

STAND. COM. REP. NO. 827

Honolulu, Hawaii

MAR 03 2023

RE: S.B. No. 799
S.D. 1

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

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 799 entitled:

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

begs leave to report as follows:

The purpose and intent 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 received testimony in support of this measure from the Marriott Vacations Worldwide Corporation, ARDA Hawai'i, Hilton Grand Vacations, and one individual. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.



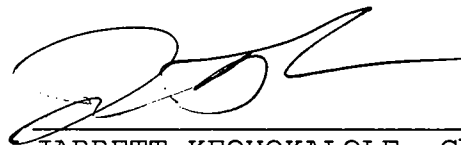
Your Committee finds that existing law requires that a developer application for registration of a time share plan include a title report or other evidence of title. The State's law governing time sharing plans requires that the rights of time share owners be protected from blanket liens, such as mortgages, that could be used to deprive the time share owners of the use of the time share units. Foreclosure of a mortgage could cause the time share owners to lose their occupancy rights. As a result, 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, or should be, required to submit an update to title report; however, once blanket lien protections are in place, there is no further need for the developer to submit additional title reports. This measure streamlines the review of timeshare registration filings while continuing to maintain high levels of consumer protection.

Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 799, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 799, 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,



JARRETT KEOHOKALO, Chair



The Senate
Thirty-Second Legislature
State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* SB799	Committee Referral: CPN	Date: 2/10/23		
<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
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"	✓			
AWA, Brenton	✓			
TOTAL	5	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes