



EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

GOV. MSG. NO. 809

July 5, 2006

The Honorable Robert Bunda, President  
and Members of the Senate  
Twenty-Third State Legislature  
State Capitol, Room 003  
Honolulu, Hawaii 96813

Dear Mr. President and Members of the Senate:

This is to inform you that on July 5, 2006, the following bill was signed into law:

SB2454 SD1 HD2

A BILL FOR AN ACT RELATING TO  
OUT-OF-STATE SALES OF TIME  
SHARE INTERESTS.  
(ACT 278)

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE

THE SENATE  
TWENTY-THIRD LEGISLATURE, 2006  
STATE OF HAWAII

S.B. NO. 2454  
S.D. 1  
H.D. 2

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# A BILL FOR AN ACT

RELATING TO OUT-OF-STATE SALES OF TIME SHARE INTERESTS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 SECTION 1. Chapter 514E, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4 "§514E- Foreign time share plans; exemption. (a) A  
5 foreign time share plan may obtain an exemption from the  
6 requirements of this chapter as provided in this section.

7 (b) The developer of a foreign time share plan shall pay  
8 an exemption fee of \$100 and file the following minimum  
9 information pertaining to the foreign time share plan with the  
10 director:

11 (1) The name and address of the foreign time share plan;

12 (2) The name and address of the developer and seller of  
13 the foreign time share plan, if any;

14 (3) The name and registration number of the time share  
15 plan located in Hawaii; provided that the registration  
16 shall be active at the time of filing under this  
17 subsection; and

18 (4) The duration of the foreign time share plan.



1        (c) Time share interests that are part of a foreign time  
2 share plan exempt under this section shall not be resold in the  
3 United States.

4        (d) The developer of a foreign time share plan exempt  
5 under this section shall not subject time share interests or  
6 units in the foreign time share plan that are located in Hawaii  
7 to blanket liens.

8        (e) The contract to purchase an interest in a foreign time  
9 share plan exempt under this section shall contain the following  
10 disclosure in conspicuous type immediately above the space  
11 provided for the purchaser's signature:

12        "THE OFFERING OF THIS TIME SHARE PLAN OUTSIDE THE  
13 JURISDICTIONAL LIMITS OF THE UNITED STATES OF AMERICA IS  
14 EXEMPT FROM REGULATION UNDER HAWAII LAW, AND ANY SUCH  
15 PURCHASE IS NOT PROTECTED BY THE LAWS OF THE STATE OF  
16 HAWAII. NO RESALE OF INTERESTS IN THIS TIME SHARE PLAN MAY  
17 BE MADE BY ANY PERSON WITHIN THE JURISDICTIONAL LIMITS OF  
18 THE UNITED STATES OF AMERICA. THE MANAGEMENT AND OPERATION  
19 OF ANY ACCOMMODATIONS OR FACILITIES LOCATED IN HAWAII,  
20 HOWEVER, ARE SUBJECT TO HAWAII LAW, AND MAY GIVE RISE TO AN  
21 ENFORCEMENT ACTION REGARDLESS OF WHERE THE OFFER WAS MADE."

1        (f) All promotional literature and other printed or  
2 written material used in connection with the sale of interests  
3 in a foreign time share plan exempt under this section shall  
4 include the following caption:

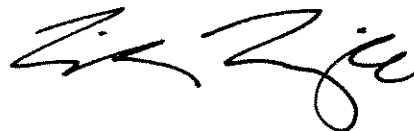
5        "This time share plan is exempt from registration under  
6 Hawaii law and, therefore, any purchase is not protected by  
7 the laws of the State of Hawaii."

8        (g) For the purposes of this section, "foreign time share  
9 plan" means a time share use plan that:

- 10        (1) Contains time share interests or units located in  
11        Hawaii that are part of a Hawaii time share plan; and  
12        (2) Is offered and sold solely outside the jurisdictional  
13        limits of the United States."

14        SECTION 2. New statutory material is underscored.

15        SECTION 3. This Act shall take effect upon its approval.



GOVERNOR OF THE STATE OF HAWAII

Approved this day: JUL - 5 2006



**THE SENATE OF THE STATE OF HAWAII**

Date: May 2, 2006  
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Twenty-third Legislature of the State of Hawaii, Regular Session of 2006.

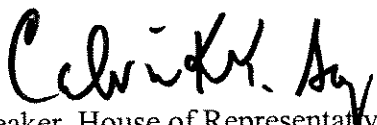
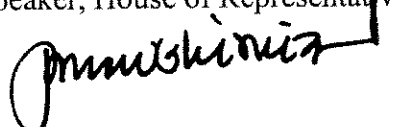
  
President of the Senate

  
Clerk of the Senate

**THE HOUSE OF REPRESENTATIVES  
OF THE STATE OF HAWAII**

Date: April 7, 2006  
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Third Reading in the House of Representatives of the Twenty-third Legislature of the State of Hawaii, Regular Session of 2006.

  
Speaker, House of Representatives  
  
Clerk, House of Representatives