STAND. COM. REP. NO. **2926**

Honolulu, Hawaii

MAR 19 2014

RE: H.B. No. 2019
H.D. 2
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 2019, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TIME SHARE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

(1) Allow prospective purchasers of time share interests to receive printed or electronic copies of the time share plan disclosure statement; and

(2) Amend developer registration renewal requirements by:

  (A) Permitting the developer to disclose either the total number of registered time share interests in each unit or the total number of points registered for sale;

  (B) Eliminating the requirement that developers provide title insurance and title reports; and

  (C) Eliminating the requirement that developers file a financial statement.

Your Committee received testimony in support of this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, Wyndham Vacation

2014-1809 SSCR SMA.doc

Ownership, Starwood Vacation Ownership, and American Resort Development Association Hawaii.

Your Committee finds that many consumers and buyers prefer an option to receive important documents electronically. This measure modernizes Hawaii's time share statute and enables buyers to choose whether to receive the time share disclosure statement on paper or in digital form. Your Committee further finds that this measure updates and streamlines the biennial renewal requirements for developers, thereby reducing costs and burdens for the time share industry and the Department of Commerce and Consumer Affairs. Your Committee additionally finds that this measure removes the requirement that a developer submit a financial statement with a renewal application, thus making this portion of the developer renewal process consistent with the Professional and Vocational Licensing Division's other licensing areas.
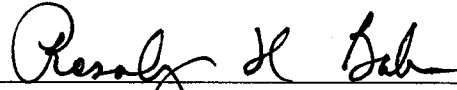
Your Committee has amended this measure by:

(1) Clarifying that developers must include either the total number of time share interests registered for sale in each unit or the total number of points registered for sale in each property in an application for renewal of a developer registration;

(2) Amending the purpose section for clarity; and

(3) Inserting an effective date of upon approval.

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 H.B. No. 2019, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2019, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

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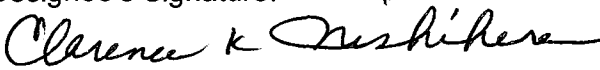Committee on Commerce and
Consumer Protection,

_____
ROSALYN H. BAKER, Chair

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:
HB 709 HD2	CPN	3/14/14

☐ The committee is reconsidering its previous decision on this measure.

If so, then the previous decision was to:_____

The Recommendation is:

☐ Pass, unamended
2312

☑ Pass, with amendments
2311

☐ Hold
2310

☐ Recommit
2313

Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)				✓
NISHIHARA, Clarence K.	✓			
WAKAI, Glenn				✓
SLOM, Sam	✓			
TOTAL	3			2

Recommendation:

☑ Adopted

☐ Not Adopted

Chair's or Designee's Signature:

Clarence K Nishihara

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*Only <u>one</u> measure per Record of Votes

Revised: 07/01/13