

FIRST REGULAR SESSION

HOUSE BILL NO. 1253

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE MORRIS (140).

2336H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 407.600, RSMo, and to enact in lieu thereof two new sections relating to timeshares, with a penalty provision.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 407.600, RSMo, is repealed and two new sections enacted in lieu thereof, to be known as sections 407.600 and 407.636, to read as follows:

407.600. As used in sections 407.600 to ~~[407.630]~~ **407.636**, the following terms shall mean:

(1) "Accommodations", any apartment, condominium or cooperative unit, cabin, lodge, hotel or motel room, or any other private or commercial structure which is situated on real property and designed for occupancy by one or more individuals, which is made available to the purchasers of a ~~[time-share]~~ **timeshare** plan;

(2) "Enrolled", paid membership in an exchange program or membership in an exchange program evidenced by written acceptance or confirmation of membership;

(3) "Exchange company", the person operating an exchange program;

(4) "Exchange program", any opportunity or procedure for the assignment or exchange of ~~[time-share]~~ **timeshare** periods among purchasers in the same or other ~~[time-share]~~ **timeshare** plans;

(5) "Facilities", any structure, service, improvement, campground, recreational vehicle park or real property, improved or unimproved, which is made available to the purchasers of a ~~[time-share]~~ **timeshare** plan;

(6) "Person", any natural person or his legal representative, partnership, domestic or foreign corporation, company, trust, business entity or association, and any agent, employee,

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 salesman, partner, officer, director, member, stockholder, associate, trustee or cestui que trust
19 thereof;

20 (7) **"Prize" or "gift", any merchandise offered in any timeshare promotional**
21 **device, sweepstakes, drawing or display booth which is used to induce or encourage the**
22 **attendance of any timeshare sales solicitation or presentation;**

23 (8) "Promotion", any advertisement, whether by mail, radio, television or personal sales,
24 in which a ~~[time-share]~~ **timeshare** property is offered for sale by use of a sweepstakes;

25 ~~[(8)]~~ (9) "Sweepstakes", a method of promoting the sale of ~~[time-share]~~ **timeshare** plans
26 which involves the offering, giving, or awarding of prizes which have odds associated with the
27 actual delivery of the prize or gift;

28 ~~[(9)]~~ **"Timeshare developments", a single specific parcel of real**
29 **property from which only timeshare plans are offered for sale or sold;**

30 (11) **"Timeshare periods", all periods of time when a purchaser of a ~~[time-share]~~**
31 **timeshare** plan is entitled to the possession and use of the accommodations or facilities, or both,
32 of a ~~[time-share]~~ **timeshare** plan regardless of whether such periods are designated as one or
33 more specific days, weeks or months;

34 ~~[(10)]~~ **"Time-share developments", a single specific parcel of real property from which**
35 **only time-share plans are offered for sale or sold;**

36 ~~———[(11)]~~ **"Time-share] (12) "Timeshare exit assistance or relief services", any service,**
37 **plan, or program:**

38 (a) **Offered in this state; provided to an owner of a timeshare interest who is a**
39 **resident of this state, or offered anywhere in connection with a timeshare plan that**
40 **contains accommodations located in this state, or a timeshare plan located or domesticated**
41 **in this state;**

42 (b) **Offered in exchange for consideration; and**

43 (c) **That is represented, expressly or by implication, to assist, or attempt to assist,**
44 **the owner with any of the actions, activities, or services set forth in subsection 2 of section**
45 **407.636;**

46 (13) **"Timeshare exit assistance or relief services provider", any person who**
47 **provides, offers to provide, or arranges for others to provide, any timeshare exit assistance**
48 **or relief services. "Timeshare exit assistance or relief services provider" shall not include:**

49 (a) **A developer or managing entity of a timeshare plan, to the extent that either of**
50 **them offers timeshare exit assistance or relief services to owners of timeshare interests in**
51 **their own timeshare plans;**

52 (b) A mortgagee or lienor, to the extent that the mortgagee or lienor offers
53 timeshare exit assistance or relief services to a borrower or debtor related to a mortgage
54 or lien encumbering the owner's timeshare interest;

55 (c) The servicer of a mortgagee or lienor; or

56 (d) Any agent or contractor of an entity described under paragraphs (a) to (c) of
57 this subdivision;

58 (14) "Timeshare plan", any arrangement, plan, scheme or similar device, other than an
59 exchange program, whether by membership, agreement, tenancy in common, sale, lease, deed,
60 rental agreement, license, right-to-use agreement or any other means, whereby a purchaser, in
61 exchange for a consideration, receives one or more ~~[time-share]~~ timeshare periods, or any type
62 of interval or joint ownership in, or a right-to-use, any accommodation or facility for a period of
63 time which is less than a full continuous and uninterrupted year during any given year, and which
64 extends for a period of more than three years, as to each individual ~~[time-share]~~ timeshare
65 development subject to the purchase;

66 ~~[(12) "Time-share]~~ (15) "Timeshare unit", an accommodation or facility of a
67 ~~[time-share]~~ timeshare plan which is divided into ~~[time-share]~~ timeshare periods, or is
68 otherwise subject to interval or joint ownership or use by the purchaser of the ~~[time-share]~~
69 timeshare plans[;

70 ~~— (13) "Prize/gift", any merchandise offered in any time-share promotional device,~~
71 ~~sweepstakes, drawing or display booth which is used to induce or encourage the attendance of~~
72 ~~any time-share sales solicitation or presentation].~~

**407.636. 1. No timeshare exit assistance or relief services agreements shall be valid
2 unless written.**

3 **2. In the course of offering or providing timeshare exit assistance or relief services,**
4 **a timeshare exit assistance or relief services provider shall not:**

5 (1) Engage in or initiate timeshare exit assistance or relief services without first
6 executing a written agreement with the owner for timeshare exit assistance or relief
7 services;

8 (2) Solicit, charge, receive, or attempt to collect or secure payment, directly or
9 indirectly, for timeshare exit assistance or relief services before completing or performing
10 all services contained in the agreement for timeshare exit assistance or relief services;

11 (3) Represent, expressly or by implication, in connection with the advertising,
12 marketing, promotion, offering for sale, sale, or performance of any timeshare exit
13 assistance or relief service that an owner cannot or should not contact or communicate with
14 the developer or managing entity of his or her timeshare plan, exchange company,

15 mortgagee, or lienor or that such developer, managing entity, exchange company,
16 mortgagee, or lienor is prohibited from contacting or communicating with the owner;

17 (4) Misrepresent, expressly or by implication, any material aspect of any timeshare
18 exit assistance or relief service including, but not limited to:

19 (a) The likelihood of negotiating, obtaining, or arranging any represented service
20 or result;

21 (b) The amount of time it will take the timeshare exit assistance or relief services
22 provider to accomplish any represented service or result;

23 (c) That a timeshare exit assistance or relief services provider is affiliated with,
24 endorsed or approved by, or otherwise associated with any developer or managing entity
25 of the timeshare plan, an exchange company, the timeshare plan, the mortgagee, the lienor,
26 the United States government, the state of Missouri, any government agency or
27 department, any nonprofit counselor agency or program, or any other individual, entity,
28 or program;

29 (d) The owner's obligation to make scheduled periodic payments or any other
30 payments pursuant to the terms of the owner's timeshare interest assessment obligation or
31 mortgage, lien, or encumbrance;

32 (e) The terms or conditions of the owner's timeshare assessment obligation or
33 mortgage, lien, or encumbrance including, but not limited to, the amount owed;

34 (f) The terms or conditions of any refund, cancellation, exchange, or repurchase
35 policy for a timeshare exit assistance or relief service including, but not limited to, the
36 likelihood of obtaining a full or partial refund, or the circumstances in which a full or
37 partial refund will be granted, for a timeshare exit assistance or relief service;

38 (g) That the timeshare exit assistance or relief services provider has completed the
39 represented services or has a right to claim, demand, charge, collect, or receive payment
40 or other consideration;

41 (h) That the owner will receive legal representation;

42 (i) The availability, performance, cost, or characteristics of any alternative to
43 for-profit timeshare exit assistance or relief services through which the owner may obtain
44 relief, including negotiating directly with the managing entity or mortgagee or lienor;

45 (j) The amount of moneys or the percentage of the obligation amount that an owner
46 may save by using the timeshare exit assistance or relief service;

47 (k) The total cost to purchase the timeshare exit assistance or relief service;

48 (l) The terms, conditions, or limitations of any offer of relief the timeshare exit
49 assistance or relief services provider obtains from the owner's managing entity, mortgagee,
50 or lienor, including the time period in which the owner must decide to accept the offer; or

51 **(m) The owner's information was obtained from, or provided to the timeshare exit**
52 **assistance or relief services provider by, the developer or managing entity of the owner's**
53 **timeshare plan or an exchange company;**

54 **(5) Attempt to transfer, cause another to attempt to transfer, or advise an owner**
55 **to attempt to transfer a conveyance of the legal or beneficial title of an owner's timeshare**
56 **interest to a third party, as evidenced by the filing of a deed for conveyance of legal title,**
57 **deed in lieu of foreclosure, or other instrument for conveyance of beneficial title, to the**
58 **recorder of deeds for recording when such third party has not expressly accepted such**
59 **transfer or in any way that may limit any applicable right of first refusal held by the**
60 **developer or managing entity; or**

61 **(6) Make any representations, expressly or by implication, about the benefits,**
62 **performance, or efficacy of any timeshare exit assistance or relief service unless, at the time**
63 **such representation is made, the timeshare exit assistance or relief services provider**
64 **possesses and relies upon competent and reliable evidence that substantiates that the**
65 **representation is true.**

66 **3. Any violation of this section is subject to a civil penalty of up to fifteen thousand**
67 **dollars per violation.**

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