
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.



SB NO. 2454

SD1
HD2

Report Title:

Out-of-State Sales of Time Share Interests

Description:

Provides an exemption for time share use plans containing time share interests or units located in Hawaii and offered for sale outside the U.S. from the time sharing law, provided that the plan does not place blanket liens on its Hawaii units and complies with contractual resale restrictions and consumer disclosure requirements. (SB2454 HD2)

