

JAN 17 2007

A BILL FOR AN ACT

RELATING TO FOREIGN TIME SHARE PLANS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 514E-5.5, Hawaii Revised Statutes, is
2 amended by amending subsection (e) to read as follows:

3 "(e) The contract to purchase an interest in a foreign
4 time share plan exempt under this section shall contain the
5 following disclosure in conspicuous type immediately above the
6 space provided for the purchaser's signature:

7 "THE OFFERING AND OPERATION OF THIS TIME SHARE PLAN
8 OUTSIDE THE JURISDICTIONAL LIMITS OF THE UNITED STATES
9 OF AMERICA IS EXEMPT FROM REGULATION UNDER HAWAII LAW,
10 AND ANY SUCH PURCHASE AND OPERATION OF THIS TIME SHARE
11 PLAN IS NOT PROTECTED BY THE LAWS OF THE STATE OF
12 HAWAII. NO RESALE OF INTERESTS IN THIS TIME SHARE
13 PLAN MAY BE MADE BY ANY PERSON WITHIN THE
14 JURISDICTIONAL LIMITS OF THE UNITED STATES OF AMERICA.
15 THE MANAGEMENT AND OPERATION OF ANY ACCOMMODATIONS OR
16 FACILITIES LOCATED IN HAWAII, HOWEVER, ARE SUBJECT TO



1 HAWAII LAW, AND MAY GIVE RISE TO AN ENFORCEMENT ACTION
2 REGARDLESS OF WHERE THE OFFER WAS MADE."

3 SECTION 2. Section 514E-5.5, Hawaii Revised Statutes, is
4 amended by amending subsection (f) to read as follows:

5 "(f) All promotional literature and other printed or
6 written material used in connection with the sale of interests
7 in a foreign time share plan exempt under this section shall
8 include the following caption:

9 "This time share plan is exempt from registration
10 under Hawaii law and, therefore, [~~any~~] the purchase
11 and operation of this time share plan is not protected
12 by the laws of the State of Hawaii."

13 SECTION 3. Section 514E-5.5, Hawaii Revised Statutes, is
14 amended by adding a new subsection (h) to read as follows:

15 "[~~+~~]**§514E-5.5[~~+~~]** **Foreign time share plans; exemption.** (a)

16 A foreign time share plan may obtain an exemption from the
17 requirements of this chapter as provided in this section.

18 (b) The developer of a foreign time share plan shall pay
19 an exemption fee of \$100 and file the following minimum
20 information pertaining to the foreign time share plan with the
21 director:

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



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

3 (3) The name and registration number of the time share
4 plan located in Hawaii; provided that the registration
5 shall be active at the time of filing under this
6 subsection; and

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

8 (c) Time share interests that are part of a foreign time
9 share plan exempt under this section shall not be resold in the
10 United States.

11 (d) The developer of a foreign time share plan exempt
12 under this section shall not subject time share interests or
13 units in the foreign time share plan that are located in Hawaii
14 to blanket liens.

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

19 "THE OFFERING OF THIS TIME SHARE PLAN OUTSIDE THE
20 JURISDICTIONAL LIMITS OF THE UNITED STATES OF AMERICA IS
21 EXEMPT FROM REGULATION UNDER HAWAII LAW, AND ANY SUCH
22 PURCHASE IS NOT PROTECTED BY THE LAWS OF THE STATE OF



1 HAWAII. NO RESALE OF INTERESTS IN THIS TIME SHARE PLAN MAY
2 BE MADE BY ANY PERSON WITHIN THE JURISDICTIONAL LIMITS OF
3 THE UNITED STATES OF AMERICA. THE MANAGEMENT AND OPERATION
4 OF ANY ACCOMMODATIONS OR FACILITIES LOCATED IN HAWAII,
5 HOWEVER, ARE SUBJECT TO HAWAII LAW, AND MAY GIVE RISE TO AN
6 ENFORCEMENT ACTION REGARDLESS OF WHERE THE OFFER WAS MADE."

7 (f) All promotional literature and other printed or
8 written material used in connection with the sale of interests
9 in a foreign time share plan exempt under this section shall
10 include the following caption:

11 "This time share plan is exempt from registration under
12 Hawaii law and, therefore, any purchase is not protected by
13 the laws of the State of Hawaii."

14 (g) For the purposes of this section, "foreign time share
15 plan" means a time share use plan that:

- 16 (1) Contains time share interests or units located in
17 Hawaii that are part of a Hawaii time share plan; and
18 (2) Is offered and sold solely outside the jurisdictional
19 limits of the United States.

20 (h) Failure by the developer to abide by the requirements
21 for the exemption shall result in the loss of the exemption and
22 shall require registration under this chapter."

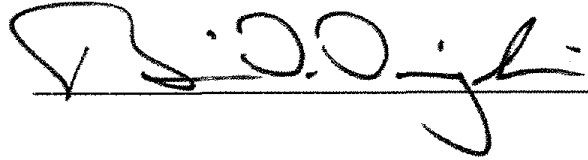


1 SECTION 4. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 5. This Act shall take effect upon its approval.

4

INTRODUCED BY:

A handwritten signature in black ink, appearing to read "R. D. O'Neil", is written over a horizontal line.

Report Title:

Foreign Time Share Plans

Description:

Requires disclosure that operation of a foreign time share plan is exempt from regulation under Hawaii law. Provides for loss of exemption for failure to abide by requirements.

