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

TO THE HOUSE COMMITTEE ON
CONSUMER PROTECTION AND COMMERCE

TWENTY-SEVENTH LEGISLATURE
Regular Session of 2013

Thursday, March 14, 2013
5:30 p.m.

TESTIMONY ON SENATE BILL NO. 913, S.D.1, RELATING TO TIME SHARES.

TO THE HONORABLE ANGUS L.K. MCKELVEY, 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").

The Department would like to offer comments on Section 1 of Senate Bill No. 913, S.D.1, which seeks to amend Hawaii Revised Statutes Section 514E-9(a)(11) to no longer require a developer to provide a price list in the disclosure statement. It is the Department's understanding that the actual price a purchaser pays for a time share interval is often not the price listed in the disclosure statement as the sales price is subject to negotiations. Therefore, including a price list in the disclosure statement does not necessarily provide a purchaser accurate information. The proposed

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amendment would now require the disclosure statement to state that the purchaser is required to pay the price stated in the sales contract, which is what the purchaser agreed to, along with any additional charges. Those additional charges are to be listed or described in cases where the exact amount varies. This information will give a prospective purchaser adequate disclosure of their financial obligation.

Thank you for this opportunity to comment on Senate Bill No. 913, S.D.1.



March 13, 2013

TO: HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Representative Angus McKelvey, Chair
Representative Derek Kawakami, Vice Chair

FROM: Daniel Dinell ARDA-Hawaii, Chair

RE: S.B. 913 SD1 Relating to Timeshares

Position: Support

Dear Chair McKelvey, Vice Chair Kawakami, and members of the Committee:

The American Resort Development Association (ARDA) Hawaii, the local chapter of the national timeshare trade association, supports S.B. 913 SD1 regarding financial disclosure requirements and marketing practices for the sale of timeshare interests.

This bill was amended by the Senate and we support the current version. The bill offers two changes to the timeshare statute that relate to timeshare industry sales and marketing practices. First, it would eliminate the requirement that a timeshare pricelist be filed with the DCCA. Hawaii is one of only two states that require this filing in the United States. This requirement is cumbersome for developers as a price list may change on a weekly basis and, through negotiations between a buyer and seller, the price may change from one transaction to another. The additional administrative burden placed on a developer to file it far outweighs any consumer protection value that we are aware of. Second, the bill clarifies that promotional items that are given as an incentive for a potential purchaser to attend a sales presentation are not required to be given to the person prior to the completion of the sales presentation. The current industry practice is to give the incentive immediately after the tour is taken and we are aware of no current abuses in the industry where consumers are not receiving the promotional gifts they have been promised.

These are technical amendments that should help to increase operational efficiencies for timeshare developers and bring the timeshare statute in line with current sales and marketing practice. In addition, and most importantly, these changes will not decrease the level of consumer protection that is currently provided for in 514E as we are not aware of any abuses related to these provisions.

Thank you for the opportunity to provide this testimony.

"Timeshare With Aloha"



9002 San Marco Court
Orlando, Florida 32819
(407) 418-7271

March 14, 2013

To: Honorable Angus McKelvey, Chair
Honorable Derek Kawakami, Vice Chair
House Committee on Consumer Protection & Commerce

RE: **SB 913 SD1 – Relating to Time Shares - Support**
Hawaii State Capitol; conference room 325; 5:30 p.m.

Aloha Chair McKelvey, Vice Chair Kawakami and Members of the Committee:

Starwood Vacation Ownership (“Starwood”) appreciates the opportunity to offer comments on SB913 SD1, which amends time share plan disclosures and updates sale practice language under current law.

We support provisions in the bill which eliminate the requirement of a set timeshare interval price list as part of the Hawaii Disclosure Statement, allowing consumer prices to reflect market demand and conditions. Currently, developers are required to file detailed timeshare interval price lists with the DCCA. This filing creates an administrative burden without enhancing consumer protection as the DCCA cannot reject the prices listed – they merely review and accept. Currently, there is only one other state that requires the use of a pre-set price lists and such requirement provides for greater flexibility and a faster regulatory process than the Hawaii process.

The price list requirement limits the ability of developers to timely alter their prices to reflect market conditions. In most circumstances, developers have found themselves restricted from lowering prices until they re-file the price list and wait for DCCA “acceptance.” This in turn adds an unnecessary administrative burden on the DCCA by requiring their limited staff to process constant price list amendments.

Finally, SB913 SD1 updates current law to reflect current and industry recognized best sales practices. For the aforementioned reasons, we respectfully request you to pass this bill.

Sincerely,

Robin Suarez
Vice President/Associate General Counsel
Starwood Vacation Ownership

**Testimony of
Gary M. Slovin / Mihoko Ito
on behalf of
Wyndham Vacation Ownership**

DATE: March 13, 2013

TO: Representative Angus L.K. McKelvey
Chair, Committee on Consumer Protection & Commerce
Submitted Via CPCtestimony@capitol.hawaii.gov

RE: **S.B. 913 S.D.1 – Relating to Time Shares**
Hearing Date: Thursday, March 14, 2013 at 5:30 pm
Conference Room 325

Dear Chair McKelvey and Members of the Committee on Consumer Protection & Commerce:

We submit this testimony on behalf of Wyndham Vacation Ownership.

Wyndham Vacation Ownership offers individual consumers and business-to-business customers a broad suite of hospitality products and services through its portfolio of world-renowned brands. Wyndham has a substantial presence in Hawaii through its Wyndham Vacation Resorts and WorldMark by Wyndham brands.

Wyndham **supports** S.B. 913 S.D.1, which requires a time share plan's disclosure of the financial obligation of the purchaser to consist of: (1) A statement that the purchaser is obligated to pay the initial price in the purchase agreement; and (2) A list or description of any additional charges. It also clarifies that a sales or acquisition agent is not required to provide any promotional device or instrument to a prospective purchaser prior to making a sales presentation.

This measure makes technical changes to the law that will not compromise consumer protection. It eliminates the requirement that a timeshare pricelist be filed with the DCCA. This is a cumbersome practice as prices change often, and Hawaii is one of only two states in the nation that require this.

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The measure also clarifies that promotional items given as an incentive for a potential purchaser to attend a sales presentation are not required to be given before the presentation.

Thank you very much for the opportunity to submit testimony.