

HCS HB 2188 -- TIMESHARES

SPONSOR: Francis

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Small Business by a vote of 6 to 0.

The following is a summary of the House Committee Substitute for HB 2188.

This bill added additional terms in the definition section.

This bill requires that a potential purchaser of a timeshare plan or timeshare property be given a clear and conspicuous disclosure containing the heading "Notice of Annual Maintenance Fees" that advises that the timeshare is subject to annual maintenance fees that may increase every year, and includes a table that indicates the annual maintenance fees for each of the previous five years and the percentage by which the annual maintenance fees changed year-to-year.

This bill also prohibits a person from engaging in any timeshare transfer services for consideration without first obtaining a written agreement to provide the timeshare transfer services signed by the consumer reseller. No person shall fail to provide both the consumer reseller and the escrow agent holding moneys related to the timeshare transfer services with an executed copy of the agreement. The requirements of the agreement are specified in the bill.

Before entering a timeshare transfer services agreement, a person providing timeshare transfer services shall establish an escrow account with an escrow agent for the purpose of protecting the funds or other property of consumer resellers required to be escrowed by this section. This bill contains a penalty provision.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that they do not want people to continuously lose their money to get out of a timeshare.

Testifying for the bill were Representative Francis; the American Resort Development Association.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say timeshare exit companies

take your money and then go away.

Testifying on the bill was Trent Ford.