

**Second Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 12-0309.01 Christy Chase x2008

HOUSE BILL 12-1116

HOUSE SPONSORSHIP

Murray, Summers, Barker, Baumgardner, Brown, Casso, Holbert, McCann, Miklosi,
Williams A.

SENATE SPONSORSHIP

Nicholson,

House Committees

Economic and Business Development

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING DECEPTIVE TRADE PRACTICES RELATED TO TIME SHARE**
102 **RESALE TRANSACTIONS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries.>)

The bill amends provisions of the "Colorado Consumer Protection Act" relating to time share transactions and, in particular, transactions involving resale time shares. **Section 3** of the bill requires entities that provide time share resale services to disclose the following information to the owner of the resale time share, and makes failure to disclose the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

information a deceptive trade practice:

- ! Contact information for the time share resale entity and any agent or third-party service provider who will perform any time share resale services for the entity;
- ! A legal description of the resale time share;
- ! A description of the method or documentation by which the transfer of the resale time share will be completed;
- ! If the owner of the resale time share will retain any interest in the resale time share, a description of the interests retained by the owner of the resale time share;
- ! A listing of any fees, costs, or other consideration that the owner of the resale time share must pay or reimburse for performance of the time share resale service;
- ! A statement that the time share resale entity and its affiliates and agents will not collect from the owner of the resale time share any fees, costs, or other consideration until the entity provides the owner a copy of the recorded deed clearly demonstrating the transfer of the resale time share and a written acknowledgment from the association of time share owners or other responsible person that the time share resale entity has complied with the association's policies governing the transfer of resale time shares, if any;
- ! The date by which all acts sufficient to transfer the resale time share in accordance with the time share resale transfer agreement are estimated to be completed, which should be within 180 days after entering the agreement;
- ! A statement as to whether any person, including the owner of the resale time share, may occupy, rent, exchange, or otherwise exercise any form of use of the resale time share during the term of the time share resale transfer agreement;
- ! The name of any person, other than the owner of the resale time share, who will receive any rents, profits, or other consideration or thing of value, if any, generated from the transfer of the applicable resale time share or the use of the applicable resale time share during the term of the time share resale transfer agreement;
- ! A statement detailing the owner's responsibilities in the event the entity does not transfer ownership of the resale time share within 180 days after entering the agreement;
- ! A statement that the time share resale entity will notify the specified persons or entities, in writing, when ownership of the resale time share is transferred.

Section 2 of the bill defines the following activities as deceptive trade practices in the advertisement or sale of a time share or the provision of a resale time share service:

- ! Making false or misleading statements in connection with a time share resale service;
- ! Making false or misleading statements concerning the method or source from which the name, address, telephone number, or other contact information of the owner was obtained;
- ! Making false or misleading statements concerning the identity of the time share resale service entity or that entity's affiliates or the terms and conditions upon which the time share or the time share resale services are offered.

Section 1 defines the following terms: "Resale time share", "time share resale entity", "time share resale service", and "time share resale transfer agreement".

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 6-1-102, **amend**
3 (11.5); and **add** (9.5), (11.3), (11.7), and (11.9) as follows:

4 **6-1-102. Definitions.** As used in this article, unless the context
5 otherwise requires:

6 (9.5) "RESALE TIME SHARE" MEANS A TIME SHARE, INCLUDING ALL
7 OR SUBSTANTIALLY ALL OWNERSHIP, RIGHTS, OR INTERESTS ASSOCIATED
8 WITH THE TIME SHARE:

9 (a) THAT HAS BEEN ACQUIRED PREVIOUSLY FOR PERSONAL,
10 FAMILY, OR HOUSEHOLD USE; AND

11 (b) (I) THAT IS OWNED BY A COLORADO RESIDENT; OR

12 (II) THE ACCOMMODATIONS AND OTHER FACILITIES OF WHICH ARE
13 AVAILABLE FOR USE THROUGH THE TIME SHARE ARE PRIMARILY LOCATED
14 IN COLORADO.

15 (11.3) "TIME SHARE" MEANS A TIME SHARE ESTATE, AS DEFINED IN
16 SECTION 38-33-110(5), C.R.S.; A TIME SHARE USE, AS DEFINED IN SECTION
17 12-61-401 (4), C.R.S.; OR ANY CAMPGROUND OR RECREATIONAL
18 MEMBERSHIP THAT DOES NOT CONSTITUTE THE TRANSFER OF AN INTEREST

1 IN REAL PROPERTY.

2 (11.5) (a) ~~"Time share" means a time share estate, as defined in~~
3 ~~section 38-33-110 (5), C.R.S., a time share use, as defined in section~~
4 ~~12-61-401 (4), C.R.S., or any campground or recreational membership~~
5 ~~which does not constitute the transfer of an interest in real property~~ "TIME
6 SHARE RESALE ENTITY" MEANS ANY PERSON WHO, EITHER DIRECTLY OR
7 INDIRECTLY, ENGAGES IN A TIME SHARE RESALE SERVICE.

8 (b) "TIME SHARE RESALE ENTITY" DOES NOT INCLUDE:

9 (I) THE DEVELOPER, ASSOCIATION OF TIME SHARE OWNERS, OR
10 OTHER PERSON RESPONSIBLE FOR MANAGING OR OPERATING THE PLAN OR
11 ARRANGEMENT BY WHICH THE RIGHTS OR INTERESTS ASSOCIATED WITH A
12 RESALE TIME SHARE ARE UTILIZED, BUT ONLY TO THE EXTENT THE RESALE
13 TIME SHARE IS PART OF AN EXISTING PLAN OR ARRANGEMENT MANAGED
14 BY THAT DEVELOPER, ASSOCIATION, OR PERSON; OR

15 (II) ATTORNEYS, TITLE AGENTS, TITLE COMPANIES, OR ESCROW
16 COMPANIES PROVIDING CLOSING, SETTLEMENT, OR OTHER TRANSACTION
17 SERVICES AS LONG AS THE SERVICES ARE PROVIDED IN THE NORMAL
18 COURSE OF BUSINESS IN SUPPORTING A CONVEYANCE OF TITLE OR IN
19 ISSUING TITLE INSURANCE PRODUCTS IN A TIME SHARE RESALE
20 TRANSACTION. TO THE EXTENT THE ATTORNEY, TITLE AGENT, TITLE
21 COMPANY, OR ESCROW COMPANY IS ENGAGED IN PROVIDING SERVICES OR
22 PRODUCTS THAT ARE OUTSIDE THE NORMAL COURSE OF BUSINESS IN
23 SUPPORTING A CONVEYANCE OF TITLE OR IN ISSUING TITLE INSURANCE
24 PRODUCTS OR HAS AN AFFILIATED BUSINESS ARRANGEMENT WITH A PARTY
25 TO A TIME SHARE RESALE TRANSACTION, THIS EXEMPTION DOES NOT
26 APPLY.

27 (11.7) "TIME SHARE RESALE SERVICE" MEANS ANY OF THE

1 FOLLOWING ACTIVITIES, ENGAGED IN DIRECTLY OR INDIRECTLY AND FOR
2 CONSIDERATION, REGARDLESS OF WHETHER PERFORMED IN PERSON, BY
3 MAIL, BY TELEPHONE, OR BY ANY OTHER MODE OF INTERNET OR
4 ELECTRONIC COMMUNICATION, UNLESS PERFORMED BY A PERSON OR
5 ENTITY THAT, PURSUANT TO PARAGRAPH (b) OF SUBSECTION (11.5) OF
6 THIS SECTION, IS EXEMPTED:

7 (a) THE SALE, RENTAL, LISTING, OR ADVERTISING OF, OR AN OFFER
8 TO SELL, RENT, LIST, OR ADVERTISE, ANY RESALE TIME SHARE;

9 (b) THE PURCHASE OR OFFER TO PURCHASE ANY RESALE TIME
10 SHARE;

11 (c) THE TRANSFER OR OFFER TO ASSIST IN THE TRANSFER OF ANY
12 RESALE TIME SHARE; OR

13 (d) THE INVALIDATION OR AN OFFER TO INVALIDATE THE
14 PURCHASE OR OWNERSHIP OF ANY RESALE TIME SHARE OR THE PURCHASE
15 OF ANY TIME SHARE RESALE SERVICE.

16 (11.9) (a) "TIME SHARE RESALE TRANSFER AGREEMENT" MEANS A
17 CONTRACT BETWEEN A TIME SHARE RESALE ENTITY AND THE OWNER OF A
18 RESALE TIME SHARE IN WHICH THE TIME SHARE RESALE ENTITY AGREES TO
19 TRANSFER, OR OFFERS TO ASSIST IN THE TRANSFER OF ALL OR
20 SUBSTANTIALLY ALL OF, THE RIGHTS OR INTERESTS IN A RESALE TIME
21 SHARE ON BEHALF OF THE OWNER OF THE RESALE TIME SHARE.

22 (b) (I) "TIME SHARE RESALE TRANSFER AGREEMENT" DOES NOT
23 INCLUDE A CONTRACT TO SELL, RENT, LIST, OR ADVERTISE A RESALE TIME
24 SHARE IF THE OWNER OF THE RESALE TIME SHARE:

25 (A) UPON ENTERING THE CONTRACT, REASONABLY EXPECTS TO
26 RECEIVE CONSIDERATION IN EXCHANGE FOR THE RESALE TIME SHARE; AND

27 (B) UPON THE ACTUAL SALE OR RENTAL OF THE TIME SHARE,

1 RECEIVES CONSIDERATION.

2 (II) FOR PURPOSES OF THIS SUBSECTION (11.9), A TRANSFER OF THE
3 RESALE TIME SHARE DOES NOT, BY ITSELF, CONSTITUTE CONSIDERATION.

4 **SECTION 2.** In Colorado Revised Statutes, **amend** 6-1-703 as
5 follows:

6 **6-1-703. Time shares and resale time shares - deceptive trade**
7 **practices.** (1) A person engages in a deceptive trade practice when, in
8 the course of ~~such~~ THE person's business, vocation, or occupation, ~~such~~
9 THE person engages in one or more of the following activities in
10 connection with the advertisement or sale of a time share OR THE
11 PROVISION OF A TIME SHARE RESALE SERVICE:

12 (a) Misrepresents:

13 (I) The investment, resale, or rental value of any time share;

14 (II) The conditions under which a purchaser may exchange the
15 right to use accommodations or facilities in one location for the right to
16 use accommodations or facilities in another location; or

17 (III) The period of time during which the accommodations or
18 facilities contracted for will be available to the purchaser;

19 (b) Fails to allow any purchaser ~~of a time share~~ a right to rescind
20 the sale OF A TIME SHARE OR A RESALE TIME SHARE SERVICE within five
21 calendar days after the sale;

22 (c) (I) Fails to provide conspicuous notice on the contract of the
23 right of a purchaser of a time share OR TIME SHARE RESALE SERVICE to
24 rescind the sale IN WRITING either by telegram, mail, or hand delivery.

25 (II) For purposes of this section, notice of rescission is ~~considered~~
26 given:

27 (A) If by mail, when postmarked;

1 (B) If by telegram, when filed for telegraphic transmission; or
2 (C) If by hand delivery, when delivered to the seller's place of
3 business.

4 (d) Fails to refund any down payment or deposit made pursuant
5 to a time share contract OR CONTRACT FOR TIME SHARE RESALE SERVICE
6 within seven days after the seller OR TIME SHARE RESALE ENTITY receives
7 the purchaser's written notice of rescission; EXCEPT THAT, IF THE
8 PURCHASER'S CHECK HAS NOT CLEARED AT THE TIME NOTICE OF
9 RESCISSION IS RECEIVED, THE PERSON HAS SEVEN ADDITIONAL DAYS AFTER
10 RECEIPT OF FUNDS FROM THE PURCHASER'S CLEARED CHECK TO REFUND
11 THE DOWN PAYMENT OR DEPOSIT;

12 (e) WITH RESPECT TO THE SALE OR SOLICITATION OF ANY TIME
13 SHARE RESALE SERVICE, MAKES FALSE OR MISLEADING STATEMENTS,
14 INCLUDING STATEMENTS CONCERNING:

15 (I) THE EXISTENCE OF OFFERS TO BUY OR RENT THE RESALE TIME
16 SHARE;

17 (II) THE LIKELIHOOD OF, OR THE TIME NECESSARY TO COMPLETE,
18 ANY SALE, RENTAL, TRANSFER, OR INVALIDATION;

19 (III) THE VALUE OF THE RESALE TIME SHARE;

20 (IV) THE CURRENT OR FUTURE COSTS OF OWNING THE RESALE TIME
21 SHARE, INCLUDING ASSESSMENTS, MAINTENANCE FEES, OR TAXES; OR

22 (V) HOW AMOUNTS PAID BY THE PURCHASER OF THE RESALE TIME
23 SHARE SERVICE WILL BE UTILIZED;

24 (f) MAKES FALSE OR MISLEADING STATEMENTS CONCERNING THE
25 METHOD OR SOURCE FROM WHICH THE NAME, ADDRESS, TELEPHONE
26 NUMBER, OR OTHER CONTACT INFORMATION OF THE OWNER OF THE
27 RESALE TIME SHARE WAS OBTAINED;

1 (g) MAKES FALSE OR MISLEADING STATEMENTS CONCERNING:

2 (I) THE IDENTITY OF THE TIME SHARE RESALE SERVICE ENTITY OR
3 THAT ENTITY'S AFFILIATES; OR

4 (II) THE TERMS AND CONDITIONS UPON WHICH THE TIME SHARE
5 RESALE SERVICES ARE OFFERED;

6 (h) WITH RESPECT TO TIME SHARE RESALE TRANSFER
7 AGREEMENTS, FAILS TO COMPLY WITH ANY PROVISION OF, OR OTHERWISE
8 MAKES FALSE OR MISLEADING STATEMENTS IN CONNECTION WITH, ANY
9 DISCLOSURE REQUIRED TO BE MADE UNDER SECTION 6-1-703.5.

10 (2) THE UNLAWFUL PRACTICES LISTED IN THIS SECTION ARE IN
11 ADDITION TO AND DO NOT LIMIT THE TYPES OF DECEPTIVE TRADE
12 PRACTICES ACTIONABLE UNDER SECTION 6-1-105.

13 **SECTION 3.** In Colorado Revised Statutes, **add** 6-1-703.5 as
14 follows:

15 **6-1-703.5. Time share resale transfer agreements - deceptive**
16 **trade practices.** (1) A TIME SHARE RESALE ENTITY ENGAGES IN A
17 DECEPTIVE TRADE PRACTICE WHEN THE ENTITY FAILS TO INCLUDE IN A
18 TIME SHARE RESALE TRANSFER AGREEMENT THE FOLLOWING
19 INFORMATION:

20 (a) THE NAME, TELEPHONE NUMBER, AND PHYSICAL ADDRESS OF
21 THE TIME SHARE RESALE ENTITY AND THE NAME AND ADDRESS OF ANY
22 AGENT OR THIRD-PARTY SERVICE PROVIDER WHO WILL PERFORM ANY OF
23 THE TIME SHARE RESALE SERVICES FOR THAT TIME SHARE RESALE ENTITY;

24 (b) A DESCRIPTION OF THE APPLICABLE RESALE TIME SHARE
25 LEGALLY SUFFICIENT FOR RECORDING OR OTHER LEGAL TRANSFER;

26 (c) A DESCRIPTION OF THE METHOD OR DOCUMENTATION BY
27 WHICH THE TRANSFER OF THE RESALE TIME SHARE WILL BE COMPLETED,

1 INCLUDING WHETHER:

2 (I) THE OWNER OF THE RESALE TIME SHARE WILL RETAIN ANY
3 INTEREST IN THE RESALE TIME SHARE FOLLOWING THE TRANSFER; AND

4 (II) THE OWNER OF THE RESALE TIME SHARE MUST GRANT A POWER
5 OF ATTORNEY OR OTHERWISE DELEGATE ANY AUTHORITY NECESSARY TO
6 COMPLETE THE TRANSFER OF THE RESALE TIME SHARE AND THE SCOPE OF
7 THE AUTHORITY DELEGATED BY THE OWNER OF THE RESALE TIME SHARE;

8 (d) IF THE OWNER OF THE RESALE TIME SHARE WILL RETAIN ANY
9 INTEREST IN THE RESALE TIME SHARE, A DESCRIPTION OF THE INTERESTS
10 RETAINED BY THE OWNER OF THE RESALE TIME SHARE;

11 (e) A LISTING OF ANY FEES, COSTS, OR OTHER CONSIDERATION
12 THAT THE OWNER OF THE RESALE TIME SHARE MUST PAY OR REIMBURSE
13 FOR PERFORMANCE OF THE TIME SHARE RESALE SERVICE;

14 (f) (I) A STATEMENT THAT NEITHER THE TIME SHARE RESALE
15 ENTITY NOR ANY AFFILIATE OR AGENT OF THE ENTITY SHALL COLLECT
16 FROM THE OWNER OF THE RESALE TIME SHARE ANY FEES, COSTS, OR OTHER
17 CONSIDERATION UNTIL THE TIME SHARE RESALE ENTITY PROVIDES THE
18 OWNER OF THE RESALE TIME SHARE A COPY OF THE RECORDED DEED OR
19 OTHER EQUIVALENT WRITTEN EVIDENCE CLEARLY DEMONSTRATING THAT
20 THE RESALE TIME SHARE HAS BEEN TRANSFERRED TO A SUBSEQUENT
21 TRANSFEREE IN ACCORDANCE WITH THE TIME SHARE RESALE TRANSFER
22 AGREEMENT AND APPLICABLE LAW AND:

23 (A) A WRITTEN ACKNOWLEDGMENT FROM THE ASSOCIATION OF
24 TIME SHARE OWNERS, OR OTHER PERSON RESPONSIBLE FOR MANAGING OR
25 OPERATING THE PLAN OR ARRANGEMENT BY WHICH THE RIGHTS OR
26 INTERESTS ASSOCIATED WITH THE APPLICABLE RESALE TIME SHARE ARE
27 UTILIZED, THAT THE TIME SHARE RESALE ENTITY HAS COMPLIED WITH THE

1 ASSOCIATION'S POLICIES GOVERNING THE TRANSFER OF RESALE TIME
2 SHARES BY TIME SHARE OWNERS, IF ANY; OR

3 (B) IF, AFTER RECEIVING WRITTEN REQUEST FROM THE TIME SHARE
4 RESALE ENTITY, THE ASSOCIATION OF TIME SHARE OWNERS OR OTHER
5 RESPONSIBLE PERSON FAILS TO PROVIDE A WRITTEN ACKNOWLEDGMENT
6 AS DESCRIBED IN SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (I)
7 WITHIN THIRTY DAYS AFTER RECEIPT OF THE REQUEST, A WRITTEN
8 STATEMENT TO THAT EFFECT, SPECIFYING THE DATE ON WHICH THE
9 WRITTEN REQUEST WAS SUBMITTED AND INCLUDING A COPY OF THE
10 REQUEST FOR THE ACKNOWLEDGMENT SUBMITTED TO THE ASSOCIATION
11 OR RESPONSIBLE PERSON.

12 (II) (A) IF THE ASSOCIATION OF TIME SHARE OWNERS OR OTHER
13 RESPONSIBLE PERSON DETERMINES THAT A TIME SHARE RESALE ENTITY
14 HAS NOT COMPLIED WITH THE ASSOCIATION'S POLICIES GOVERNING THE
15 TRANSFER OF A RESALE TIME SHARE BY A TIME SHARE OWNER, THE
16 ASSOCIATION OR RESPONSIBLE PERSON SHALL PROVIDE TO THE RESALE
17 TIME SHARE ENTITY THE BASIS FOR THE DETERMINATION AND A COPY OF
18 THE ASSOCIATION'S POLICIES GOVERNING THE TRANSFER OF A RESALE TIME
19 SHARE SO AS TO ALLOW THE TIME SHARE RESALE ENTITY THE
20 OPPORTUNITY TO COMPLY WITH THE ASSOCIATION'S POLICIES AND OBTAIN
21 THE WRITTEN ACKNOWLEDGMENT DESCRIBED IN SUB-SUBPARAGRAPH (A)
22 OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (f).

23 (B) A DETERMINATION PURSUANT TO SUB-SUBPARAGRAPH (A) OF
24 THIS SUBPARAGRAPH (II) IS NOT A FAILURE TO RESPOND TO A WRITTEN
25 REQUEST SUBMITTED BY A TIME SHARE RESALE ENTITY PURSUANT TO
26 SUB-SUBPARAGRAPH (B) OF SUBPARAGRAPH (I) OF THIS PARAGRAPH (f);

27 (g) THE DATE BY WHICH ALL ACTS SUFFICIENT TO TRANSFER THE

1 RESALE TIME SHARE IN ACCORDANCE WITH THE TIME SHARE RESALE
2 TRANSFER AGREEMENT ARE ESTIMATED TO BE COMPLETED. THE TIME
3 SHARE RESALE ENTITY SHALL USE COMMERCIALY REASONABLE GOOD
4 FAITH EFFORTS TO COMPLETE THE TRANSFER OF THE SUBJECT TIME SHARE
5 WITHIN ONE HUNDRED EIGHTY DAYS AFTER THE DATE THE TIME SHARE
6 TRANSFER AGREEMENT IS EXECUTED BY THE OWNER OF THE RESALE TIME
7 SHARE.

8 (h) A STATEMENT AS TO WHETHER ANY PERSON, INCLUDING THE
9 OWNER OF THE RESALE TIME SHARE, MAY OCCUPY, RENT, EXCHANGE, OR
10 OTHERWISE EXERCISE ANY FORM OF USE OF THE RESALE TIME SHARE
11 DURING THE TERM OF THE TIME SHARE RESALE TRANSFER AGREEMENT;

12 (i) THE NAME OF ANY PERSON, OTHER THAN THE OWNER OF THE
13 RESALE TIME SHARE, WHO WILL RECEIVE ANY RENTS, PROFITS, OR OTHER
14 CONSIDERATION OR THING OF VALUE, IF ANY, GENERATED FROM THE
15 TRANSFER OF THE APPLICABLE RESALE TIME SHARE OR THE USE OF THE
16 APPLICABLE RESALE TIME SHARE DURING THE TERM OF THE TIME SHARE
17 RESALE TRANSFER AGREEMENT;

18 (j) THE FOLLOWING STATEMENT CLEARLY AND CONSPICUOUSLY
19 AND IN SUBSTANTIALLY THE FOLLOWING FORM:

20 WE [NAME OF TIME SHARE RESALE ENTITY] WILL USE
21 COMMERCIALY REASONABLE GOOD FAITH EFFORTS TO
22 TRANSFER OWNERSHIP OF YOUR RESALE TIME SHARE TO
23 ANOTHER PERSON WITHIN ONE HUNDRED EIGHTY DAYS
24 AFTER YOUR EXECUTION OF THIS AGREEMENT. IF WE FAIL IN
25 THIS OBLIGATION, YOU, THE RESALE TIME SHARE OWNER,
26 WILL CONTINUE TO BE RESPONSIBLE FOR THE PAYMENT OF
27 ALL COSTS AND FEES ASSOCIATED WITH YOUR RESALE TIME

1 SHARE, INCLUDING, AS APPLICABLE, REGULAR
2 ASSESSMENTS, SPECIAL ASSESSMENTS, AND REAL AND
3 PERSONAL PROPERTY TAXES.

4 (k) A STATEMENT THAT THE TIME SHARE RESALE ENTITY WILL
5 NOTIFY THE FOLLOWING PERSONS OR ENTITIES, IN WRITING, WHEN
6 OWNERSHIP OF THE RESALE TIME SHARE IS TRANSFERRED, AS APPLICABLE:

7 (I) THE ASSOCIATION OF TIME SHARE OWNERS OR OTHER PERSONS
8 RESPONSIBLE FOR MANAGING OR OPERATING THE PLAN OR ARRANGEMENT
9 BY WHICH THE RIGHTS OR INTERESTS ASSOCIATED WITH THE APPLICABLE
10 TIME SHARE RESALE ARE UTILIZED; AND

11 (II) THE EXCHANGE COMPANY OPERATING ANY EXCHANGE
12 PROGRAM THAT THE RESALE TIME SHARE WAS PART OF AT THE TIME THE
13 TRANSFER WAS COMPLETED.

14 (2) IN MAKING THE DISCLOSURES REQUIRED UNDER THIS SECTION,
15 THE TIME SHARE RESALE ENTITY MAY RELY UPON INFORMATION PROVIDED
16 IN WRITING BY THE OWNER OF THE APPLICABLE RESALE TIME SHARE OR
17 THE DEVELOPER, ASSOCIATION OF TIME SHARE OWNERS, OR OTHER PERSON
18 RESPONSIBLE FOR MANAGING OR OPERATING THE PLAN OR ARRANGEMENT
19 BY WHICH THE RIGHTS OR INTERESTS ASSOCIATED WITH THE APPLICABLE
20 RESALE TIME SHARE ARE UTILIZED.

21 (3) A TIME SHARE RESALE ENTITY SHALL SUPERVISE, MANAGE,
22 AND CONTROL ALL ASPECTS OF THE TIME SHARE RESALE TRANSFER
23 AGREEMENT AND THE OFFERING OF THE RESALE TIME SHARE BY ANY
24 AFFILIATE, AGENT, CONTRACTOR, OR EMPLOYEE OF THAT TIME SHARE
25 RESALE ENTITY. A VIOLATION OF THIS SECTION IS A VIOLATION BY THE
26 TIME SHARE RESALE ENTITY AND BY THE PERSON ACTUALLY COMMITTING
27 THE CONDUCT THAT CONSTITUTES THE VIOLATION.

1 **SECTION 4. No appropriation.** The general assembly has
2 determined that this act can be implemented within existing
3 appropriations, and therefore no separate appropriation of state moneys
4 is necessary to carry out the purposes of this act.

5 **SECTION 5. Act subject to petition - effective date.** This act
6 takes effect at 12:01 a.m. on the day following the expiration of the
7 ninety-day period after final adjournment of the general assembly (August
8 7, 2012, if adjournment sine die is on May 9, 2012); except that, if a
9 referendum petition is filed pursuant to section 1 (3) of article V of the
10 state constitution against this act or an item, section, or part of this act
11 within such period, then the act, item, section, or part will not take effect
12 unless approved by the people at the general election to be held in
13 November 2012 and, in such case, will take effect on the date of the
14 official declaration of the vote thereon by the governor.