
A BILL FOR AN ACT

RELATING TO TIME SHARING.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that many time share
2 developers offer short-term products that allow prospective time
3 share buyers to explore the time share experience on a trial
4 basis. The legislature finds that some other states have
5 adopted laws providing a seven-day right of cancellation to
6 short-term product buyers.

7 The legislature further finds that existing time share law
8 requires buyers' funds to be placed in escrow and permits
9 buyers' funds to be disbursed from escrow to help the developer
10 pay the costs of construction and development of time share
11 projects. A buyer's funds may be disbursed for such purposes
12 prior to the closing and deeding of the property to the buyer.

13 The legislature additionally finds that it is common to
14 include a subordination clause in contracts for the sale of time
15 share interests in a project that has yet to be constructed. In
16 the subordination clause, the buyers subordinate their rights in
17 the project to the lien of the construction lender. As a
18 result, if the developer defaults under the construction loan,



1 the lender may foreclose and acquire title to the project free
2 of any claims of the buyers. This would be true regardless of
3 whether the buyers' funds were used to pay the costs of
4 construction and development.

5 The legislature also finds that some other states have
6 adopted laws permitting a timeshare developer to use buyers'
7 deposits upon posting a bond, thus assuring that the buyers'
8 deposits will be refunded if construction of the project is not
9 completed or the buyers otherwise become entitled to a refund.
10 Timeshare developers prefer this approach, and this approach
11 also benefits buyers by providing buyers a remedy in the event
12 that the developer fails to complete construction or defaults
13 under its construction loan.

14 The purpose of this Act is to:

- 15 (1) Provide cancellation rights to persons who contract to
16 buy a short-term product in Hawaii; and
17 (2) Allow disbursement of purchasers' funds to a
18 developer; provided that the developer first posts a
19 bond.



1 SECTION 2. Chapter 514E, Hawaii Revised Statutes, is
2 amended by adding three new sections to be appropriately
3 designated and to read as follows:

4 "§514E-A Short-term product; right to cancel. (a) A
5 person who has entered into a contract to purchase a short-term
6 product shall have the right to cancel the contract until
7 midnight of the seventh calendar day after the date that the
8 short-term product buyer first signs the contract or the
9 expiration of any longer cancellation period expressly provided
10 in the contract. A short-term product buyer who exercises the
11 right to cancel under this section shall be entitled to a refund
12 of one hundred per cent of the consideration paid under the
13 contract, without deduction. Any provision in the contract that
14 is intended to waive the short-term product buyer's right of
15 cancellation shall be void and unenforceable.

16 (b) A short-term product seller shall disclose the
17 following in conspicuous type, in the contract or otherwise, to
18 all short-term product buyers:

19 (1) If the short-term product buyer is required to request
20 a reservation in order to use the accommodations:

- 1 (A) That reservations for accommodations under the
2 contract are subject to availability;
- 3 (B) That there is no guarantee that a short-term
4 product buyer will be able to obtain specific
5 accommodations during a specific time period; and
- 6 (C) That the earlier the short-term product buyer
7 requests a reservation, the greater the
8 opportunity to receive a confirmed reservation;
- 9 (2) Specific blackout dates if the short-term product is
10 subject to blackout dates; and
- 11 (3) That the short-term product buyer will be required to
12 pay transient accommodations tax for the occupancy of
13 transient accommodations in Hawaii; provided that this
14 paragraph shall apply only if the short-term product
15 buyer will be required to pay transient accommodations
16 tax in addition to the purchase price of the short-
17 term product.
- 18 (c) The contract to purchase a short-term product under
19 this section shall include the date of the contract and contain
20 the following disclosure in conspicuous type on the same page as
21 the short-term product buyer's signature:



1 "YOU HAVE THE RIGHT TO CANCEL THIS CONTRACT AT ANY TIME
2 PRIOR TO MIDNIGHT OF THE SEVENTH [the short-term product
3 seller may substitute a greater number of days] CALENDAR
4 DAY AFTER THE DATE THAT YOU SIGN THIS CONTRACT. You may
5 exercise your right to cancel by sending the seller a
6 written notice that you are cancelling your contract either
7 by faxing it to [insert facsimile number] or by depositing
8 it into the United States mail, first-class postage
9 prepaid, addressed as follows: [insert specific contact
10 information]. If you properly cancel this contract, you
11 are entitled to receive a full refund of the amount paid by
12 you pursuant to this contract.

13 If you buy a time share interest, you will have any right
14 to cancel your contract to purchase a time share interest
15 provided by the law governing the sale of the time share
16 interest. However, if you cancel your contract to purchase
17 a time share interest, you will not be entitled to a refund
18 of any amounts paid by you pursuant to this contract [or
19 the seller may specify an alternate refund policy under
20 these circumstances]."



1 The preceding disclosure is not required to be repeated on any
2 addendum to the contract.

3 (d) A short-term product buyer may exercise the right to
4 cancel by giving written notice to the short-term product seller
5 in the manner described in subsection (c). A short-term product
6 seller shall cause any deposit given by a short-term product
7 buyer who has exercised the right to cancel pursuant to
8 subsection (a) to be mailed or otherwise delivered to the short-
9 term product buyer no later than the last to occur of: fifteen
10 business days following receipt of the short-term product
11 buyer's written notice of cancellation; or fifteen business days
12 following the date upon which any deposit becomes good and
13 immediately available funds.

14 (e) If a short-term product buyer enters into a contract
15 to purchase a time share interest and all or any portion of the
16 amount paid by the short-term product buyer for a short-term
17 product will be applied to or credited against the price of a
18 time share interest then neither the developer nor any other
19 party, including but not limited to the short-term product
20 seller, shall be required to deposit in an escrow account,
21 pursuant to section 514E-16, any amounts received by the short-



1 term product seller under the contract to purchase the short-
2 term product.

3 (f) Short-term products offered by the developer or an
4 affiliate of the developer of a time share plan registered
5 pursuant to this chapter shall not constitute travel services
6 for purposes of chapter 468L.

7 §514E-B Release of purchaser's funds pursuant to bond.

8 (a) Notwithstanding the requirements of sections 514E-16 and
9 514E-17 or chapters 514A and 514B, the developer of a time share
10 plan may be entitled to the release, prior to closing and after
11 the expiration of the purchaser's seven-day cancellation period
12 under section 514E-8, of ninety per cent of a time share
13 purchaser's funds from escrow; provided that the following
14 conditions have been met:

- 15 (1) The developer has deposited with the director and the
16 escrow agent a surety bond;
- 17 (2) The developer has not chosen to protect the purchaser
18 from blanket liens using a lien payment trust or
19 alternative arrangements that require the purchaser's
20 funds to be disbursed from escrow directly to someone
21 other than the developer upon closing; and



1 (3) After the purchaser's funds are released to the
2 developer, the amount of the bond, when added to the
3 amount of the purchaser's funds remaining in escrow,
4 will in the aggregate equal or exceed the amount of
5 purchaser's funds that would otherwise be held in
6 escrow.

7 (b) A surety bond filed with the director pursuant to
8 subsection (a) shall be issued by a bonding company that is
9 authorized to do business in the State and is not affiliated
10 with the developer.

11 (c) A surety bond filed with the director pursuant to
12 subsection (a) shall provide that where the developer has failed
13 to refund deposits as required by this chapter or agreements
14 with purchasers or has failed to transfer deposits into the
15 escrow agent's escrow account when required under the escrow
16 agreement, either the director or the escrow agent may declare
17 the bond in default and the surety shall be required to refund
18 deposits that are due and payable to purchasers of time share
19 interests or transfer deposits which are to be transferred into
20 the escrow account as required, within thirty days by the surety
21 as a debt to the director or the escrow agent.



1 (d) If a developer fails to refund a purchaser's funds
2 pursuant to this chapter including but not limited to a refund
3 due pursuant to section 514E-8, 514E-11, 514-E-11.1, 514E-11.3,
4 or 514E-17, then within thirty days after receipt of a demand by
5 the State or the escrow agent, the surety shall deposit with the
6 escrow agent funds sufficient to pay any refunds due and payable
7 to purchasers that the developer has failed to pay. If the
8 surety disputes: whether the developer has failed to refund a
9 purchaser's funds as required by this chapter; the amount of the
10 refunds due and payable to purchasers; or whether the surety is
11 otherwise obligated to make payment under the bond or the extent
12 to which a payment under the bond shall be made, the surety may,
13 concurrently with the deposit of the funds with the escrow
14 agent, demand that the escrow agent commence an action for
15 interpleader and deposit the disputed bond proceeds with the
16 circuit court. In the event that the surety demands an
17 interpleader action, the disputed proceeds of the bond shall not
18 be disbursed to any person other than the court or as directed
19 by order of the court.

20 (e) The developer shall deposit with the escrow agent a
21 copy of each purchaser's purchase agreement at the time when the



1 developer is required by section 514E-16 to deposit the
2 purchaser's funds, negotiable instruments, and purchase money
3 contracts into escrow.

4 (f) Upon the closing of the escrow for the sale of a time
5 share interest, the remainder of the purchaser's funds held in
6 escrow pursuant to subsection (a), if any, shall be disbursed in
7 accordance with section 514E-18.

8 (g) If a purchaser is entitled to receive a refund of the
9 purchaser's deposits pursuant to this chapter, including but not
10 limited to a refund due pursuant to section 514E-8, 514E-11,
11 514-E-11.1, 514E-11.3, or 514E-17, then the amount of such
12 refund shall not be reduced to pay the cost of any surety bond
13 that the developer has deposited with the director and the
14 escrow agent pursuant to subsection (a).

15 (h) If the escrow agreement permits the release of
16 purchasers' funds pursuant to subsection (a), the disclosure
17 statement required by section 514E-9 shall contain the following
18 disclosure:

19 "Important Notice Regarding Your Deposits: Deposits that
20 you make under your sales contract for the purchase of a
21 time share interest may be disbursed before closing of your



1 purchase. Disbursed funds are not required to be used to
2 pay for costs of construction and development of your time
3 share units or your time share plan. The escrow agent
4 cannot disburse your deposits unless the developer has
5 deposited a surety bond with the escrow agent. A surety
6 bond provides for the deposit of funds into the escrow
7 account if the developer fails to deposit any funds
8 required to pay any refund that the developer is required
9 to make to you under Hawaii's time sharing law, chapter
10 514E, Hawaii Revised Statutes. IF THE SURETY BOND IS NOT
11 HONORED, THERE IS A RISK THAT YOUR DEPOSITS WILL NOT BE
12 REFUNDED TO YOU. You should carefully consider this risk in
13 deciding whether to proceed with your purchase."

14 §514E-C Closing deadline; right to cancel. A sales
15 contract for the sale of a time share interest shall specify a
16 deadline by which the closing of the sale must occur. The
17 closing deadline may be a specific date or the expiration of a
18 period of time after the sales contract is signed or becomes
19 binding. The closing deadline shall not exceed twenty-four
20 months from the date that the sales contract is signed unless a
21 longer period is approved by the director. The purchaser may



1 cancel the sales contract at any time after the specified
 2 closing deadline, if the closing does not occur on or before the
 3 closing deadline. A purchaser may exercise the right to cancel
 4 pursuant to this section by mailing or delivering a written
 5 notice to the developer that the purchaser is cancelling the
 6 contract. The written notice shall be sent to the developer at
 7 the address specified on the contract, or at such other address
 8 as the developer may designate by written notice to the
 9 purchaser in accordance with the notice provisions of the sales
 10 contract. The developer shall send written notice to the
 11 purchaser of any change in the developer's address and the
 12 purchaser shall send written notice to the developer of any
 13 change in the purchaser's address, each in accordance with the
 14 notice provisions of the sales contract."

15 SECTION 3. Section 514E-1, Hawaii Revised Statutes, is
 16 amended as follows:

17 1. By adding five new definitions to be appropriately
 18 inserted and to read:

19 "Accommodation" means any apartment, condominium or
 20 cooperative unit, cabin, lodge, hotel or motel room, or other



1 real or personal property suitable and intended to provide
2 overnight lodgings for one or more individuals.

3 "Conspicuous type" means type in upper and lower case
4 letters, two point sizes larger than the surrounding type,
5 exclusive of headings, on the page on which it appears and in no
6 less than ten-point type.

7 "Short-term product" means a contract that: provides the
8 buyer a one-time allotment of use nights or points that must be
9 used within a period not to exceed three years; and includes an
10 agreement that all or a portion of the consideration paid by a
11 person for the short-term product will be applied to or credited
12 against the price of a future purchase of a time share interest
13 or that the cost of a future purchase of a time share interest
14 will be fixed or locked in at a specified price. A short-term
15 product shall not constitute a time share interest.

16 "Short-term product buyer" means an individual who has
17 entered into a contract to purchase a short-term product.

18 "Short-term product seller" means the developer of a short-
19 term product."

20 2. By amending the definition of "notice of time share
21 plan" to read:



1 "Notice of time share plan" means an instrument executed
2 by the holder of the legal and equitable title to the fee or
3 long-term leasehold interest in a time share unit, and which
4 provides notice of the existence of the time share plan and of
5 rights of owners. [~~The notice of time share plan must identify~~
6 ~~the use period for each time share interest and the name of the~~
7 ~~initial purchaser thereof.] If the time share unit is located
8 outside the State, the notice shall be contained in a
9 declaration of covenants, conditions, and restrictions which
10 provide that the notice shall, as a matter of covenant, have the
11 effects described in section 514E-21. The declaration of
12 covenants, conditions, and restrictions must be prepared so as
13 to (i) constitute a covenant running with and an equitable
14 servitude upon the time share units for the duration of the time
15 share plan, and (ii) have the effects described in section 514E-
16 21."~~

17 SECTION 4. Section 514E-10.2, Hawaii Revised Statutes, is
18 amended as follows:

19 1. By amending subsection (a) to read:

20 "(a) Notwithstanding any other provision of this chapter,
21 the director may issue a limited permit to a developer



1 permitting the offer or sale, in this State, of an additional
2 interest in a time share plan to an existing purchaser in the
3 same time share plan; provided that:

4 (1) The developer or an affiliated entity of the developer
5 has a time share plan currently registered with the
6 director; provided that the registration was
7 originally approved or amended within seven years from
8 the date of the offer or disposition, and the
9 registration has not been terminated or withdrawn;

10 (2) The developer has not, during the two-year period
11 preceding the time of the offer, had a time share
12 registration suspended, restricted, or revoked in any
13 state or been convicted of an offense involving fraud
14 or dishonesty. In the event the developer satisfies
15 the requirement of paragraph (1) above through an
16 affiliated entity, the developer has not, during the
17 twenty-year period preceding the time of the offer,
18 had a time share registration suspended, restricted,
19 or revoked in any state or been convicted of an
20 offense involving fraud or dishonesty;



- 1 (3) In satisfaction of the disclosure requirements of
2 section 514E-9, the purchaser is provided the time
3 share disclosure documents the purchaser would have
4 received if the purchase had occurred in the state or
5 jurisdiction where the purchaser initially purchased
6 the time share interest;
- 7 (4) The contract for purchase signed by the purchaser
8 includes a notice that is the same as or similar to
9 the rescission notice required pursuant to section
10 514E-9(a)(7); provided that the rescission period
11 shall be at least seven days;
- 12 (5) All funds and any negotiable instruments received
13 during the seven-day rescission period shall be placed
14 in an escrow account in the State. The escrow agent
15 shall be a bank, savings and loan association, or
16 trust company authorized to do business in the State
17 under an escrow arrangement or a corporation licensed
18 as an escrow depository under chapter 449. The funds
19 or negotiable instruments may be released from escrow;
20 provided that the release is in accordance with
21 section 514E-17 [~~o~~], 514E-18 [~~r~~], or 514E-B. Any



1 escrow account established for any out-of-state time
 2 share plan offered under this subsection may be
 3 maintained in the state where the time share plan is
 4 located after the seven-day rescission period has
 5 expired; provided that the escrow agent submits to
 6 personal jurisdiction in this State;

7 (6) The contract for purchase shall contain the following
 8 statement in conspicuous type:

9 "THIS TIME SHARE PLAN HAS NOT BEEN REVIEWED OR
 10 APPROVED BY THE STATE OF HAWAII BECAUSE YOU ALREADY
 11 OWN AN INTEREST IN THIS TIME SHARE PLAN AND BECAUSE
 12 _____ (DEVELOPER OR AFFILIATE'S
 13 NAME) HAS A TIME SHARE PLAN CURRENTLY REGISTERED WITH
 14 THE STATE OF HAWAII (INCLUDE REGISTRATION #). (IF
 15 APPLICABLE) (AFFILIATE) IS AN AFFILIATED ENTITY OF THE
 16 SELLER AS THE TERM IS DEFINED IN CHAPTER 514E, HAWAII
 17 REVISED STATUTES."; and

18 (7) The offer complies with the provisions of sections
 19 514E-11(2) to 514E-11(9), 514E-11(11) to 514E-11(13),
 20 and 514E-11.1."

21 2. By amending subsection (c) to read:



1 "(c) Notwithstanding any other provision of this chapter,
2 the director may issue a limited permit to a developer
3 permitting the offer or sale by the developer, in this State, of
4 a time share interest in a time share plan located outside of
5 this State, but within the United States, to an individual who
6 currently owns a time share interest that was purchased from
7 that developer, or from an affiliated entity of that developer;
8 provided that:

9 (1) The developer or an affiliated entity of the developer
10 has a time share plan currently registered with the
11 director; provided that the registration of the
12 developer or an affiliated entity of the developer was
13 originally approved or amended within seven years from
14 the date of the offer or disposition and which
15 registration has not been terminated or withdrawn;

16 (2) The developer has not, during the two-year period
17 preceding the time of the offer, had a time share
18 registration suspended, restricted, or revoked in any
19 state or been convicted of an offense involving fraud
20 or dishonesty. In the event the developer satisfies
21 the requirement of paragraph (1) above through an



1 affiliated entity, the developer has not, during the
2 twenty-year period preceding the time of the offer,
3 had a time share registration suspended, restricted,
4 or revoked in any state or been convicted of an
5 offense involving fraud or dishonesty;

6 (3) The developer shall provide the purchaser with all
7 time share disclosure documents required to be
8 provided to purchasers as if the offer occurred in the
9 state where the time share plan is located;

10 (4) The contract for purchase shall include a notice that
11 is the same as or similar to the rescission notice
12 required pursuant to section 514E-9(a)(7); provided
13 that the rescission period shall be at least seven
14 days;

15 (5) In satisfaction of section 514E-16, all funds and any
16 negotiable instruments received during the seven-day
17 rescission period shall be placed in an escrow account
18 in the State. The escrow agent shall be a bank,
19 savings and loan association, or trust company
20 authorized to do business in the State under an escrow
21 arrangement or a corporation licensed as an escrow



1 depository under chapter 449. The funds or negotiable
2 instruments may be released from escrow; provided that
3 the release is in accordance with section 514E-17
4 [~~o~~], 514E-18 [-], or 514E-B. Any escrow account
5 established for any out-of-state time share plan
6 offered under this subsection may be maintained in the
7 state where the time share plan is located after the
8 seven-day rescission period has expired; provided that
9 the escrow agent submits to personal jurisdiction in
10 this State;

11 (6) The developer shall provide the purchaser, in writing,
12 either in the disclosure documents or otherwise, all
13 of the following:

14 (A) A description of the type of time share plan
15 offered, including the duration and operation of
16 the time share plan;

17 (B) A description of the existing or proposed
18 accommodations and amenities in the time share
19 plan;

20 (C) A description of the method and timing for
21 performing maintenance on the accommodations;



1 (D) If applicable, copies of the declaration,
 2 association articles of incorporation,
 3 association bylaws, and association rules and
 4 regulations; and

5 (E) The current annual budget for the time share
 6 plan;

7 (7) The time share plan being offered is registered in the
 8 state where the time share plan is located; or in the
 9 event registration of the time share plan is not
 10 required in the state where the time share plan is
 11 located, the time share plan being offered is in
 12 compliance with the applicable laws of that state; and

13 (8) The contract for purchase shall contain the following
 14 statement in conspicuous type:

15 "THIS TIME SHARE PLAN HAS NOT BEEN REVIEWED OR
 16 APPROVED BY THE STATE OF HAWAII BECAUSE YOU ALREADY
 17 OWN AN INTEREST IN A TIME SHARE PLAN THAT YOU
 18 PURCHASED FROM _____ (DEVELOPER OR
 19 AFFILIATE'S NAME), AND _____ HAS A
 20 TIME SHARE PLAN CURRENTLY REGISTERED WITH THE STATE OF
 21 HAWAII (INCLUDE REGISTRATION #). (IF APPLICABLE)



1 (AFFILIATE) IS AN AFFILIATED ENTITY OF THE SELLER AS
 2 THAT TERM IS DEFINED IN CHAPTER 514E, HAWAII REVISED
 3 STATUTES. THE TIME SHARE INTEREST YOU ARE PURCHASING
 4 REQUIRES CERTAIN PROCEDURES TO BE FOLLOWED IN ORDER
 5 FOR YOU TO USE YOUR INTEREST. THESE PROCEDURES MAY BE
 6 DIFFERENT FROM THOSE FOLLOWED IN OTHER TIME SHARE
 7 PLANS. YOU SHOULD READ AND UNDERSTAND THESE
 8 PROCEDURES PRIOR TO PURCHASING."

9 SECTION 5. Section 514E-16, Hawaii Revised Statutes, is
 10 amended to read as follows:

11 **"§514E-16 Deposit of purchaser's funds, notes, and**
 12 **contracts into escrow.** (a) All funds and any negotiable
 13 instruments and purchase money contracts received before closing
 14 from or on behalf of purchasers or prospective purchasers in
 15 connection with the purchase or reservation of time share
 16 interests must be placed in an escrow account. However, the
 17 developer or a sales agent may hold, until the expiration of the
 18 seven-day-cancellation period provided by section 514E-8 or any
 19 longer purchaser cancellation period provided in the sales
 20 contract, a negotiable instrument, or purchase money contract
 21 made by a purchaser:



1 (1) For which subsequent holders cannot claim holder in
2 due course status within the meaning of article 3 of
3 chapter 490; or

4 (2) Where the payee is:

5 (A) The escrow agent; or

6 (B) The trustee of a lien payment trust.

7 (b) The escrow agent must be a bank, savings and loan
8 association, or a trust company authorized to do business in the
9 State under an escrow arrangement or a corporation licensed as
10 an escrow depository under chapter 449. However, in connection
11 with sales made out of the State for the use of time share units
12 located in the State, the escrow agent may be located in and the
13 purchasers' funds, negotiable instruments, and purchase money
14 contracts may be impounded in the jurisdiction where the sale is
15 made, if the law of such jurisdiction requires it. In such
16 event, the out-of-state escrow agent shall be subject to the
17 approval of the director.

18 (c) The establishment of such an escrow account shall be
19 evidenced by a written escrow agreement between the developer
20 and the in-state or out-of-state escrow agent. The escrow
21 agreement must provide for the handling of purchaser's funds,



1 negotiable instruments, and purchase money contracts as required
2 by this chapter and must contain any provisions required by
3 rules adopted by the director pursuant to chapter 91.

4 (d) A developer or an affiliate of a developer who
5 provides purchase money financing to a time share purchaser
6 shall deposit into the escrow account established under
7 subsection (a) all loan payments made by the purchaser prior to
8 closing. The deposit shall be made no later than the last to
9 occur of: seven business days after receipt of the payment by
10 the developer, an affiliate of the developer, or the developer's
11 or affiliate's servicing agent; or seven business days following
12 the date upon which any payment made prior to closing becomes
13 good and immediately available funds. Thereafter, the payments
14 may be released from escrow in accordance with section 514E-17,
15 514E-18, or 514E-B."

16 SECTION 6. Section 514E-30, Hawaii Revised Statutes, is
17 amended to read as follows:

18 **"§514E-30 Scope of chapter.** (a) This chapter applies to
19 the offer and sale in Hawaii of time share interests in time
20 share units located in Hawaii. If time share units are located
21 outside of Hawaii, but any offer or sale is made within the

1 State, this chapter, except for sections 514E-3, 514E-4, 514E-5,
2 514E-6, 514E-7, 514E-10(c), and 514E-14, shall apply. As to the
3 offer and sale outside of Hawaii of time share interest in a
4 time share plan which includes time share units located in
5 Hawaii, this chapter, except for sections 514E-2.5, 514E-8,
6 514E-9, 514E-10(b), 514E-11, and 514E-11.1 shall apply.

7 (b) This chapter applies to the offer and sale in Hawaii
8 of short-term products. This chapter does not apply to the
9 offer or sale of short-term products outside of Hawaii,
10 regardless of whether the short-term product buyer shall have
11 the right to use accommodations in Hawaii."

12 SECTION 7. In codifying the new sections added by section
13 2 of this Act, the revisor of statutes shall substitute
14 appropriate section numbers for the letters used in designating
15 the new sections in this Act.

16 SECTION 8. Statutory material to be repealed is bracketed
17 and stricken. New statutory material is underscored.

18 SECTION 9. This Act shall take effect on July 1, 2115;
19 provided that sections 514E-B and 514E-C, Hawaii Revised
20 Statutes, established pursuant to section 2 of this Act, and
21 sections 4 and 5 of this Act shall be repealed on July 1, 2120.



Report Title:

Time Sharing; Time Share; Short-term Product; Right to Cancel;
Purchasers; Developers; Bond

Description:

Provides cancellation rights to persons who contract to buy a short-term product in Hawaii. Allows disbursement of purchasers' funds to a developer; provided that the developer first posts a bond. Effective 07/01/2115. (SD2)

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