

Honolulu, Hawaii

Feb 13, 2006

RE: H.B. No. 3238  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Tourism & Culture, to which was referred  
H.B. No. 3238 entitled:

"A BILL FOR AN ACT RELATING TO OUT-OF-STATE SALES OF TIME  
SHARE INTERESTS,"

begs leave to report as follows:

The purpose of this bill is to facilitate the sale of  
registered Hawaii time share plans in foreign countries by  
exempting the time share plan from the State's time share  
regulations if any of its time share units are sold in a foreign  
country.

Marriott International, Inc., and RCI supported this bill.  
ARDA-Hawaii supported the intent of this bill. The Professional  
and Vocational Licensing Division of the Department of Commerce  
and Consumer Affairs submitted comments.

Your Committee notes that concerns were raised regarding the  
lack of minimal consumer protection safeguards contained in this  
bill.

In light of these concerns, your Committee has amended this  
bill by deleting its contents and inserting provisions that  
provide greater transparency to DCCA for the benefit of Hawaii's  
consumers. This bill, as amended, exempts time share plans  
containing accommodations or facilities located in Hawaii that are  
offered for sale outside the United States from the requirements

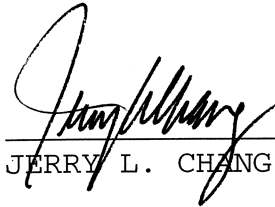


of the time sharing plans law; provided that the developer of the time share plan either:

- (1) Files the time share plan with the Director of DCCA for approval; or
- (2) Pays an exemption registration fee of \$100 and files certain information pertaining to the time share plan with the Director of DCCA for approval.

As affirmed by the record of votes of the members of your Committee on Tourism & Culture that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3238, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 3238, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committee on Tourism & Culture,



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JERRY L. CHANG, Chair



