

Honolulu, Hawaii

APR 27 2023

RE: S.B. No. 799
S.D. 1
H.D. 2
C.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 799, S.D. 1, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TIME SHARING PLANS,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) For time share plans that use title holding trusts, require the developer to submit a title report evidencing that the title is vested in the trustee;
- (2) For time share plans that use a notice of time share plan, require the recordation of the notice and its submission; and



- (3) For time share plans that use alternative arrangements, require the recordation of any alternative arrangement documents.

Your Committee on Conference finds that under existing law, a developer's application for registration of a time share plan is required to include a title report or other evidence of title. The State's law governing time sharing plans requires that the rights of time share owners be protected from blanket liens, such as mortgages, that could deprive the time share owners of the use of the time share units in the event of a foreclosure. Accordingly, the time share industry has implemented various means to ensure that a time share owner's right to use the time share is protected, such as title-holding trusts, notice of time share plan, and other alternative arrangements. In these cases, developers are required to submit an update to the title report; however, once a title report has sufficiently evidenced blanket protections are in place, further evidence of conveyance is not needed. This measure removes unnecessary regulatory burdens if a method of protecting buyers is satisfied.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have authorized the Director of Commerce and Consumer Affairs to require the submission of title reports for purposes other than to evidence protection against future blanket liens and replacing it with language that clarifies a time share developer shall not thereafter be required to submit additional title reports that meet certain requirements unless otherwise required by other sections of chapter 514E, Hawaii Revised Statutes; and
- (2) Changing the effective date to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 799, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 799, S.D. 1, H.D. 2, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



SEAN QUINLAN
Co-Chair



MARK M. NAKASHIMA
Co-Chair



BARRETT KEOHOKALOLE
Chair



Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 799, SD 1, HD 2	Date/Time: 04/24/23 1:37 PM
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
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Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
KEOHOKALOPE, Jarrett, Chr.	/				QUINLAN, Sean, Co-Chr.	/			
MCKELVEY, Angus L.K.				/	NAKASHIMA, Mark M., Co-Chr.	/			
AWA, Brenton	/				KONG, Sam Satoru	/			
					SAYAMA, Jackson D.	/			
					PIERICK, Elijah	/			
TOTAL	2			1	TOTAL	5			

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
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Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature:
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