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Testimony of the Department of Commerce and Consumer Affairs

**Before the
Senate Committee on Economic Development and Tourism
Thursday, February 5, 2026
1:00 p.m.
Conference Room 229 & Via Videoconference**

**On the following measure:
S.B. 2359, RELATING TO REGISTRATION OF TIME SHARES**

Chair DeCoite and Members of the Committee:

My name is Lori Beth Van Cantfort, and I am the Administrator for the Time Share Program (Program). The Department appreciates the intent and offers comments on this bill.

The purpose of this bill is to provide that (1) renewal applications be deemed approved upon delivery, and (2) amendment applications be deemed approved by law on the 45th day after submittal unless the Director issues a deficiency letter within that period.

Section 2 of the bill, page 5, lines 12-13, seeks to require that applications for renewal be deemed approved upon delivery. The Department is open to streamlining the renewal process but believes that a 45-day period to address any deficiencies should be allowed. Also, the statute should clearly state that applications for renewal will not be deemed approved 45 days after receipt unless all documents required to be

submitted under HRS section 514E-10(f) and Hawaii Administrative Rules, section 16-106-4.2 are submitted.

If applications for renewal are deemed approved within 45 days of submittal, amendments to program documents should not be submitted with applications for renewal. Amendments to disclosure statements should not be submitted because additional time is required to review and comment on amendments if they are material and substantial. Therefore, HRS section 514E-10(f)(1), found on page 5, lines 16-18, should be deleted.

Section 2, page 7, lines 14-19, seeks to require that applications for amendments, other than amendments to add or remove time share inventory, shall be deemed approved on the 45th day after submittal if a deficiency letter is not issued within that time. Other types of amendments, besides adding or removing inventory, also require more time to review if they include material and substantial changes that affect consumers' rights and obligations. These documents include the time share declaration; time share trust document and disclosure statement. It is requested that amendments that are material and substantial should not be deemed approved unless the Department does not send a deficiency letter within 60 days of submittal.

The Department has been working on this measure with the proponent of the bill, the American Resort Development Association, and are open to continue to work with them to address the above concerns.

Thank you for the opportunity to testify on this bill.



February 5, 2026

TO: Senator Lynn Decoite, Chair
Senator Glenn Wakai, Vice Chair
Members of the House Tourism Committee

FR: AMERICAN RESORT DEVELOPMENT ASSOCIATION – HAWAII (ARDA-Hawaii)

RE: **SB 2359 - RELATING TO REGISTRATION OF TIME SHARES.**
Hearing date: February 5, 2026, at 2:00 p.m.

Aloha Chair Decoite, Vice Chair Wakai and members of the Committee,

ARDA-Hawaii is the local chapter of the trade association for the time share industry. There are currently 98 resorts and more than 15,000 time share units throughout Hawaii. ARDA-Hawaii hereby submits testimony in **STRONG SUPPORT of SB 2359 Relating to Registration of Time Shares.**

Hawaii's time share industry is a significant and stable component of our visitor economy, accounting for approximately 15 percent of the State's visitor lodging inventory and supporting thousands of local jobs. Many of these properties are affiliated with internationally recognized hospitality brands and are relied upon by repeat visitors who invest long-term in Hawaii's communities.

ARDA-Hawaii strongly supports SB 2359, which seeks to streamline the time share registration process. This measure allows time share registration renewals to be automatically approved upon submission and deems minor registration amendments approved after 45 days, unless the Director of Commerce and Consumer Affairs issues a deficiency notice. This change reduces delays while still maintaining consumer protections. By reducing unnecessary regulatory delays, this bill will:

- Improve transparency for consumers,
- Reduce administrative burdens on DCCA,
- Provide regulatory certainty for legitimate businesses, and
- Support a vital sector of Hawaii's tourism economy.

SB 2359 addresses a long-standing concern with the current registration and amendment approval process. Under existing law, routine renewal filings and minor amendments to time

share plans can remain pending for years due to administrative backlogs. Applicants have experienced difficulty obtaining approvals or determining whether their renewal filings have been reviewed. This has created uncertainty for developers, plan managers, and exchange agents, and has also prevented consumers from receiving the most current and accurate disclosure information.

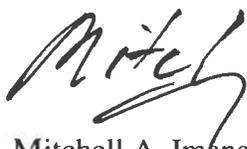
This measure provides two reasonable and narrowly tailored improvements. First, SB 2359 allows registration renewals to be deemed approved upon delivery. These renewals involve no material changes and still require full payment of renewal fees and compliance with all statutory requirements. This change simply eliminates unnecessary administrative delays for filings that are ministerial in nature.

Second, the bill establishes a 45-day review period for minor amendments that do not involve adding or removing inventory. If DCCA does not issue a deficiency letter within that timeframe, the amendment is deemed approved by operation of law. Importantly, this preserves DCCA's authority to review and reject deficient filings while providing certainty and predictability for applicants.

SB 2359 is carefully crafted to improve efficiency without weakening consumer protections. The measure does not apply to initial registrations or amendments involving inventory changes. Further, SB 2359 does not reduce disclosure requirements or limit enforcement authority. Instead, it allows DCCA to focus its limited resources on substantive and higher-risk filings while ensuring consumers receive timely and accurate information.

For these reasons, we respectfully urge your committee to pass SB 2359. Thank you for your consideration of this request. We look forward to working with the legislature on this vitally important issue.

Thank you for your consideration.

A handwritten signature in black ink, appearing to read "Mitch", with a stylized flourish at the end.

Mitchell A. Imanaka
ARDA Hawaii



February 5, 2026

Senator Lynn DeCoite, Chair
Senator Glenn Wakai, Vice Chair
Members of the Senate Committee on Economic
Development and Tourism
Thirty-Third State Legislature
Regular Session of 2026

RE: SB 2359 – Relating to Registration of Time Shares
Hearing date: February 5, 2026 at 1:00 pm

Aloha Chair DeCoite, Vice-Chair Wakai and Members of the Committee,

Thank you for allowing me to submit testimony on behalf of Marriott Vacations Worldwide Corporation (“MVWC”) in **STRONG SUPPORT** of SB 2359 – Relating to Registration of Time Shares. MVWC is a global leader in the timeshare industry with five resort properties in Hawaii. Timeshare resorts are an important and stabilizing part of the tourism industry, and resort development and operations provide thousands of jobs, including high paying sales and marketing jobs in the islands year after year.

SB 2359 would allow renewals of existing timeshare registrations to be considered approved upon timely filing with the DCCA. The bill would also provide that certain minor amendments to approved time share plan registrations be considered approved forty-five days after submission to the DCCA, unless the Director of DCCA finds deficiencies and sends a deficiency letter.

This bill is needed because resort developers, plan managers, and exchange agents are required to submit renewal filings on a biennial basis, yet applicants frequently experience significant delays, often waiting years for the required renewals to be approved. The delay in approving routine renewals and amendments results in consumers receiving Hawaii disclosure statements which do not contain the most current information. SB 2359 is narrowly tailored to address only routine and minor filings that do not involve inventory changes or initial registrations. SB 2359 will allow for greater administrative efficiency without diminishing consumer protections – all disclosure requirements, filing fees, and DCCA oversight authority remain intact.

By allowing DCCA to process these limited categories of submissions on an expedited track, the department can better allocate time and resources toward reviewing material amendment filings and initial registrations that warrant closer scrutiny. The practical effect should be a more



efficient regulatory system where DCCA focuses on substantive reviews, developers have a more transparent timeline, and consumers receive more timely approved disclosures. For these reasons, we urge the committee to pass this bill.

Mahalo for your consideration,

Robin Suarez
Senior Vice President & Associate General Counsel
Marriott Vacations Worldwide Corporation



February 3, 2026

Senator Lynn DeCoite, Chair
Senator Glenn Wakai, Vice Chair
Senate Committee on Economic Development and Tourism
Hawaii State Legislature

Support for SB2359

Dear Chair DeCoite, Vice Chair Wakai and Members of the Senate Committee on Economic Development and Tourism,

On behalf of the Kohala Coast Resort Association (KCRA) thank you for providing us with the opportunity to provide our **SUPPORT of SB2359 Relating to Registration of Time Shares.**

Hawaii's time share industry is a significant and stable component of our visitor economy, accounting for approximately 15 percent of the state's visitor plant inventory and supporting thousands of local jobs. Many of these properties are affiliated with international brands and are relied upon by repeat visitors who invest long-term in Hawaii's communities.

KCRA supports SB 2359, which will help streamline the time share registration process. This measure will allow time share registration renewals to be automatically approved upon submission, and deems minor registration amendments approved after 45 days, unless the Director of Commerce and Consumer Affairs issues a deficiency notice. This change will reduce delays while still maintaining consumer protections. We believe this bill will improve transparency for consumers, reduce administrative burdens on DCCA, provide regulatory certainty for legitimate businesses and support a vital sector of Hawaii's tourism economy.

SB 2359 addresses concerns with the current registration and amendment approval process. Under existing law, routine renewal filings and minor amendments to time share plans can remain pending for years due to administrative backlogs. Applicants have experienced difficulty obtaining approvals or determining whether their renewal filings have even been reviewed. This has created uncertainty for developers, plan managers, and exchange agents, and has also prevented consumers from receiving the most current and accurate disclosure information.

This measure will provide two key improvements. First, SB 2359 will allow registration renewals to be deemed approved upon delivery. These renewals involve no material changes, still require full payment of renewal fees, and comply with all statutory requirements. This change simply eliminates unnecessary administrative delay. Second, the bill establishes a 45-day review period for minor amendments that do not add or remove inventory. If DCCA does not issue a deficiency letter within that timeframe, the amendment is deemed approved by operation of law. This preserves DCCA's authority to review and reject deficient filings while providing certainty and predictability for applicants.

SB 2359 is crafted to improve efficiency without weakening consumer protections. The measure does not apply to initial registrations nor to amendments involving inventory changes. Further, SB 2359 does not reduce disclosure requirements nor limit enforcement authority. Instead, it allows DCCA to focus its limited time and resources on substantive and higher-risk filings, while ensuring consumers receive timely and accurate information.

For these reasons, we respectfully urge your committee to pass SB 2359. Thank you for your consideration of this request. We look forward to working with the legislature on this vitally important issue.

Sincerely,

A handwritten signature in black ink that reads "Stephanie P. Donoho". The signature is written in a cursive, flowing style.

Stephanie Donoho, Administrative Director, Kohala Coast Resort Association

TRAVEL+ LEISURE

February 4, 2026

Senator Lynn Decoite, Chair
Members of the House Tourism Committee
Hawaii State Legislature
Honolulu, Hawaii

Re: **SB 2359-Registration of Time Shares**

Dear Chair Decoite and Members of the Committee:

Thank you for the opportunity to submit testimony in **strong support of SB 2359** which seeks to streamline the time share registration process by establishing automatic approvals of registration renewals upon payment of the renewal fee and deeming minor amendments approved unless a deficiency letter is issued by the Department of Commerce and Consumer Affairs (DCCA) within a fixed period. We appreciate the Legislature's ongoing commitment to improving the administrative processes governing Hawaii's timeshare industry, ultimately benefiting consumers, regulators, and developers alike.

As an active participant in Hawaii's regulatory framework, we have routinely experienced extended delays in obtaining approvals for disclosure statement revisions, registration renewals, and related amendment filings. In many instances, approvals can take months or even years to be issued creating persistent challenges across multiple filing periods.

These delays, while understandable given resource constraints and workload, have significant downstream effects:

- They hinder developers' ability to provide purchasers with the most accurate and up-to-date disclosure statements at the time of sale.
- They delay implementation of revisions to Purchase and Sale Agreements, even when such revisions strengthen consumer protections and enhance clarity.
- They create operational bottlenecks across legal, compliance, and sales teams, particularly when filings remain in prolonged "pending" status.

For these reasons, we strongly support the improvements proposed in SB 2359. The changes represent a true win-win-win for all parties involved:

A Win for Consumers - Consumers benefit when they receive timely, accurate, and up-to-date information. More predictable approval timelines ensure that disclosure statements and related materials reflect the latest revisions, enhancing transparency and empowering buyers to make fully informed decisions.

A Win for DCCA - Clearer process expectations and timelines will support the DCCA's workflow efficiency, help reduce administrative backlogs, and minimize repeated follow-up inquiries. These efficiencies would also enable the DCCA to devote more time and resources to reviewing complex

Senator Decoite, Chair
February 4, 2026
Page 2

or high-impact filings, including new development projects that have the potential to generate additional tourism revenue and broader economic benefits for the State of Hawaii.

A Win for Developers - Streamlined approval processes allow developers to more effectively implement regulatory updates, operational improvements, and consumer-focused revisions while maintaining strict compliance.

The proposed changes in SB 2359 would strengthen Hawaii's regulatory structure in a manner that is positive, balanced, and beneficial to all parties. For consumers, it enhances clarity and confidence; for DCCA, it improves efficiency; and for developers, it helps ensure timely compliance and operational alignment.

For these reasons, we respectfully urge the Committee to pass SB 2359.
Thank you for your time and consideration.

Sincerely,



Daralis Vega de Fernandez
Director, Legal-Registration
Travel + Leisure Co.
Daralis.VegadeFernandez@travelandleisure.com
Cell: 407-433-4697



STACEY C. G. HEE
ATTORNEY AT LAW

February 4, 2026

Senator Lynn Decoite, Chair
Senator Glenn Wakai, Vice Chair
Members of the House Tourism Committee

RE: SB 2359 – Relating to Registration of Time Shares
Hearing on February 5, 2026, at 1:00 PM

Dear Chair, Vice Chair and Members of the Committee,

My name is Stacey Hee. I am testifying as legislative counsel for ARDA Hawaii.

ARDA Hawaii supports this bill.

SB 2359 seeks to amend Section 514E-10 of the Hawaii Revised Statutes with respect to the time frame for the review of renewals and amendments of registrations.

1. Renewals. Section 514E-10(e) requires the biennial renewal of developer, plan manager, exchange agent and acquisition agent registrations. SB 2359 makes no changes to the documents or fees currently required in order to renew a registration pursuant to HRS 514E-10. SB 2359 simply creates a process by which a registration will be renewed so long as the required documents and fees are submitted. Any additional changes to the registration would require an amendment to the registration which would be a separate filing. This change aims to alleviate the burden on the Director to review documents that have either already been approved, are issued by other governmental agencies or whose review are primarily ministerial in nature.

For example, Section 514E-10(f) of the Hawaii Revised Statutes sets forth the requirements for a developer's renewal and requires the following documents be submitted with the application:

- (1) Disclosure Statement. A current disclosure statement, if not already on file;
- (2) Developer's Certification. A statement by the developer that certifies the following to be true and correct:

(A) The time share units in the time share plan registered; the total number of time share interests registered for sale in each unit; and the total number of time share interests that have not yet been sold as of the date specified in the developer's certification, which date shall not be more than sixty days prior to the date of the developer's certification; or

(B) The property in the time share plan registered; the total number of points registered for sale in each property; and the total number of points in the time share plan that have not yet been sold as of the date specified in the developer's certification, which date shall not be more than sixty days prior to the date of the developer's certification;

(3) Good Standing Certificate. An original certificate of good standing issued by the business registration division of the department of commerce and consumer affairs not more than forty-five days before the date of submission of the renewal application, if applicable; and

(4) Renewal Fee. The biennial renewal fee.

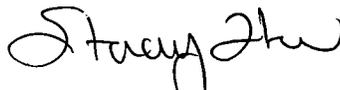
Given this, the documents required for a developer's renewal registration have previously been approved (current disclosure statement) or issued by a separate governmental agency (good standing certificate). Further, the purpose of the required developer's certification is so that the Director does not have to review the underlying documents required for the developer to make the certification. Therefore, the deemed approval of a renewal registration upon the submission of the required documents and fee makes sense and would create more efficiency with respect to the review and approval process.

2. Amendment. With respect to amendments to registrations, SB 2359 simply aims to create a time frame within which an amendment will be reviewed or a delinquency letter issued. ARDA realizes that filings which involve a new registration or the addition and/or removal of inventory require a closer review that may take more time. Therefore, these filings have been specifically exempted and do not fall within the scope of this amendment.

For these reasons, I respectfully urge your committee to pass SB 2359. Thank you for your time and consideration.

Very Truly Yours,

McCorriston Miller Mukai MacKinnon LLP



Stacey C. G. Hee

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KINGS' LAND

HILTON GRAND VACATIONS CLUB

February 3, 2026

Senator Lynn DeCoite, Chair
Senator Glenn Wakai, Vice Chair
Senate Committee on Economic Development and Tourism
Hawaii State Legislature

Support for SB2359

Dear Chair DeCoite, Vice Chair Wakai and Members of the Senate Committee on Economic Development and Tourism,

On behalf of Kings' Land, a Hilton Grand Vacations Club, Kohala Suites, a Hilton Grand Vacations Club, and The Bay Club, a Hilton Grand Vacations Club in Waikoloa Beach Resort, thank you for providing us with the opportunity to provide our **SUPPORT of SB2359 Relating to Registration of Time Shares**.

Hawaii's time share industry is a significant and stable component of our visitor economy, accounting for approximately 15 percent of the state's visitor plant inventory and supporting thousands of local jobs. Many of these properties are affiliated with international brands and are relied upon by repeat visitors who invest long-term in Hawaii's communities.

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SB 2359 addresses concerns with the current registration and amendment approval process. Under existing law, routine renewal filings and minor amendments to time share plans can remain pending for years due to administrative backlogs. Applicants have experienced difficulty obtaining approvals or determining whether their renewal filings have even been reviewed. This has created uncertainty for developers, plan managers, and exchange agents, and has also prevented consumers from receiving the most current and accurate disclosure information.

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For these reasons, we respectfully urge your committee to pass SB 2359. Thank you for your consideration of this request. We look forward to working with the legislature on this vitally important issue.

Sincerely,



Robert Ishihara
General Manager

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