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# A BILL FOR AN ACT

RELATING TO TIME SHARE PLANS.

**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- Existing owner purchase exemptions. (a)  
5 Notwithstanding any other provision of this chapter, the offer  
6 or sale, in this state, of an additional interest in a time  
7 share plan to an existing purchaser in the same time share plan  
8 shall not be subject to the provisions of this chapter if:

9           (1) The purchaser has the right to cancel the purchase  
10 contract within seven days after the execution of the  
11 contract to purchase;

12           (2) The purchaser is provided the time share disclosure  
13 documents the purchaser would have received if the  
14 purchase had occurred in the state or jurisdiction  
15 where they initially purchased the time share  
16 interest; and

17           (3) The developer or an affiliated entity of the developer  
18 has a time share plan currently registered with the



1           department; provided that the registration was  
2           originally approved or amended within seven years from  
3           the date of the offer or disposition, and the  
4           registration has been neither terminated nor  
5           withdrawn.

6           (b) Notwithstanding any other provision of this chapter,  
7           the offer or sale by a developer, in this state, of a time share  
8           interest in a time share plan located outside of Hawaii to an  
9           individual who currently owns a time share interest that was  
10           purchased from that developer, or from an affiliated entity of  
11           that developer, shall be exempt from the registration  
12           requirement and this chapter; provided that:

13           (1) The developer shall provide the purchaser with all  
14           time share disclosure documents required to be  
15           provided to purchasers as if the offer occurred in the  
16           state or jurisdiction where the time share plan is  
17           located;

18           (2) The contract for purchase shall include a notice that  
19           is the same as or similar to the rescission notice  
20           required pursuant to section 514E-9(a)(7) and the  
21           rescission period shall be at least seven days;



- 1       (3) The offer shall be subject to sections 514E-11 and  
2       514E-11.1;
- 3       (4) The developer shall provide the purchaser, in writing,  
4       either in the disclosure documents or otherwise, all  
5       of the following:
- 6       (A) A description of the type of time share plan  
7       offered, including the duration and operation of  
8       the time share plan;
- 9       (B) A description of the existing or proposed  
10       accommodations and amenities in the time share  
11       plan;
- 12       (C) A description of the method and time for  
13       performing maintenance on the accommodations;
- 14       (D) If applicable, copies of the declaration,  
15       association articles of incorporation,  
16       association bylaws and association rules and  
17       regulations; and
- 18       (E) The current annual budget for the time share  
19       plan;
- 20       and
- 21       (5) The developer or an affiliated entity has a time share  
22       plan currently registered with the department;



1           provided that the registration was originally approved  
2           or amended within seven years from the date of the  
3           offer or disposition, and the registration has been  
4           neither terminated nor withdrawn.

5           (c) For purposes of this section:

6           "Affiliated entity" means a person or other entity under  
7           common ownership with the developer.

8           "Common ownership" means at least fifty per cent ownership  
9           interest."

10           SECTION 2. This Act does not affect rights and duties that  
11           matured, penalties that were incurred, and proceedings that were  
12           begun, before its effective date.

13           SECTION 3. New statutory material is underscored.

14           SECTION 4. This Act shall take effect on July 1, 2025.



**Report Title:**

Time Share Plans; Exemptions

**Description:**

Exempts from the time share law the offer or sale of an additional interest in a time share plan to an existing purchaser in the same time share plan; provided that certain conditions are met. Exempts from the time share law the offer or sale by a developer, in Hawaii, of a time share interest in a time share plan located outside of Hawaii to an individual who currently owns a time share interest that was purchased from the developer, or the developer's affiliates; provided that certain requirements are met.

