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# HOUSE CONCURRENT RESOLUTION

REQUESTING THAT THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
CREATE AN INTERIM WORKING GROUP TO REVIEW LAWS AND  
REGULATIONS GOVERNING TIME SHARE PLANS.

1 WHEREAS, time shares are an important component of the  
2 tourism industry in Hawaii with a consistent and dependable  
3 visitor base bringing substantial tax dollars to the State even  
4 during periods of economic turndown; and

5  
6 WHEREAS, the time share industry is heavily regulated under  
7 existing state law, including administrative rules; and

8  
9 WHEREAS, the Department of Commerce and Consumer Affairs  
10 Time Share Administrator has administrative oversight of time  
11 share plans in Hawaii; and

12  
13 WHEREAS, a number of the laws and rules governing time  
14 share plans in Hawaii may be outdated, unduly burdensome, or  
15 even contradict the laws of other states; and

16  
17 WHEREAS, a comprehensive review of the laws and rules  
18 governing time share plans in Hawaii and a proposal of revisions  
19 based on best industry practices would aid the Department of  
20 Commerce and Consumer Affairs in improving its oversight of  
21 Hawaii's time share industry; now, therefore,

22  
23 BE IT RESOLVED by the House of Representatives of the  
24 Thirtieth Legislature of the State of Hawaii, Regular Session of  
25 2019, the Senate concurring, that the Department of Commerce and  
26 Consumer Affairs is requested to convene a working group in  
27 order to conduct a comprehensive review of Hawaii's rules and  
28 regulations concerning time share plans; and

29  
30 BE IT FURTHER RESOLVED that the working group shall be  
31 comprised of at least the following members:  
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- 1           (1) The Director of the Department of Commerce and  
2           Consumer Affairs, or designee, who shall serve as  
3           chairperson of the working group;  
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- 5           (2) The Time Share Administrator of the Department of  
6           Commerce and Consumer Affairs, or designee;  
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- 8           (3) A representative from the American Resort Development  
9           Association; and  
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- 11          (4) A representative from companies providing title and  
12          escrow services for the sale of an interest in a time  
13          share plan and licensed to do business in Hawaii; and  
14

15           BE IT FURTHER RESOLVED that the working group is requested  
16 to consider:

- 17
- 18          (1) Circumstances in which a time share consultant may be  
19          needed, including subject matter that may require the  
20          consultant's review or comment, and the time frame  
21          within which a consultant's report should be delivered  
22          to the Department of Commerce and Consumer Affairs and  
23          to the developer;  
24
- 25          (2) Circumstances in which an escrow bond may be used as a  
26          proxy for buyer's funds;  
27
- 28          (3) Activities which may be accomplished through a  
29          ministerial review or approved without review;  
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- 31          (4) Whether time share registrations should not expire  
32          unless the developer or agency takes affirmative  
33          action;  
34
- 35          (5) Application of a "shot clock" provision to encourage  
36          timely review of filings;  
37
- 38          (6) Eliminating or providing waivers for listing title  
39          exceptions in the disclosure statement and filing  
40          copies of title encumbrances as part of the  
41          registration process is preferred;  
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