



April 2, 2013

LATE TESTIMONY

TO: HOUSE COMMITTEE ON FINANCE
Representative Sylvia Luke, Chair
Representative Scott Nishimoto, Chair
Representative Aaron Ling Johanson

FROM: Daniel Dinell ARDA-Hawaii, Chair

RE: S.B. 913 SD1 Relating to Timeshares

Position: Support

Dear Chair Luke, Vice Chair Nishimoto, Vice Chair Johanson 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"