regular Session of 2006 State of Hawaii

Sir:

Your Committee on Tourism & Culture, to which was referred H.B. No. 3238 entitled:

"A BILL FOR AN ACT RELATING TO OUT-OF-STATE SALES OF TIME SHARE INTERESTS,"

begs leave to report as follows:

The purpose of this bill is to facilitate the sale of registered Hawaii time share plans in foreign countries by exempting the time share plan from the State's time share regulations if any of its time share units are sold in a foreign country.

Marriott International, Inc., and RCI supported this bill. ARDA-Hawaii supported the intent of this bill. The Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs submitted comments.

Your Committee notes that concerns were raised regarding the lack of minimal consumer protection safeguards contained in this bill.

In light of these concerns, your Committee has amended this bill by deleting its contents and inserting provisions that provide greater transparency to DCCA for the benefit of Hawaii's consumers. This bill, as amended, exempts time share plans containing accommodations or facilities located in Hawaii that are offered for sale outside the United States from the requirements

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of the time sharing plans law; provided that the developer of the time share plan either:

- (1) Files the time share plan with the Director of DCCA for approval; or
- (2) Pays an exemption registration fee of \$100 and files certain information pertaining to the time share plan with the Director of DCCA for approval.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3238, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3238, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on behalf of the members of the Committee on Tourism & Culture,

JERRY L. CHANG, Chair

## State of Hawaii House of Representatives The Twenty-third Legislature

## **Record of Votes of the Committee on Tourism & Culture**

Bill/Resolution No.:  HB 3238	Date:	L-7 -0B	Ly	
Committee Referral: TAC, CPC		☐ The committee is reconsidering its previous decision on the measure.		
The recommendation is to: Pass, unamended	Pass, with amendments  Recommit			
☐ Hold		T	T	1
TAC Members	Ayes	Ayes (WR)	Nays	Excused
1. CHANG, Jerry L. (C)				
2. YAMASHITA, Kyle T. (VC)				
3. ABINSAY, Felipe P., Jr.				
4. KARAMATSU, Jon Riki				
5. MAGAOAY, Michael Y.				
6. TSUJI, Clift				
7. WAKAI, Glenn				
8. CHING, Corinne W.L.				
9. MARUMOTO, Barbara C.				
TOTAL	7			2
The recommendation is: Adopted				
□ Not Adopted				
If joint referral, did not support recommendation.				
committee acronym(s)				
Vice Chair's or designee's signature:				
A. J. C.				
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office				