

STAND. COM. REP. NO.

1232

Honolulu, Hawaii

, 2023

MAR 16

RE: S.B. No. 798
S.D. 1
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 S.B. No. 798, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to clarify that a developer is responsible for ensuring that the use of time share units located outside the State complies with zoning and land use laws and rules of the jurisdiction where the time share units are located but is not required to submit evidence of such compliance to register in Hawaii.

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

Your Committee finds that existing law authorizes the counties to designate areas appropriate for time sharing through county zoning laws. To enforce the zoning requirements, the Department of Commerce and Consumer Affairs requires developers to submit written confirmation that the time share is in compliance

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with zoning requirements, even for time shares located outside the State. Your Committee notes that existing law does not require written confirmation of zoning law compliance for time shares located outside the State. Currently, the Department of Commerce and Consumer Affairs is inundated with registration applications for time shares, with some applications taking years to process. This measure will reduce the backlog of registration applications for time shares by requiring a developer to ensure the time share is in compliance with the laws and rules of the jurisdiction in which the time share is located but not require the developer to submit proof of compliance to the Department of Commerce and Consumer Affairs.

Your Committee has amended this measure by:

- (1) Requiring certain information to be included in a developer's application for registration or annexation rather than requiring developers to ensure that out-of-state time share units in a time share plan are in compliance with laws of the jurisdiction where the units are located;
- (2) Clarifying that a developer is not required to submit any other evidence, other than the required information in a developer's application for registration or annexation, that an out-of-state time share unit is in compliance or not prohibited under the laws and regulations of the jurisdiction where the units are located;
- (3) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (4) 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 S.B. No. 798, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 798, S.D. 1, 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



