
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.** (a) This chapter applies to
4 the offer and sale in Hawaii of time share interests in time
5 share 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 in the United States, but outside of Hawaii of time share
10 [~~interest~~] interests in a time share plan which includes time
11 share units located in Hawaii, this chapter, except for sections
12 514E-2.5, 514E-8, 514E-9, 514E-10(b) and (c), 514E-11, and 514E-
13 11.1 shall apply.

14 (b) Notwithstanding subsection (a), a foreign time share
15 plan shall be exempt from the requirements of this chapter;
16 provided that the developer shall not subject the time share
17 interests or units located in Hawaii to blanket liens; and
18 provided further that the developer shall either file the



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

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

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

8 (3) The name and registration number of the time share
9 plan located in Hawaii; and

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

11 (c) Time share interests that are part of a time share
12 plan exempt under subsection (b) shall not be resold in the
13 United States.

14 (d) The contract to purchase an interest in a foreign time
15 share plan shall contain the following disclosure in conspicuous
16 type immediately above the space provided for the purchaser's
17 signature:

18 "THE OFFERING OF THIS TIME SHARE PLAN OUTSIDE THE
19 JURISDICTIONAL LIMITS OF THE UNITED STATES OF AMERICA IS EXEMPT
20 FROM REGULATION UNDER HAWAII LAW, AND ANY SUCH PURCHASE IS NOT
21 PROTECTED BY THE LAWS OF THE STATE OF HAWAII. NO RESALE OF
22 INTERESTS IN THIS TIME SHARE PLAN MAY BE MADE BY ANY PERSON

1 WITHIN THE JURISDICTIONAL LIMITS OF THE UNITED STATES OF
2 AMERICA. THE MANAGEMENT AND OPERATION OF ANY ACCOMMODATIONS OR
3 FACILITIES LOCATED IN HAWAII, HOWEVER, IS SUBJECT TO HAWAII LAW,
4 AND MAY GIVE RISE TO AN ENFORCEMENT ACTION REGARDLESS OF WHERE
5 THE OFFER WAS MADE."

6 (e) For purposes of this section:

7 "Foreign time share plan" means a time share plan,
8 containing time share interests or units that are part of a
9 currently registered Hawaii time share plan, which is promoted
10 and offered for sale solely outside the jurisdictional limits of
11 the United States of America."

12 SECTION 2. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 3. This Act shall take effect on July 1, 2050.

Report Title:

Out-of-State Sales of Time Share Interests

Description:

Exempts a time share plan, containing time share interests or units that are part of a currently registered Hawaii time share plan, which is offered for sale outside the U.S. from the time sharing law, provided that certain conditions are met. (SB2454 HD1)

