

HCS SS SCS SB 1034 -- VACATION CLUBS

SPONSOR: Childers (Marsh)

COMMITTEE ACTION: Voted "do pass" by the Committee on Tourism and Cultural Affairs by a vote of 16 to 0 with 2 present.

This substitute requires vacation clubs to maintain a registration statement with the Attorney General's Office which contains the following information:

- (1) Name of the vacation club;
- (2) Identification of any parent or affiliate organization;
- (3) The vacation club's business type and place of organization;
- (4) The club's formation and governing documents if the club is an entity;
- (5) The location where the fictitious name has been registered and the same identification of the parent or affiliate organization if the club is operating under a fictitious business name;
- (6) Names and addresses of principal owners, officers, and directors in the club;
- (7) Addresses where the club will offer vacation benefits for sale;
- (8) Name and address where a service agent is located; and
- (9) Description of the vacation benefits offered for sale.

The Attorney General must provide evidence of his or her approval of the registration statement within 30 days of its submission. If the registration statements meets the requirements, the Attorney General must approve the registration. If deficiencies exist, the Attorney General must inform the vacation club in writing and provide the advice needed to correct the deficiency within 15 working days from the initial filing of the documents.

The Attorney General may charge an annual renewal fee of up to \$250 for registration. The renewal must be made within 30 calendar days of the anniversary date of the issuance of the club's registration statement.

In addition to the registration statement, the club must provide the following:

- (1) The form of contract which contains a recission statement;
- (2) The form of surety bond that will be issued upon approval of the registration statement by the Attorney General, which can include a bond, letter of credit, certificate of deposit, or other financial assurance; and
- (3) The renewal fee.

Purchasers of vacation benefits from a registered club have a non-waivable right for five working days to rescind and cancel their purchase and receive a full or partial refund minus any services actually consumed or utilized. Upon rescinding the contract, the purchaser must return any materials received from the club.

Purchasers of vacation benefits that have a grievance may file a written complaint with the Attorney General, county prosecuting attorney, or any existing county vacation mediation board. The office which receives the complaint must deliver it to the club within 10 working day. If the office fails to do so, any action will be stayed for 15 days to allow the club to cure the grievance.

Prior to utilizing any other remedy available, a club will have 30 working days following the filing to cure any grievances. The parties may not seek other forms or redress during this period. Upon satisfaction of any complaint, the parties must execute a written mutual release which will remove the matter as a basis for further action by any entity or person.

Any person who violates this provision is guilty of a class D felony and will be subject to a penalty of \$10,000.

FISCAL NOTE: Estimated Effect on General Revenue Fund of a cost of \$61,601 to an income of Unknown in FY 2005, a cost of \$75,812 to an income of Unknown in FY 2006, and a cost of \$77,752 to an income of Unknown. No impact on Other State Funds in FY 2005, FY 2006, and FY 2007.

PROPONENTS: Supporters say this legislation is needed to protect consumers.

Testifying for the bill were Senator Childers; American Council of Travel; Cendant Corporation; Branson/Lakes Area Chamber of Commerce; and American Council of Travel.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say this is needed to

regulate the industry.

Others testifying on the bill was Office of Attorney General.

Robert Triplett, Legislative Analyst