

STAND. COM. REP. NO. 2209

Honolulu, Hawaii

FEB 12 2026

RE: S.B. No. 2359
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Economic Development and Tourism, to which was referred S.B. No. 2359 entitled:

"A BILL FOR AN ACT RELATING TO REGISTRATION OF TIME SHARES,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Provide that applications for registration renewal required by section 514E-10, Hawaii Revised Statutes, governing time share developers, acquisition agents, plan managers, and exchange agents, shall be deemed approved upon delivery; and
- (2) Provide that any amendment to a required time share plan registration shall be deemed approved by operation of law on the forty-fifth day after the amendment is submitted to the Director of Commerce and Consumer Affairs, unless the Director issues a deficiency letter within that period.

Your Committee received testimony in support of this measure from Marriott Vacations Worldwide Corporation; ARDA Hawaii; Kohala Coast Resort Association; Travel + Leisure, Co.; King's Land, a Hilton Grand Vacations Club; and one individual.



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

Your Committee finds that time share accommodations are an important, stabilizing component of the State's tourism industry and significant local employer. Under the existing time share registration regulatory structure governed by the Department of Commerce and Consumer Affairs, resort developers, acquisition agents, plan managers, and exchange agents are required to submit renewal filings on a biennial basis. However, these routine submissions often remain pending for years due to administrative backlogs. Approval delays create uncertainty for developers and prevent consumers from receiving the most current and accurate disclosure information. This measure improves regulatory efficiency and consumer transparency by streamlining the time share registration process.

Your Committee acknowledges the concerns raised by the Department of Commerce and Consumer Affairs that amendments to time share plans other than adding or removing time share inventory, such as amendments to time share declarations, trust documents, or disclosure statements, may require more than forty-five days to review because they may include material and substantial changes that affect consumers' rights and obligations. Therefore, amendments to this measure are necessary to address this concern.

Accordingly, your Committee has amended this measure by:

- (1) Providing that any amendment to a required time share plan registration shall be deemed approved by operation of law on the sixtieth day, rather than the forty-fifth day, after the amendment is submitted to the Director of Commerce and Consumer Affairs, unless the Director issues a deficiency letter within that period;
- (2) Amending section 1 to reflect its amended purpose;
- (3) Inserting an effective date of January 1, 2050, to encourage further discussion; and
- (4) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.



As affirmed by the record of votes of the members of your Committee on Economic Development and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2359, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2359, S.D. 1, and be referred to your Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development and Tourism,


LYNN DECOITE, Chair



