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**PRESENTATION OF THE
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION**

TO THE HOUSE COMMITTEE ON
WATER, LAND, AND OCEAN RESOURCES

TWENTY-FIFTH LEGISLATURE
Regular Session of 2009

Monday, March 23, 2009
9:30 a.m.

**TESTIMONY ON SENATE BILL NO. 1113, S.D. 1, RELATING TO GEOGRAPHIC
LIMITATIONS ON TIME SHARES.**

TO THE HONORABLE KEN ITO, CHAIR,
AND MEMBERS OF THE COMMITTEE:

My name is Lori Beth Van Cantfort, Time Share Administrator of the Professional and Vocational Licensing Division, testifying on behalf of the Department of Commerce and Consumer Affairs ("Department").

S.B. 1113, S.D. 1 seeks to amend Hawaii Revised Statutes Section 514E-5 by deleting subparagraph 514E-5(2)(C), thereby repealing the authority to have time share units in an existing nonconforming use hotel in the City and County of Honolulu if the property has at least 60 units and at least 40% of the units are made available for sale or rented as residential apartments.

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The Department takes no position on S.B. 1113, S.D. 1. Because this is a zoning issue, the Department believes that the county is in the best position to comment on this bill and therefore the Department defers to the county.

Thank you for this opportunity to testify.

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MEMORANDUM

TO: Representative Ken Ito
Chair, Committee Water Land & Ocean Resources
Hawaii State Capitol, Room 420

FROM: Gary Slovin

DATE: March 21, 2009

RE: **S.B. No. 1113, SD1 – Relating to Geographic Limitations on Time Shares**
Hearing on Monday, March 23, 2009 at 9:30 a.m., Room 325

Dear Chair Ito and Members of the Committee:

I am Gary Slovin, testifying on behalf of Wyndham Worldwide. Wyndham Worldwide offers individual consumers and business-to-business customers a broad suite of hospitality products and services across various accommodation alternatives and price ranges through its portfolio of world-renowned brands. Wyndham Worldwide has substantial interests in Hawaii that include Wyndham Vacation Ownership, with its resort at Waikiki Beach Walk.

We are testifying in support of S.B. 1113, SD1, which proposes to amend Hawaii Revised Statutes § 514E-5(2)(C). Under the existing law, time share units are allowed in a county with a population in excess of 500,000, in an existing hotel which is a valid nonconforming use under county ordinance *if* the property has at least sixty units and if at least forty percent of the units are made available for sale as residential apartments or rented as residential apartments.

Under the current law, in practice, the time share developer who has taken over the hotel has to assure that the property complies with the 40% residential requirement, even in a case where the time share developer does not own all of the units. Thus, this requirement exists even though the time share developer may not have the ability to directly control or enforce it. If the residential units are owned independently of the time share developer, the developer has no authority over these owners. Consequently, the present law requires the time share developer to do something it has no legal authority to carry out.

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We have informed the Timeshare Administrator of this proposed legislation, and have been working cooperatively with her in connection with this proposed measure.

We further support the amendment made in S.B. 1113, S.D. 1, which corrects the originally proposed bill, that inadvertently deleted the first clause of HRS 514E-5(2)(C).

We believe that lifting the restriction as proposed in this measure will help to foster the renovation of older hotel properties and act as a stimulus to the local economy. We urge your support of this bill, and look forward to the opportunity for continued discussion on the measure. Thank you very much for the opportunity to submit testimony.