
HOUSE RESOLUTION

REQUESTING THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS TO
STUDY BARRIERS TO EXITING TIMESHARE OWNERSHIP IN HAWAII AND
TO RECOMMEND CONSUMER PROTECTION MEASURES.

1 WHEREAS, timeshare ownership has long been marketed to
2 residents and visitors as a means of securing recurring vacation
3 accommodations in Hawaii and is a significant segment of
4 Hawaii's tourism and real estate economy; and

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6 WHEREAS, many timeshare purchasers enter into agreements
7 that require ongoing maintenance fees and contractual
8 obligations that may continue indefinitely; and

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10 WHEREAS, numerous timeshare owners report significant
11 difficulty exiting or transferring their timeshare interests,
12 even when they no longer wish to maintain ownership or are
13 unable to continue paying associated fees; and

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15 WHEREAS, some owners seeking to exit timeshare contracts
16 have turned to third-party timeshare exit companies that
17 advertise assistance with timeshare resale or cancellation but
18 charge substantial upfront fees and frequently fail to
19 successfully transfer or terminate the ownership interest; and

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21 WHEREAS, the Federal Trade Commission and numerous state
22 attorneys general have investigated and taken enforcement
23 actions against these third-party exit companies for deceptive
24 and unfair trade practices, including misrepresenting their
25 ability to cancel timeshare contracts and collecting fees while
26 providing no meaningful services; and

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28 WHEREAS, Hawaii residents have been harmed by such
29 predatory practices, becoming trapped in a cycle of financial
30 loss— first by perpetual timeshare obligations they cannot exit,
31 and second by third party fees that yield no relief; and



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WHEREAS, these circumstances may result in financial hardship for consumers, particularly kupuna, fixed-income households, and families facing unexpected life changes; and

WHEREAS, Hawaii law currently provides a minimum rescission period during which a timeshare purchaser may cancel a contract, but that period may be insufficient to protect consumers who do not fully understand the long-term financial implications of their purchase at the time of signing; and

WHEREAS, improving transparency and consumer protections related to timeshare ownership, resale, and exit options may help prevent financial harm and ensure that consumers are fully informed before entering into long-term contractual obligations; and

WHEREAS, other states have enacted timeshare-specific consumer protection measures, including requirements that developers accept the return of timeshare interests under certain conditions and that third-party exit service providers meet licensing and bonding standards; and

WHEREAS, a comprehensive study of timeshare exit practices, the regulation of timeshare exit companies, the adequacy of current disclosure and rescission requirements, and the experiences of Hawaii timeshare owners would provide the Legislature with the information necessary to consider meaningful consumer protection legislation; and

WHEREAS, the Department of Commerce and Consumer Affairs is responsible for protecting consumers and regulating various professional and business activities in the State; now, therefore,

BE IT RESOLVED by the House of Representatives of the Thirty-third Legislature of the State of Hawaii, Regular Session of 2026, that the Department of Commerce and Consumer Affairs is requested to conduct a study on barriers to exiting timeshare ownership in Hawai'i and to recommend consumer protection measures; and



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BE IT FURTHER RESOLVED that the study is requested to examine:

- (1) Consumer complaints related to timeshare ownership, resale, and exit services in Hawaii;
- (2) Common contractual provisions that may make it difficult for owners to terminate or transfer timeshare interests;
- (3) The business practices of companies that offer services to assist owners in exiting timeshare contracts, including fee structures and success rates;
- (4) Existing consumer protections under Hawaii law and potential gaps in oversight or enforcement; and
- (5) Best practices adopted by other states to protect timeshare owners and regulate the timeshare resale and exit assistance industry; and

BE IT FURTHER RESOLVED that the Department of Commerce and Consumer Affairs is requested to submit a report of its findings and recommendations, including any proposed legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2027; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Director of the Department of Commerce and Consumer Affairs and the Executive Director of the Office of Consumer Protection.

OFFERED BY:


MAR 16 2026

