

STAND. COM. REP. NO.

248

Honolulu, Hawaii

, 2023

**FEB 09**

RE: H.B. No. 11  
H.D. 1

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

Sir:

Your Committee on Tourism, to which was referred H.B. No. 11  
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) Specify that primary and secondary plan documents be listed in the public disclosure statement of a time share plan;
- (2) Clarify the manner in which the required disclosure of liens, title defects, or encumbrances on the titles of units may be made; and
- (3) Provide that a review of encumbrances be waived upon the certification from the developer that the time share interest is free and clear of blanket liens or that identifies all blanket liens.

Your Committee received testimony in support of this measure from the American Resort Development Association Hawaii, Marriot Vacations Worldwide Corporation, Hilton Grand Vacations, Maui Hotel & Lodging Association, and one individual. Your Committee

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received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that under existing law, a time share plan must provide a disclosure statement to each buyer, which must list all encumbrances on title to the time share unit owners. Listing all encumbrances can lead to a disclosure statement being over fifty pages, ultimately leading to consumers not thoroughly reviewing the disclosure statement. Your Committee further finds that when the State's time share law was first adopted in 1980, most time share plans were confined to a single site. However, modern time share plans frequently involve hundreds of units at dozens of sites and buyers typically do not receive a deed of a unit of any given site. This measure will update Hawaii's time share laws to reflect modern day practices, thereby creating a more efficient process for the regulation of time shares in the State.

Your Committee has amended this measure by:

- (1) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 11, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 11, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

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

  
SEAN QUINLAN, Chair



