

STAND. COM. REP. NO.

563

Honolulu, Hawaii

MAR 06 2009

RE: S.B. No. 1113
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1113 entitled:

"A BILL FOR AN ACT RELATING TO GEOGRAPHIC LIMITATIONS ON TIME SHARES, "

begs leave to report as follows:

The purpose of this measure is to repeal the requirement that a hotel located in a county with a population in excess of five hundred thousand residents that is converted to a time share must consist of at least sixty units, forty per cent of which are sold or rented as residential apartments.

Your Committee received testimony in support of this measure from Wyndham Worldwide, American Resort Development Association, and Starwood Resorts. Testimony with comments on this measure was received from the Department of Commerce and Consumer Affairs. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that it is important to preserve an adequate supply of affordable housing stock for rental or purchase by Hawaii residents. However, time shares also serve an important function in maintaining consistent tourism levels and rehabilitating older hotel properties. Your Committee further finds that the current law places the burden of compliance on the developer of a time share property even though the developer does not have the ability to control the use of independently owned units within the development.

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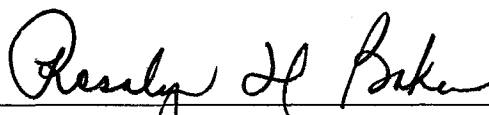


Your Committee has amended this measure by:

- (1) Preserving the provision of the current law that allows timeshares in a county with a population in excess of five hundred thousand, in an existing hotel that has been converted to time share units, thus repealing only the existing language requiring that hotels with more than sixty units have at least forty per cent of the units available as residential apartments for sale or rent; and
- (2) Making a minor, nonsubstantive, technical change for the purpose of clarity and accuracy in the language of this measure.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1113, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1113, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



ROSALYN H. BAKER, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Commerce and Consumer Protection
CPN

| | | | | |
|--|-----------------------------------|---------------------------|----------|----------|
| Bill / Resolution No.:* SB 1113 | Committee Referral: CPN | Date: 2/26/2009 | | |
| <input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____ | | | | |
| The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313 | | | | |
| Members | Aye | Aye (WR) | Nay | Excused |
| BAKER, Rosalyn H. (C) | ✓ | | | |
| IGE, David Y. (VC) | ✓ | | | |
| ESPERO, Will | ✓ | | | |
| GREEN, M.D., Josh | ✓ | | | |
| IHARA, Jr., Les | | | | ✓ |
| SAKAMOTO, Norman | | ✓ | | |
| HEMMINGS, Fred | | <i>WR</i> | ✓ | |
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| TOTAL | 4 | 1 | 1 | 1 |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature: <div style="text-align:center;"><i>David Y. Ige</i></div> | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | |

*Only one measure per Record of Votes