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# 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 to read as follows:

3 "[+]§514E-5.5[+] **Foreign time share plans; exemption.** (a)

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

6 (b) The developer of a foreign time share plan shall pay  
7 an exemption fee of \$100 and file the following minimum  
8 information pertaining to the foreign time share plan with the  
9 director:

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

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

13 (3) The name and registration number of the time share  
14 plan located in Hawaii; provided that the registration  
15 shall be active at the time of filing under this  
16 subsection; and

17 (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 AND OPERATION OF THIS TIME SHARE PLAN OUTSIDE  
13 THE JURISDICTIONAL LIMITS OF THE UNITED STATES OF AMERICA  
14 IS EXEMPT FROM REGULATION UNDER HAWAII LAW, AND ANY SUCH  
15 PURCHASE AND OPERATION OF THIS TIME SHARE PLAN IS NOT  
16 PROTECTED BY THE LAWS OF THE STATE OF HAWAII. NO RESALE OF  
17 INTERESTS IN THIS TIME SHARE PLAN MAY BE MADE BY ANY PERSON  
18 WITHIN THE JURISDICTIONAL LIMITS OF THE UNITED STATES OF  
19 AMERICA. THE MANAGEMENT AND OPERATION OF ANY  
20 ACCOMMODATIONS OR FACILITIES LOCATED IN HAWAII, HOWEVER,  
21 ARE SUBJECT TO HAWAII LAW, AND MAY GIVE RISE TO AN  
22 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~~] the purchase and operation  
7 of this time share plan is not protected by the laws of the  
8 State of Hawaii."

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

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

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

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 Statutory material to be repealed is bracketed  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

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



**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. (SD1)

