Honolulu, Hawaii

Morch 20, 2006

RE: S.B. No. 2454

S.D. 1 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 S.B. No. 2454, S.D. 1, 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 exempt a time share plan, containing accommodations or facilities located in a currently registered Hawaii time share plan, which is offered for sale solely outside the United States, from the requirements 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 Commerce and Consumer Affairs (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.

RCI, Starwood Vacation Ownership, and ARDA-Hawaii supported this bill. Marriot International supported this bill with amendments. DCCA submitted comments.

Your Committee notes that the proponents of this bill have been working with DCCA to revise and improve the bill's provisions.

In light of this continuing discussion, your Committee has amended this measure by:

- (1) Clarifying that the bill's provisions apply to time share plans containing time share interests or units, instead of accommodations or facilities, that are part of a currently registered Hawaii time share plan, which are offered for sale solely outside the United States (foreign time share plans);
- (2) Reducing and revising the list of information pertaining to the foreign time share plan that must be submitted to be eligible for the time sharing law exemption to the following:
 - (A) The name and address of the foreign time share plan;
 - (B) The name and address of the developer and seller of the foreign time share plan, if any;
 - (C) The name and registration number of the time share plan located in Hawaii; and
 - (D) The duration of the foreign time share plan;
- (3) Requiring that the disclosure statement for a contract to purchase an interest in a foreign time share plan also contains the following statement:
 - "NO RESALE OR INTERESTS IN THIS TIME SHARE PLAN MAY BE MADE BY ANY PERSON WITHIN THE JURISDICTIONAL LIMITS OF THE UNITED STATES OF AMERICA"; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

Page 3

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 S.B. No. 2454, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2454, S.D. 1, 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 I. CHANG, Chair



State of Hawaii House of Representatives The Twenty-third Legislature

Record of Votes of the Committee on Tourism & Culture

Bill/Resolution No.:	Date:			
SB 2454 SD 1	3	- 14- BC		
Committee Referral: TAC, CPC	☐ The committee is reconsidering its previous decision on the measure.			
The recommendation is to: Pass, unamended	Pass, with amendments			
☐ Hold		ecommit		
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.				
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TOTAL	8			1
The recommendation is: Adopted				
☐ Not Adopted				
If joint referral, did not support recommendation.				
committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office				