
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
13 514E-11.1 shall apply.

14 (b) Notwithstanding subsection (a), with respect to a time
15 share plan containing accommodations or facilities that are
16 located in a currently registered Hawaii time share plan, which
17 is promoted and offered for sale only outside the jurisdictional
18 limits of the United States, such offer or sale shall be exempt



1 from the requirements of this chapter, provided that the
2 developer shall not subject the Hawaii units to blanket liens
3 and provided further that the developer shall either file the
4 time share plan with the director for approval pursuant to this
5 chapter, or pay an exemption registration fee of \$100 and file
6 the following minimum information pertaining to the time share
7 plan with the director for approval:

- 8 (1) The name and address of the time share plan;
- 9 (2) The name and address of the developer and seller, if
10 any;
- 11 (3) The location and a brief description of the
12 accommodations and facilities, if any, that are
13 located in Hawaii;
- 14 (4) The number of time share interests and duration to be
15 offered;
- 16 (5) The term of the time share plan;
- 17 (6) A copy of the time share instrument relating to the
18 management and operation of accommodations and
19 facilities, if any, that are located in Hawaii;
- 20 (7) A copy of the budget required by section 514E-9;
- 21 (8) A copy of the management agreement and any other
22 contracts regarding management or operation of the



1 accommodations and facilities, if any, that are
2 located in Hawaii, and which have terms in excess of
3 one year; and

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

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

16 (c) Time share interests that are part of a time share
17 plan exempt under subsection (b) shall not be resold in the
18 United States."

19 SECTION 2. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

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



Report Title:

Out-of-State Sales of Time Share Interests

Description:

Provides that chapter 514E, relating to time shares, does not apply to a sale outside the United States of an interest in a time share unit in Hawaii if the unit is part of a time share plan that was previously registered in Hawaii. (SD1)

