
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. Section 514E-30, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§514E-30 Scope of chapter.** This chapter applies to the
4 offer and sale in Hawaii of time share interests in time share
5 units located in Hawaii. If time share units are located
6 outside of Hawaii, but any offer or sale is made within the
7 State, this chapter, except for sections 514E-3, 514E-4, 514E-5,
8 514E-6, 514E-7, and 514E-14, shall apply. As to the offer and
9 sale outside of Hawaii of time share [~~interest~~] interests in a
10 time share plan [~~which~~] that includes time share units located
11 in Hawaii, this chapter, except for sections 514E-2.5, 514E-8,
12 514E-9, 514E-10(b) and (c), 514E-11, and 514E-11.1 shall apply.

13 Notwithstanding the foregoing, with respect to a time share
14 plan containing accommodations or facilities located in Hawaii
15 which is offered for sale outside the jurisdictional limits of
16 the United States, such offer or sale shall be exempt from the
17 requirements of this chapter; provided that the developer shall
18 either file the time share plan with the director for approval



1 pursuant to this chapter or pay an exemption registration fee of
2 \$100 and file the following minimum information pertaining to
3 the time share plan with the director for approval:

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

5 (2) The name and address of the developer and seller, if
6 any;

7 (3) The location and a brief description of the
8 accommodations and facilities, if any, that are
9 located in Hawaii;

10 (4) The number of time share interests and duration to be
11 offered;

12 (5) The term of the time share plan;

13 (6) A copy of the time share instrument relating to the
14 management and operation of accommodations and
15 facilities, if any, that are located in Hawaii;

16 (7) A copy of the budget required by section 514E-9;

17 (8) A copy of the management agreement and any other
18 contracts regarding management or operation of the
19 accommodations and facilities, if any, that are
20 located in Hawaii, and which have terms in excess of
21 one year; and



1 (9) A copy of the provision of the contract to purchase an
2 interest in a time share plan to be utilized in
3 offering the time share plan containing the following
4 disclosure in conspicuous type immediately above the
5 space provided for the purchaser's signature:

6 'The offering of this time share plan outside the
7 jurisdictional limits of the United State of America
8 is exempt from regulation under Hawaii law, and any
9 such purchase is not protected by the laws of the
10 State of Hawaii. The management and operation of any
11 accommodations or facilities located in Hawaii,
12 however, is subject to Hawaii law and may give rise to
13 an enforcement action regardless of where the offer
14 was made.'"

15 SECTION 2. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

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

HB 3238 HD1

Report Title:

Time Share Units; Out-of-State Sales

Description:

Exempts time share plans, containing accommodations or facilities located in Hawaii, that are offered for sale outside the U.S. from Hawaii's time sharing plans law, provided that the developer of the time share plan meets certain filing requirements. (HB3238 HD1)

