

HCS HB 1338 -- BUYERS CLUB (Wood)

This substitute requires travel clubs and vacation clubs to keep their registration or certificate of authority to do business on file and in good standing with the Secretary of State. These clubs are required to file and maintain a bond with corporate surety or a letter of credit from a bank with the Attorney General in an amount to be determined by the Attorney General. The bond or letter of credit must be renewed annually. The substitute specifies the information clubs are required to give the Attorney General when filing the bond or letter of credit.

The bond or letter of credit will be in favor of the state for the benefit of any claimant who suffers a loss.

The substitute allows anyone who purchases a travel club membership to rescind the purchase by providing written notice within seven business days following the date on which the purchase was made. The seller must provide the purchaser with a confirmation number within five business days of the sale. If the confirmation number is not postmarked or electronically confirmed prior to the fifth day, the customer's right of rescission extends to the fourteenth business day following the purchase. If a purchaser cancels a membership, a refund will be delivered to the purchaser within 30 days after the notice of rescission is given. The right to rescission cannot be waived. Notice of cancellation must be written and sent certified mail, return receipt requested, with the proper postage and address.

FISCAL NOTE: No impact on state funds in FY 2005, FY 2006, and FY 2007.