

# Advocating on Behalf of Owners



## AMERICAN RESORT DEVELOPMENT ASSOCIATION – RESORT OWNERS' COALITION (ARDA-ROC)

ARDA-ROC is dedicated to protecting, preserving and enhancing vacation ownership for the more than **1 Million timeshare owners** it represents. We vigilantly monitor legislation that affects our members, actively oppose the bills that have an adverse effect on the timeshare industry, and proactively seek to pass legislation that benefits timeshare owners.

*The list that follows reflects ARDA-ROC's accomplishments from 2006 through July 2016.*

\*\*\*Gray shading indicates accomplishments between January 2013 and July 2016.

STATE	LEGISLATIVE / REGULATORY CHANGE	BENEFIT TO OWNERS / HOA
<b>ARIZONA</b>	Passed legislation that increases the non-monetary finder fee to \$1,000 annually. This can be given to timeshare owners and allows timeshare managing entities, as well as developers, to use finder fees.	Allows the resort managing entity to pay a non-monetary fee (i.e. a credit against maintenance fees) when an owner refers a new buyer to the resort in order to facilitate the resale of foreclosed weeks.
	Passed non-judicial foreclosure legislation for timeshare homeowners' associations.	Saves homeowners' associations time and money when conducting the foreclosures of timeshare interests that are delinquent on maintenance fees.
	Continued to monitor unfavorable home owners' association legislation, and worked to educate legislators to support non-judicial foreclosure legislation for timeshare assessment liens in 2007.	Prevents unfavorable laws from being applied to timeshare associations. Sets the stage for beneficial foreclosure legislation in 2007 to reduce foreclosure costs.
<b>ARKANSAS</b>	Amended the Timeshare Act to modernize the statute and expand consumer protection and privacy.	Provides greater protection for owners and ensures their personal information is not shared with third parties for commercial purposes, unwanted solicitation or fraudulent activity.
<b>CALIFORNIA</b>	Filed legislation to address a gap in the privacy of owner lists.	Provides greater protection for owners to ensure their personal information is not shared with third parties for commercial purposes, unwanted solicitation or fraudulent activity.
	Passed legislation to allow electronic delivery of public disclosure documents.	Eliminates unnecessary and duplicative disclosure requirements when a state-approved public report is already provided to the purchaser at the time of sale. Also permits disclosure documents to be delivered to purchasers electronically by request.

**CALIFORNIA  
CONT.**

Part of a coalition that gained important concession in SB 407, requiring the replacement of all plumbing fixtures in California that don't meet current water conservation standards.

Bill would have initially required most timeshare properties to comply with the new plumbing fixtures by January 2014. ARDA was instrumental in securing an extension until 2019, allowing HOA's more time to plan for the new expense.

Funded efforts to defeat Proposition 88 that would have imposed \$50 parcel tax on each separate portion of real estate.

Saved owners from paying \$50 tax per separate week owned on an annual basis.

**COLORADO**

Passed legislation that revised the statute requiring licensure of professional community association managers. The new revision excludes managers of communities in which the majority of units (50 percent) are designated as timeshare units.

Exempts timeshare association managers from a costly and cumbersome regulatory structure that was designed for the needs of whole ownership communities. It clarifies the collections policy to ensure a better process for timeshare management companies to collect delinquent payments.

Passed legislation providing for regulation of resale/transfer transactions in Colorado.

Bill provides protection for owners and associations from aggressive and misleading sales and marketing practices in the resale market. It requires disclosures to be given to the seller and prohibits advance fees for the transfer of a timeshare interest.

Passed non-judicial foreclosure legislation for timeshare homeowners' associations.

Saves homeowners' associations time and money when conducting the foreclosures of timeshare interests that are delinquent on maintenance fees.

**CONNECTICUT**

Enacted entirely new timeshare law, in effect as of January 1, 2010.

Adds consumer protection provisions, disclosure, licensing requirements, and enforcement provisions for timeshare resellers operating in the state.

**FLORIDA**

Passed legislation to modernize the timeshare act in order to account for new developments in product structures (trusts), provide additional detail and transparency to current disclosures, and provide new tools for associations.

Provides a means for owners in older associations to either extend or end their timeshare plan when the plan contains no provisions to do so. It also adds detail to existing substitution provisions, limiting the amount a plan can be changed in a given year. This now gives owners an opportunity to object to a substitution—a right they didn't have traditionally.

**FLORIDA CONT.**

<p>Strongly supported legislation to reinstate an exemption for timeshare condominiums relating to certain association board election procedures.</p>	<p>This change helps save timeshare condominium associations significant time and money that was being spent on complying with election provisions that were intended for whole ownership condominiums.</p>
<p>Strongly supported legislation providing necessary protection for owners transferring a timeshare.</p>	<p>This legislation helps owners, managing entities and associations by enacting regulation of the timeshare transfer transaction, streamlining the trustee foreclosure process, and fixing an inadvertent change to the condominium law.</p>
<p>Supported the <i>Timeshare Resale Accountability Act</i> which protects timeshare owners by holding resale companies who use deceptive business practices accountable for their actions.</p>	<p>Among other things, the law requires timeshare resale companies to disclose all terms and conditions of their business offering to a consumer. It provides a right of rescission for consumers to cancel a contract for resale services. And it imposes penalties on companies who continue their deceptive practices.</p>
<p>Successfully opposed legislation that would have deregulated all aspects of the timeshare industry and telemarketers / sellers of travel.</p>	<p>The failure of this bill and the removal of the timeshare provision preserves long-standing consumer protections for timeshare owners and buyers in Florida.</p>
<p>Passed legislation that created a streamlined foreclosure process, removing timeshare foreclosures from the judicial system.</p>	<p>Saves homeowners' associations time and money when conducting the foreclosures of timeshare interests that are delinquent on maintenance fees.</p>
<p>Supported legislation that removed restrictions from the condominium law, which placed limitations on timeshare condominium homeowners' association board of directors.</p>	<p>Removes restrictions on homeowners' associations that prevent board members from serving consecutive terms, and from co-owners of the same unit from serving on the board simultaneously.</p>
<p>Passed legislation establishing timeshare exchanges to not be subject to taxation in Florida, codifying the tax status for exchange.</p>	<p>Owners will not have to pay or charge sales taxes when they exchange a timeshare in Florida.</p>

**FLORIDA CONT.**

Also cleared the way for timeshare developers to offer “debt cancellation” products to prospective owners.

“Debt cancellation” products would allow timeshare buyers to return a timeshare to the developer in case of a job loss, or other specified life events without a negative impact on their credit score.

Passed comprehensive timeshare bill that included landmark insurance reform, providing relief for homeowners’ associations. Also worked to modify / exempt timeshare industry from condominium legislation, potentially harmful tax legislation, and various other bills that would impact the operation of homeowners’ associations.

The law provides for an affordable alternative to obtaining insurance for sold-out homeowners’ associations and protects the timeshare industry from harmful regulation.

**HAWAII**

Monitored legislation to increase the transient accommodations tax (TAT) imposed on Hawaii-based timeshare units, ensuring no other provisions were attached to the legislation.

TAT will increase 1% each year to gradually achieve a rate of 9.25%, bringing the TAT rate currently applied to timeshare in line with the tax rate applied to hotel guests for transient stays (e.g. Hotel rentals).

Supported legislation relating to buyers’ rights on short-term timeshare products in Hawaii.

If passed, the legislation would provide cancellation rights (seven days) to the purchasers of short-term products, as well as allow for better protection to recoup buyers’ funds (should the developer default on the construction loan or fail to complete the construction project). The bill did not pass this session.

Supported legislation to modernize the state’s timeshare marketing practices. The bill eliminates the requirement for a timeshare pricelist to be filed with the Department of Commerce and Consumer Affairs, and clarifies that promotional items given as an incentive for a potential purchaser to attend a sales presentation may be given at the completion of the sales presentation.

These changes help increase operational efficiencies for timeshare developers and bring the timeshare statute in line with current sales and marketing practices. Most importantly, these changes will not decrease the level of consumer protection that is currently provided.

**HAWAII CONT.**

Supported legislation re-establishing a program that allows for the sale of timeshare units located within Hawaii to take place in international waters and in foreign countries, without having to secure approval of a U.S. state department consular officer or an apostille—a cumbersome and time consuming process.

The bill allows the governor to appoint Commissioners of Deeds to authenticate timeshare purchase agreements signed abroad.

Successfully opposed legislation to prohibit any new timeshare units or plans in Maui's hotel district and service business residential district. If passed, this legislation would eliminate any further timeshare development in Maui county, including conversions of hotel properties to timeshare.

ARDA-ROC and ARDA strongly oppose any proposals which would erode the rights of all industry participants—from owners to developers. This proposal was deferred.

Defeated legislation that would make changes to the way condominium owners access association-related information to provide timeshare owners with the ability to obtain a copy of the owner list as maintained by the plan manager.

Protects owners' contact information.

Defeated state-wide proposal to increase taxes on timeshare owners by approximately 300%. With respect to the Maui County Council, ARDA-ROC was successful in helping reduce the increase in timeshare property tax from 28% to 7%.

At the state-wide level, defeating the tax saved owners over \$30 million in new taxes for 2012.

Supported legislation to extend general excise tax benefits to the timeshare industry.

Extends the tax exemptions for condominium common expenses paid by managers, sub-managers, and sub-operators, and for hotel employee expenses paid by hotel operators and timeshare projects.

Passed legislation that transfers timeshare interests from the land court system to the regular recording system.

This law saves every timeshare owner fees and costs associated with the recordation of a deeded interest timeshare in Hawaii.

<b>HAWAII CONT.</b>	Successfully thwarted attempts by state legislators to increase both transient and real property taxes for timeshare owners.	We continue to maintain the status quo with respect to real property taxes and the transient taxes that are imposed on timeshare owners.
	Assisted in defeating a bill to increase the TAT on timeshares by 400%.	Saved timeshare owners from paying a four-fold increase in timeshare accommodations tax.
<b>ILLINOIS</b>	Passed non-judicial foreclosure legislation for timeshare homeowners' associations.	Saves homeowners' associations time and money when conducting foreclosures of timeshare interests for failure to pay maintenance fees.
<b>MAINE</b>	Ensured a bill was re-introduced that would have provided for expedited foreclosure procedures was not at the expense of non-judicial foreclosure procedures currently available for timeshare interests.	Preserving non-judicial foreclosure procedures saves homeowners' associations time and money when conducting foreclosures on assessment liens.
	Funded successful efforts to enact a non-judicial foreclosure bill and a bill to clarify how real property taxes are assessed for timeshares.	Saves homeowners' associations time and money when conducting foreclosures of timeshare interests for failure to pay maintenance fees.
<b>MASSACHUSETTS</b>	Successfully opposed multiple bills that would require the mandatory take-back of timeshare interests by a managing entity or developer.	When an interest is returned to a developer or managing entity and goes unsold, it will be the responsibility of the remaining owners in the association to bear the costs of that ownership. This could create a negative spiral effect. If more and more owners are priced out of their timeshare, eventually it will lead an association into bankruptcy.
	ARDA-ROC and ARDA-New England worked with timeshare owners, developers, regulatory agencies, elected officials, and the Attorney General in support of legislation proposing sensible regulatory reform to the secondary/resale market.	If passed, would protect owners from unfair and deceptive sales and marketing practices used by many timeshare resale advertising and transfer/relief companies, through sensible regulatory reform to the largely unregulated secondary/resale market.

<b>MASSACHUSETTS CONT.</b>	Passed legislation to create a new streamlined foreclosure process that will remove timeshare foreclosures from the judicial system.	Saves homeowners' associations time and money when conducting foreclosures of timeshare interests for failure to pay maintenance fees.
<b>MISSOURI</b>	Successfully opposed legislation that would repeal existing provisions regarding non-judicial foreclosure and would require all foreclosure proceedings to be handled judicially.	Preserving non-judicial foreclosure procedures saves homeowners' associations time and money when conducting foreclosures on assessment liens.
	Passed legislation that clarifies timeshare properties are to be considered "residential" rather than "commercial" for purposes of property tax classification. This is based on a ratio of the nights the timeshare units are actually rented compared to the overall nights available for use in that timeshare development.	This will help protect timeshare owners from aggressive efforts from county assessors who are trying to apply a commercial rate that is substantially higher. The bill also limits an assessor's discretion in determining rental use.
	Reversed a Taney County decision to classify timeshare as a commercial use, which would have caused a dramatic increase in real estate property assessments.	This action saved timeshare owners from a 90% increase in property taxes during the assessment year.
<b>NEVADA</b>	Monitored proposed legislation that would add duplicative disclosure provisions to the timeshare law already covered in the public offering statement (POS). It did not pass.	If passed, the legislation would have added additional, redundant disclosures to the closing process.
	Passed revisions to existing timeshare law that streamlines the issuance of a timeshare public offering statement (POS), and defines what must be included, making it clear to developers and owners their rights and obligations. Also adds consumer protections for purchasers buying timeshares on the resale market and requires the purchaser be given a five-day right of rescission and other certain disclosures, prohibits misleading statements by timeshare resale brokers, and makes violations of the resale laws unfair or deceptive trade practices under existing law.	These revisions provide greater transparency and protections to owners.



**NEVADA CONT.**

Supported legislation to permit Internet advertising of timeshare foreclosures and establish standards to protect personal information of timeshare owners from abuse.

New law will reduce costs to owners' associations of advertising assessment lien foreclosures by allowing Internet ads in lieu of costly newspaper ads. Law establishes procedures to protect owner privacy from abusive marketers.

Opposed a proposed new policy by the Clark County Recorder's Office in cooperation with other affected groups.

Prevented implementation of new policies (of questionable legality) that could have dramatically increased recording costs (such as for foreclosure sales) in the Las Vegas area.

Successfully negotiated an amendment to AB 149 to exempt timeshare from requiring mediation for non-judicial foreclosures.

Mediation and other requirements would have added costs to a non-judicial foreclosure without adding meaningful consumer protection.

Successfully lobbied the Las Vegas Convention & Visitors Authority and the Clark County Commission to adopt regulations that exempted timeshare exchange from transient occupancy tax.

Saves owners from paying a tax on the "rental value" of a timeshare exchange into the Las Vegas area and discourages similar statewide legislation.

Successfully lobbied the Reno-Sparks Convention & Visitors Authority and the Washoe County Commission to adopt regulations that exempted timeshare exchange from transient occupancy tax.

Saves owners from paying a tax on the "rental value" of a timeshare exchange into the Reno-Sparks area and discourages similar statewide legislation.

Extensively lobbied the Reno-Sparks Convention & Visitors Authority and the Washoe County Commission to prevent introduction of an ordinance imposing a TOT on timeshare exchangers.

Saves owners from paying a tax on the "rental value" of a timeshare exchange into the Reno-Sparks area and discourages similar state-wide legislation.

**NEW JERSEY**

Established duties of the timeshare managing entity/owners association and provided for non-paying owners in timeshare foreclosures to be consolidated into one action in the 2006 New Jersey Real Estate Timeshare Act.

Clarifies owners' association duties and responsibilities in a modern new law and saves owners' associations foreclosure costs by permitting one action against multiple non-paying owners.

<b>NEW HAMPSHIRE</b>	Established an exemption for timeshare condominiums from a new bill that enacts stricter HOA voting requirements.	This bill would have created a limitation on owner participation in HOAs governance.
<b>RHODE ISLAND</b>	Defeated legislation that would have imposed a TOT tax on timeshare exchangers.	Saves owners from paying a tax on the "rental value" of a timeshare exchange.
	Worked to defeat a bill that increased timeshare owners' real property taxes and, when it passed, convinced the Governor to veto the bill (with the help of calls from timeshare owners!).	Saves Rhode Island timeshare owners from a substantial increase in their real property taxes.
<b>SOUTH CAROLINA</b>	Opposed legislation that would eliminate the sales tax exemption on the exchange of timeshare interests.	Imposing these taxes would discourage owners and guests from exchanging into South Carolina, as they will be charged an unprecedented exchange tax to do so.
	Successfully defeated a bill that would have allowed for the surrendering of timeshare interests to an HOA or managing entity upon the satisfaction of certain conditions.	This would have had devastating effects on the SC timeshare industry. When an interest is returned to a developer or managing entity and goes unsold, it will be the responsibility of the remaining owners in the association to bear the costs of that ownership. This could create a negative spiral effect. If more and more owners are priced out of their timeshare, eventually it will lead an association into bankruptcy.
	Strongly supported proposed legislation to add consumer protections to regulate timeshare resale and transfer companies in South Carolina and hold anyone who knowingly assists or participates in a plan that involves the transfer of a resale vacation timeshare to a person who has no intention of paying maintenances fees guilty of an unfair trade practice under South Carolina law. The legislation did not pass.	The proposed legislation would help protect South Carolina timeshare owners by providing them more information to help them make better choices about how to resell their timeshare and necessary protections (e.g. a written agreement with a stated rescission period). It will also help to curtail fraudulent transfer practices that negatively affect timeshare owners and homeowners' associations alike.

**SOUTH  
CAROLINA  
CONT.**

Protected sales and exchange tax exemption for timeshare from tax reform efforts to eliminate many of the current sales tax exemptions in South Carolina.	There will be no increased taxes on timeshare purchasers or timeshare owners who exchange in South Carolina.
Successfully advocated against recommendations of a state tax review panel that would significantly increase the tax burden on South Carolina owners.	Timeshare owners will not have to pay additional property and occupancy taxes on their South Carolina timeshare interests.
Successfully opposed legislation that would have imposed a sales tax on the exchange of timeshare units.	Prevented a sales tax on all timeshare exchanges that take place in South Carolina, saving timeshare owners tens if not hundreds of thousands of dollars in fees each year.
Prevented the passage of a bill that would have imposed a fee on all non-owner occupied timeshare units.	Timeshare owners do not have to pay this fee if they wanted to exchange or rent timeshare units in South Carolina.

**TENNESSEE**

Amended legislation to prevent imposition of sales tax on the value of timeshare exchanges.	Saves timeshare owners from paying taxes of an undefined amount on an exchange into Tennessee.
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**TEXAS**

Supporting proposed legislation that seeks to regulate timeshare transfer and exit companies by providing for more meaningful disclosures, contract requirements and increased penalties for fraudulent activity.	If passed, would provide owners with additional consumer protections and greater transparency when looking to transfer their ownership. It would also help curtail fraudulent transfer practices that harm owners and homeowners' associations.
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Supported legislation that establishes basic operating procedures for timeshare owners' associations in Texas, and sets standards for privacy protection of owners' association lists while permitting their use for legitimate association business, among other provisions.	The legislation clarifies what provisions apply to timeshares and protect their associations from burdensome provisions in other sections of the Property Code.
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Monitored and amended several bills affecting property owners' associations containing provisions inappropriate or potentially damaging to timeshare associations. Monitored the return of two bills that would have required timeshare	None of these bills were enacted during 2011 as ARDA-ROC worked with other groups that also found sections of the proposals to be problematic. However, more of these type bills are expected in 2013. Both sales price disclosure bills died in
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**TEXAS CONT.**

buyers (and other property purchasers) to disclose the sales price of the timeshare or be subject to civil penalties.

the Legislature, so ROC did not need to obtain a timeshare exemption as in prior sessions (2005-2009).

Helped to defeat attempts by the Texas Legislature to change the way real property sales, including timeshare interests, were reported to the local County authorities.

Likely prevented increases in property taxes for timeshare owners.

**U.S. VIRGIN ISLANDS**

Working to ensure the tax assessor properly implements amended tax regulations supported by ARDA-ROC.

If passed, such regulations would simplify the process for owners who are obligated to pay USVI property taxes.

Defeated an attempt by the USVI Legislature to increase real property taxes for timeshare owners by 100%.

Saved timeshare owners tens of thousands of dollars in real property tax increases.

**UTAH**

Supported legislation that provides greater flexibility for timeshare homeowners' associations to resale inventory acquired through foreclosure or similar methods, and adds protection for the personal information of owners.

Adds additional protections for the personal information of owners, making it more difficult for third parties to contact owners with solicitations. Also removes an extremely restrictive requirement that any association reselling more than 10 interests in its property over the life of the project must register as a developer.

Stopped a major overhaul of Utah's timeshare legislation that would have placed significant new burdens on associations and, in some cases, owners.

The proposed legislation would have required associations to register as developers in order to sell reclaimed interests. Restrictions on trust-based products would also have devalued similar interests already held by owners.

Fought an attempt by the Utah Legislature to take away the ability of a Utah timeshare homeowners' association to use non-judicial foreclosure to in order to foreclose on a timeshare owner for the non-payment of maintenance fees.

ARDA's efforts preserved timeshare owners and homeowners' association rights to continue to avail themselves of the non-judicial foreclosure process for foreclosure of timeshare interests.

<p><b>VIRGINIA</b></p>	<p>Opposed legislation proposing to undo a law mandating a post-Labor Day start to the school year. If passed, the bill would allow the school system to commence the school calendar year before the Labor Day holiday.</p>	<p>Given the relatively short travel season for Virginia, moving up the start date of the school year would cut the vacation season short which would hurt the travel and tourism industry and Virginia owners.</p>
	<p>Passed legislation requiring any reseller of a timeshare in Virginia to be registered with the Common Interest Community Board and therefore subject to the regulatory authority of the Board. The law also requires timeshare resellers to make written disclosures to purchasers concerning the timeshare being resold and requires that a separate buyer's acknowledgment form must be provided to each timeshare purchaser disclosing certain information, including whether or not the developer owns a buyback program and making it clear that the purchaser is buying a time-share for personal use, rather than investment purposes or resale potential.</p>	<p>Provides consumers with reliable information about their timeshare purchase and the secondary marketplace. It will also subject timeshare resellers to a stronger regulatory standard.</p>
	<p>Passed legislation that contains provisions making it easier for an HOA to advertise the availability of timeshare interests at foreclosure sale.</p>	<p>Legal publications are very costly. Reduces the cost of foreclosing on a timeshare, saving timeshare HOAs and owners money.</p>
<p><b>WEST VIRGINIA</b></p>	<p>Supported amendments to the state's Real Estate Time-Sharing Act to clarify that all timeshare plans are subject to regulation. The change was prompted by increased fraudulent resale activity in the state.</p>	<p>Clarifies that Section 36-9-23 of the timeshare law allows the division of land sales and condominiums in the Auditor's Office to enforce and ensure compliance with the law. The change was prompted by an unusual number of complaints dealing with timeshare resale issues.</p>
<p><b>WISCONSIN</b></p>	<p>Worked to defeat two bills, which would have imposed a tax on the imputed rental value of timeshare exchanges in premier resort areas.</p>	<p>Saves timeshare owners \$50 to \$150 per week exchanged within or into Wisconsin.</p>