

Honolulu, Hawaii

FEB 27 2014

RE: S.B. No. 2480
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 S.B. No. 2480 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) Simplify the renewal requirements for developers by clarifying the information the developers must submit; and
- (3) Eliminate requirements that developers provide title insurance and title reports and file financial statements.

Your Committee received testimony in support of this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, American Resort Development Association Hawaii, Wyndham Vacation Ownership, and Starwood Vacation Ownership.

Your Committee finds that with the rise of electronic commerce and social media, many consumers and buyers prefer electronic media to print versions of the same documents. 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 also updates and streamlines the biennial renewal requirements for developers. Developers are currently required to submit a title report, which can be voluminous and costly, for all unsold inventory and a current financial statement along with their renewal applications. The information in the title report regarding unsold inventory is already provided in a certified statement by the developer, which the Department of Commerce and Consumer Affairs is able to rely on. Your Committee additionally finds that this measure removes the requirement that a financial statement be submitted with a renewal application, thereby making this portion of the developer renewal process consistent with the Professional and Vocational Licensing Division's other licensing areas.

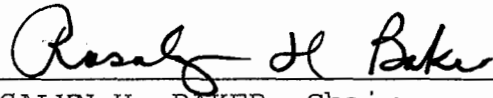
Your Committee has amended this measure by:

- (1) Amending the required language of the separate writing informing prospective purchasers that they have a seven day right of rescission to more clearly remind purchasers to read the disclosure statement before the seven-day rescission period expires;
- (2) Requiring developers to include the total number of registered time share interests in each unit and the total number of registered points in each property in an application for renewal of a developer registration; and
- (3) Making an amendment to the purpose section for clarity.

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. 2480, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2480, 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,

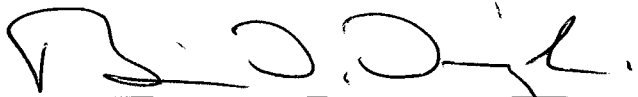


ROSALYN H. BAKER, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2480	CPN	2/19/14		
<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)	✓			
TANIGUCHI, Brian T. (VC)	✓			
NISHIHARA, Clarence K.	✓			
WAKAI, Glenn	✓			
SLOM, Sam				✓
TOTAL	4	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes