



General Assembly

**Substitute Bill No. 490**

February Session, 2008

\*       SB00490INS      031308      \*

**AN ACT CONCERNING TIME SHARES AND INTERSTATE LAND SALES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2008*) Sections 1 to 28,  
2 inclusive, of this act shall be known and may be cited as the "Time  
3 Share Act".

4 Sec. 2. (NEW) (*Effective October 1, 2008*) As used in sections 1 to 28,  
5 inclusive, of this act:

6 (1) "Accommodation" means any apartment, condominium or  
7 cooperative unit, cabin, lodge, hotel or motel room, or any other  
8 private or commercial structure that: (A) Is affixed to real property; (B)  
9 is designed for occupancy or use by one or more individuals; and (C) is  
10 part of a time share plan.

11 (2) "Advertisement" means any written, oral or electronic  
12 communication directed or targeted at individuals in this state that  
13 contains a promotion, inducement or offer to sell a time share interest,  
14 including, but not limited to, brochures, pamphlets, radio or television  
15 transcripts, telephone or electronic media or direct mail.

16 (3) "Amenities" means all common areas, including recreational and  
17 maintenance facilities of a time share plan.

18 (4) "Assessment" means the amount assessed against or collected  
19 from a purchaser by an association or its managing entity in a fiscal  
20 year to cover expenditures, charges, reserves or liabilities related to the  
21 operation of a time share plan or time share properties managed by  
22 said managing entity.

23 (5) "Association" means a council or association composed of all  
24 owners of a time share interest.

25 (6) "Bonus time" means a program for the nonguaranteed use of  
26 accommodations or amenities at one or more time share properties  
27 under common management that allows reservations by owners of the  
28 time share properties for unreserved accommodations or amenities  
29 during a period of not more that thirty days before the desired  
30 reservation dates.

31 (7) "Closing agent" means a title agent, bonded escrow company,  
32 financial institution whose accounts are insured by a governmental  
33 agency or instrumentality, or an attorney admitted to the bar of the  
34 state in which the closing occurs and such attorney is not an employee  
35 of the developer or of an affiliated entity under common ownership  
36 and control of the developer and who is responsible for the receipt and  
37 disbursement of funds in accordance with sections 1 to 28, inclusive, of  
38 this act.

39 (8) "Commissioner" means the Commissioner of Consumer  
40 Protection.

41 (9) "Component site" means a specific geographic location where  
42 accommodations that are part of a multisite time share plan are  
43 located. Separate phases of a single time share property in a specific  
44 geographic location and under common management shall be deemed  
45 a single component site.

46 (10) "Conspicuous type" means: (A) Type in upper and lower case  
47 letters two point sizes larger than the largest nonconspicuous type,  
48 exclusive of headings, on the page on which it appears, but not less

49 than ten-point type; or (B) where the use of ten-point type would be  
50 impractical or impossible with respect to a particular piece of written  
51 advertising material, a different style of type or print may be used, as  
52 long as the print remains conspicuous under the circumstances. Where  
53 conspicuous type is required, it shall be separated on all sides from  
54 other type and print. Conspicuous type shall be used in purchase  
55 contracts, time share disclosure statements and exchange company  
56 disclosure statements only where required by law or as authorized by  
57 the commissioner.

58 (11) "Department" means the Department of Consumer Protection.

59 (12) "Developer" means: (A) Any person, excluding a sales agent,  
60 who creates a time share plan, is in the business of selling time share  
61 interests or employs a sales agent to sell time share interests; or (B) any  
62 person who succeeds in the developer's interest by sale, lease,  
63 assignment, mortgage or other transfer if such person (i) offers not less  
64 than twelve time share interests in a particular time share plan, and (ii)  
65 is in the business of selling time share interests or employs a sales  
66 agent to sell time share interests.

67 (13) "Dispose" or "disposition" means a voluntary transfer of any  
68 legal or equitable time share interest, but does not include the transfer  
69 or release of a real estate lien or of a security interest.

70 (14) "Exchange company" means any person who owns or operates  
71 an exchange program.

72 (15) "Exchange disclosure statement" means a written statement that  
73 includes the information required by section 12 of this act.

74 (16) "Exchange program" means any method, arrangement or  
75 procedure for the voluntary exchange of time share interests among  
76 purchasers or owners.

77 (17) "Managing entity" means the association or person responsible  
78 for operating and maintaining a time share property.

79 (18) "Multisite time share plan" means a plan in which a time share  
80 purchaser has:

81 (A) A specific time share interest, which is the right to use and  
82 occupy accommodations at a specific time share property and the right  
83 to use and occupy accommodations at one or more other component  
84 sites created by or acquired solely through the reservation system of  
85 the time share plan; or

86 (B) A nonspecific time share interest, which is the right to use and  
87 occupy accommodations at more than one component site created by  
88 or acquired solely through the reservation system of the time share  
89 plan but which does not include a right to use and occupy a particular  
90 accommodation.

91 (19) "Offering" or "offer" means any advertisement, inducement or  
92 solicitation and any attempt to encourage a person to purchase a time  
93 share interest other than as a security for an obligation.

94 (20) "Project instrument" means a time share instrument or one or  
95 more recordable documents, by whatever name denominated,  
96 applying to the whole of a time share project and containing  
97 restrictions or covenants regulating the use, occupancy or disposition  
98 of units in a project, including a declaration for a condominium,  
99 association articles of incorporation, association bylaws and rules for a  
100 condominium in which a time share plan is created.

101 (21) "Promotion" means any program, activity, contest, or gift, prize  
102 or other item of value used to induce any person to attend a time share  
103 sales presentation.

104 (22) "Purchaser" means any person, other than a developer, who  
105 acquires a legal or equitable interest in a time share by means of a  
106 voluntary transfer other than as a security for an obligation.

107 (23) "Reservation system" means the method, arrangement or  
108 procedure by which a purchaser, in order to reserve the use and

109 occupancy of an accommodation of a multisite time share plan for one  
110 or more time share periods, is required to compete with other  
111 purchasers in the same multisite time share plan, regardless of whether  
112 the reservation system is operated and maintained by the multisite  
113 time share plan, a managing entity, exchange company or any other  
114 person. If a purchaser is required to use an exchange program as the  
115 purchaser's principal means of obtaining the right to use and occupy  
116 the accommodations and facilities of the plan, such arrangement is  
117 considered a reservation system. If the exchange company uses a  
118 mechanism to exchange time share periods among members of the  
119 exchange program, the use of the mechanism is not considered a  
120 reservation system of a multisite time share plan.

121 (24) "Single-site time share plan" means a time share plan in which a  
122 time share purchaser's right to use and occupy accommodations is  
123 limited to a single time share property. A single-site time share plan  
124 that includes bonus time or a program under which the owner of a  
125 time share interest at a specific time share property may exchange a  
126 time share period for another time share period at the same or another  
127 time share property under common management shall not transform  
128 the single-site time share plan into a multisite time share plan.

129 (25) "Time share disclosure statement" means a written statement  
130 that includes the information required by section 11 of this act.

131 (26) "Time share estate" means an arrangement under which the  
132 purchaser receives a right to occupy a time share property and an  
133 estate interest in the real property.

134 (27) "Time share interest" means a time share estate or time share  
135 use.

136 (28) "Time share instrument" means a master deed, master lease,  
137 declaration or any other instrument used in the creation of a time share  
138 plan.

139 (29) "Time share period" means the period of time within which the

140 purchaser of a time share interest is entitled to the exclusive  
141 possession, occupancy and use of an accommodation.

142 (30) "Time share plan" means any arrangement, plan, scheme or  
143 similar method, excluding an exchange program but including a  
144 membership agreement, sale, lease, deed, license or right-to-use  
145 agreement, by which a purchaser, in exchange for consideration,  
146 receives an ownership right in or the right to use accommodations for  
147 a period of time less than a year during a given year, but not  
148 necessarily consecutive years, regardless of whether the period of time  
149 is determined in advance.

150 (31) "Time share property" means: (A) One or more  
151 accommodations and any related amenities subject to the same time  
152 share instrument; and (B) any other property or property rights  
153 appurtenant to such accommodations and amenities.

154 (32) "Time share unit" means an accommodation of a time share  
155 plan which is divided into time share periods. Any time share unit in  
156 which a door or doors connecting two or more separate rooms are  
157 capable of being locked to create two or more private dwellings shall  
158 only constitute one time share unit for purposes of sections 1 to 28,  
159 inclusive, of this act, unless the time share instrument provides that  
160 time share interests may be separately conveyed in such locked-off  
161 portions.

162 (33) "Time share use" means any arrangement under which the  
163 purchaser receives a right to occupy a time share property, but under  
164 which the purchaser does not receive an estate interest in the time  
165 share property.

166 (34) "Time share resale" means the sale or transfer of a time share  
167 interest that was previously sold to a purchaser.

168 (35) "Time share resale broker" means a person who acts for another  
169 person or entity and for a fee, commission or other valuable  
170 consideration, offers in this state to advertise, list for sale, sell,

171 exchange, buy or rent or offers or attempts to negotiate a sale,  
172 exchange, purchase or rental of twelve or more time share resales, or  
173 who is registered as a time share resale broker pursuant to the  
174 provisions of sections 1 to 28, inclusive, of this act.

175 Sec. 3. (NEW) (*Effective October 1, 2008*) (a) This chapter shall apply  
176 to the following:

177 (1) Time share plans with accommodations or amenities in this state;

178 (2) Time share plans without accommodations or amenities in this  
179 state, if those time share plans are sold or offered to be sold to any  
180 individual located within this state. Time share plans without  
181 accommodations or amenities in this state that are sold or offered to  
182 any individual located within this state are subject only to sections 2 to  
183 4, inclusive, subsection (d) of section 6, section 7 to section 22,  
184 inclusive, and section 26 of this act; and

185 (3) Exchange programs as specified in subdivision (16) of section 2  
186 of this act.

187 (b) Sections 1 to 28, inclusive, of this act shall not apply to the  
188 offering of sale of the following:

189 (1) Time share plans, whether or not an accommodation is located in  
190 this state, consisting of seven or fewer time share interests. Use of an  
191 exchange program by owners of time share interests to secure access to  
192 other accommodations shall not affect this exemption;

193 (2) Time share plans, whether or not an accommodation is located in  
194 this state, the use of which extends over any period of three years or  
195 less; or

196 (3) A time share interest, whether or not an accommodation is  
197 located in this state, under which the prospective purchaser's total  
198 financial obligation will be equal to or less than three thousand dollars  
199 during the term of ownership of the time share interest.

200 (c) An offering or disposition is exempt from the provisions of  
201 sections 1 to 28, inclusive, of this act if it is:

202 (1) A gratuitous offering or disposition of a time share interest;

203 (2) A disposition pursuant to a court order;

204 (3) A disposition by a governmental agency;

205 (4) A disposition by foreclosure or deed in lieu of foreclosure;

206 (5) An offering or disposition by an association of its own time share  
207 interest acquired through foreclosure, deed in lieu of foreclosure or  
208 gratuitous transfer;

209 (6) An offering or disposition of all time share interests in a time  
210 share plan to not more than five persons;

211 (7) An offering or disposition of a time share interest in a time share  
212 property situated wholly outside this state under a contract executed  
213 wholly outside this state, if there has been no offering to the purchaser  
214 within this state;

215 (8) An offering or disposition of a time share interest to a purchaser  
216 who is not a resident of this state under a contract executed wholly  
217 outside this state, if there has been no offering to the purchaser within  
218 this state;

219 (9) The offering or redispotion of a time share interest by a  
220 purchaser who acquired the interest for the purchaser's personal use;  
221 or

222 (10) The offering or disposition of a rental of an accommodation for  
223 a period of three years or less.

224 (d) An offering or disposition of a time share interest in a time share  
225 property located outside of this state to a purchaser who currently  
226 owns a time share interest from the same developer or from an  
227 affiliated entity under common ownership and control with the

228 developer is exempt from the provisions of sections 1 to 28, inclusive,  
229 of this act if:

230 (1) The developer or affiliated entity has a time share plan currently  
231 registered with the department that was originally approved not later  
232 than seven years from the date of the offer or disposition; and

233 (2) The developer or affiliated entity making such offer or  
234 disposition:

235 (A) Complies in all material respects with the provisions of section  
236 10, subsections (c) and (d) of section 14, section 15, subdivision (2) of  
237 subsection (a) of section 18 and subsections (b) to (d), inclusive, of  
238 section 18 of this act;

239 (B) Provides the purchaser with all time share disclosure documents  
240 required to be provided to purchasers as if the offer or disposition  
241 occurred in the state or jurisdiction where the time share property is  
242 located;

243 (C) The contract for purchase includes a notice the same as or  
244 substantially similar to that required in subsection (a) of section 15 of  
245 this act and a right of rescission of not less than five days;

246 (D) Provides the purchaser, either in the disclosure documents  
247 provided pursuant to this subdivision or in supplementary or  
248 additional materials, all of the following if the state or jurisdiction  
249 where the time share property is located does not require such  
250 disclosure documents:

251 (i) A description of the type of time share plan offered, including the  
252 duration and operation of the plan;

253 (ii) A description of the existing or proposed accommodations and  
254 amenities, including the type and number of time share interests in the  
255 accommodations expressed in use increments applicable to the time  
256 share plan, a categorization by numbers of bedrooms for each type of  
257 accommodation and, if the accommodations or amenities are proposed

258 or incomplete, a schedule for commencement, completion and  
259 availability of the accommodations;

260 (iii) A description of the method and timing for performing  
261 maintenance on the accommodations;

262 (iv) Copies of the declaration, association articles of incorporation,  
263 association bylaws and association rules and regulations, if applicable;  
264 and

265 (v) The current annual budget for the time share plan.

266 (3) By making any offering or disposition pursuant to this  
267 subsection, the developer is deemed to consent to the jurisdiction of  
268 the department in the event of a dispute with the purchaser in  
269 connection with the offering or disposition.

270 Sec. 4. (NEW) (*Effective October 1, 2008*) (a) The following  
271 communications are not advertisements under sections 1 to 28,  
272 inclusive, of this act:

273 (1) Any stockholder communication, including an annual report or  
274 interim financial report, proxy material, registration statement,  
275 securities prospectus, time share disclosure statement or other material  
276 required to be delivered to a prospective purchaser by a state or  
277 federal governmental entity;

278 (2) Any oral or written statement disseminated by a developer to  
279 broadcast or print media, except the following shall be considered an  
280 advertisement: (A) Paid advertising or promotional material relating to  
281 plans for acquiring or developing time share property; and (B) the  
282 rebroadcast or other dissemination of any oral statements by a  
283 developer to a prospective purchaser or the distribution or other  
284 dissemination of written statements, including newspaper or magazine  
285 articles or press releases, by a developer to prospective purchasers;

286 (3) The offering of a time share interest in a national publication or  
287 by electronic media that is not specifically targeted to any individual

288 located in this state;

289 (4) Any audio, written or visual publication or material relating to  
290 the availability of any accommodations for transient rental if (A) a  
291 sales presentation is not a term or condition of the availability of the  
292 accommodations, and (B) the failure of the transient renter to take a  
293 tour of the time share property or attend a sales presentation does not  
294 result in a reduction in the level of services or an increase in the rental  
295 price that would otherwise be available to the renter; or

296 (5) Any follow-up communication with a person relating to a  
297 promotion if the person previously received an advertisement relating  
298 to the promotion that complied with section 10 of this act.

299 (b) The following communications are exempt from sections 1 to 28,  
300 inclusive, of this act if they are delivered to a person who has  
301 previously executed a contract for the purchase of, or is an owner of, a  
302 time share interest in a time share plan:

303 (1) Any communication addressed to and relating to the account of  
304 the person; or

305 (2) Any audio, written or visual publication or material relating to  
306 an exchange company or program if the person is a member of that  
307 exchange company or program.

308 Sec. 5. (NEW) (*Effective October 1, 2008*) (a) The developer of a time  
309 share plan any part of which is located in this state shall properly  
310 record the time share instrument in the land records of all towns where  
311 an accommodation is located. When a person expressly declares an  
312 intent to subject the property to a time share plan through the  
313 recordation of a time share instrument that sets forth the information  
314 provided in subsections (b) and (c) of this section, that property shall  
315 be established thenceforth as a time share plan.

316 (b) The declaration made in a time share instrument recorded under  
317 this section shall include:

318 (1) A legal description of the time share property, including a  
319 ground plan indicating the location of each existing or proposed  
320 building included in the time share plan;

321 (2) A description of each existing or proposed accommodation,  
322 including the location and square footage of each unit and an interior  
323 floor plan of each existing or proposed building;

324 (3) A description of any amenities furnished or to be furnished to  
325 the purchaser;

326 (4) A statement of the fractional or percentage part that each time  
327 share interest bears to the entire time share plan;

328 (5) A statement that the time share property is part of a multisite  
329 time share plan, if applicable; and

330 (6) Any additional information consistent with this section.

331 (c) Any time share interest created under this section shall be  
332 deemed to be real estate, but an exchange company shall not be subject  
333 to the provisions of section 20-312 of the general statutes when  
334 exchanging time share periods.

335 Sec. 6. (NEW) (*Effective October 1, 2008*) (a) Once a property is  
336 established as a time share plan, each time share interest may be  
337 individually conveyed or encumbered and shall be entirely  
338 independent of all other time share interests in the same time share  
339 property. Any title or interest in a time share interest may be recorded.

340 (b) Any time share interest may be jointly or commonly owned by  
341 more than one person.

342 (c) A time share estate may be jointly or commonly owned in the  
343 same manner as any other real property interest in this state.

344 (d) An action for partition of a time share interest shall not be  
345 maintained during the term of a time share plan.

346       Sec. 7. (NEW) (*Effective October 1, 2008*) (a) Except as provided by  
347 subsection (b) of this section or another provision of sections 1 to 28,  
348 inclusive, of this act, a person may not offer or dispose of a time share  
349 interest unless such time share plan is registered with the department.

350       (b) Before a registration application for a time share plan is  
351 submitted or completed, a developer or any person acting on the  
352 developer's behalf may accept a reservation and a deposit from a  
353 prospective purchaser if the deposit is placed in an escrow account  
354 with a closing agent and if the deposit is fully refundable at any time at  
355 the request of the purchaser. The deposit shall not be forfeited unless  
356 the purchaser affirmatively creates a binding obligation by a  
357 subsequent written instrument consisting of a binding contract to  
358 purchase, in which case the release of funds shall be governed by  
359 subsections (a) to (o), inclusive, of section 17 of this act.

360       (c) A developer or any person acting on the developer's behalf may  
361 not offer or dispose of a time share interest during any period within  
362 which there is in effect an order by the commissioner or by any court  
363 of competent jurisdiction revoking or suspending the registration of  
364 the time share plan of which such time share interest is a part.

365       (d) At the developer's request, the department may authorize the  
366 developer to conduct presales before a time share plan is registered if  
367 the registration application is administratively complete, as  
368 determined by the commissioner or as established by department  
369 regulations. The authorization for presales shall permit the developer  
370 to offer and dispose of time share interests during the period the  
371 registration application is in process. To obtain a presales  
372 authorization, the developer shall:

373       (1) Submit a written request to the department for an authorization  
374 to conduct presales;

375       (2) Submit an administratively complete application for registration,  
376 including an application fee of three hundred dollars and any exhibits  
377 required by the department; and

378 (3) Provide evidence acceptable to the department that all funds  
379 received by the developer will be placed with a closing agent with  
380 instructions requiring the funds to be retained until a registration  
381 application is complete as determined by the department.

382 (e) After the final time share disclosure statement is approved by the  
383 commissioner, the developer shall:

384 (1) Give each purchaser and prospective purchaser a copy of the  
385 final time share disclosure statement; and

386 (2) Provide the purchaser with a second opportunity to cancel the  
387 purchase contract, as provided in subsections (c) and (d) of section 14  
388 of this act, if the commissioner determines that a materially adverse  
389 change exists between the disclosures contained in the proposed time  
390 share disclosure statement and the final time share disclosure  
391 statement.

392 (f) The requirements of sections 1 to 28, inclusive, of this act shall  
393 remain in effect during the period the developer offers or disposes of  
394 time share interests of the time share plan registered with the  
395 department. The developer shall notify the department in writing  
396 when there has been a disposition of all of the time share interests of a  
397 time share plan.

398 Sec. 8. (NEW) (*Effective October 1, 2008*) (a) An application for  
399 registration filed under this section shall include a time share  
400 disclosure statement required by section 11 of this act and any  
401 exchange disclosure statement required by section 12 of this act,  
402 recorded copies of all time share instruments and other information as  
403 may be required by the commissioner. If the time share property is a  
404 newly developed property, recorded copies of the time share  
405 instruments shall be provided promptly after recorded copies are  
406 available from the entity with which the instruments are recorded.

407 (b) If existing or proposed accommodations are in a condominium  
408 or similar development, the application for registration shall contain

409 the project condominium instruments of that development and  
410 affirmatively indicate that the creation and disposition of time share  
411 interests are not prohibited by those instruments. If the project  
412 instruments do not expressly authorize the creation and disposition of  
413 time share interests, the application shall contain evidence that existing  
414 owners of the condominium development were provided written  
415 notice not later than sixty days before the application for registration  
416 that time share interests would be created and sold. If the project  
417 instruments prohibit the creation or disposition of time share interests,  
418 the application shall contain a certification by the authorized  
419 representative of all existing owners that the project instruments have  
420 been properly amended to permit such creation and disposition.

421 (c) The commissioner may accept an abbreviated registration  
422 application from a developer of a time share plan for any  
423 accommodations in the plan that are located outside this state.

424 (d) A developer of a time share plan with any accommodation  
425 located in this state shall not file an abbreviated application unless:

426 (1) The developer is a (A) successor in interest after a merger or  
427 acquisition, or (B) joint venture in which the previous developer or its  
428 affiliate is a partner or a member; and

429 (2) The previous developer registered the time share plan in this  
430 state preceding the merger, acquisition or joint venture.

431 (e) A developer filing an abbreviated application shall provide:

432 (1) The legal name and any assumed names and the principal office  
433 location, mailing address, telephone number and primary contact  
434 person of the developer;

435 (2) The name, location, mailing address, telephone number and  
436 primary contact person of the time share plan;

437 (3) The name and address of the developer's authorized or  
438 registered agent for service of process in this state if the developer is

439 not domiciled in this state;

440 (4) The name, primary office location, mailing address and  
441 telephone number of the managing entity of the time share plan;

442 (5) A declaration stating whether the time share plan is a single-site  
443 time share plan or a multisite time share plan;

444 (6) If the plan is a multisite time share plan, a declaration stating  
445 whether the plan consists of specific time share interests or nonspecific  
446 time share interests;

447 (7) A statement disclosing each jurisdiction in which the time share  
448 plan is approved or accepted and a statement disclosing each  
449 jurisdiction in which the time share plan is pending;

450 (8) A disclosure of each jurisdiction in which the developer or the  
451 managing entity has been denied registration of the time share plan or,  
452 during the five-year period before the registration application date,  
453 was the subject of a final adverse disposition in a disciplinary  
454 proceeding;

455 (9) If requested by the commissioner, copies of any disclosure  
456 documents required to be provided to purchasers or filed with any  
457 jurisdiction that approved or accepted the time share plan;

458 (10) Any other information requested by the commissioner or  
459 required by statute or departmental regulation or policy; and

460 (11) The appropriate filing fee, as determined by the commissioner.

461 (f) In lieu of physically providing the items listed in subsection (e) of  
462 this section, a developer filing an abbreviated application may provide  
463 a statement or statements certifying that any or all of the items  
464 required by subsection (e) of this section are available to be viewed  
465 electronically, at no cost to the department, through an electronic  
466 registry, web site or other electronic means approved by the  
467 commissioner. The method for accessing said items shall be clearly

468 disclosed in each such certification.

469 (g) A foreign developer shall not file an abbreviated application  
470 unless the state in which such developer is registered has registration  
471 and disclosure requirements that are substantially similar to, or more  
472 stringent than, the requirements of this section.

473 (h) The commissioner shall investigate all matters relating to the  
474 application and the commissioner may require a personal inspection of  
475 the proposed time share property by any persons designated from the  
476 department. All direct expenses incurred by the department in  
477 inspecting the property shall be borne by the applicant. The  
478 commissioner may require the applicant to pay an advance deposit  
479 sufficient to cover those expenses.

480 (i) The developer shall file amendments to the registration reporting  
481 to the commissioner any materially adverse change in any document  
482 contained in the registration not later than thirty days after the  
483 developer knows or reasonably should know of the change. The  
484 developer may continue to offer and dispose of time share interests  
485 under the existing registration pending review of the amendments by  
486 the commissioner if the materially adverse change is disclosed to  
487 prospective purchasers. The commissioner may charge a fee of up to  
488 three hundred dollars for the processing of an amendment.

489 Sec. 9. (NEW) (*Effective October 1, 2008*) (a) The commissioner may  
490 adopt regulations, in accordance with chapter 54 of the general  
491 statutes, and prescribe and publish forms necessary to carry out the  
492 provisions of sections 1 to 28, inclusive, of this act. The commissioner  
493 may suspend or revoke the registration of any developer, place on  
494 probation the registration of a developer that has been suspended or  
495 revoked, reprimand a developer, impose a civil penalty of not more  
496 than five thousand dollars for each violation of sections 1 to 28,  
497 inclusive, of this act, or take any other disciplinary action authorized  
498 by sections 1 to 28, inclusive, of this act if, after notice and hearing, the  
499 commissioner determines that a developer has materially violated any

500 provision of sections 1 to 28, inclusive, of this act or chapter 735a of the  
501 general statutes.

502 (b) The commissioner may authorize specific employees to conduct  
503 hearings and issue proposed or final decisions in contested cases, and  
504 establish reasonable fees for forms and documents the department  
505 provides to the public and for the filing or registration of documents  
506 required by sections 1 to 28, inclusive, of this act.

507 (c) If the commissioner initiates a disciplinary proceeding under this  
508 section, a person is entitled to a hearing before the commissioner or a  
509 hearing officer appointed by the commissioner. Any party aggrieved  
510 by a decision made by a hearing officer may appeal to the  
511 commissioner in accordance with chapter 54 of the general statutes.

512 (d) The commissioner may authorize the Attorney General to file a  
513 suit in the judicial district of New Britain to prevent a violation of  
514 sections 1 to 28, inclusive, of this act or for any other appropriate relief.

515 (e) A developer's compliance with sections 1 to 28, inclusive, of this  
516 act exempts the parties' offer, disposition, exchange and management  
517 of time share interests subject to said sections from: (1) The registration  
518 provisions of chapter 672a of the general statutes, unless otherwise  
519 sold as a security; (2) compliance with the provisions of chapter 740 of  
520 the general statutes; (3) compliance with the provisions of chapter 828  
521 of the general statutes; and (4) compliance with the provisions of  
522 sections 20-329a to 20-329n, inclusive, of the general statutes or the  
523 2008 supplement to the general statutes.

524 (f) The commissioner may adopt regulations, in accordance with the  
525 provisions of chapter 54 of the general statutes, specifying the  
526 requirements for the issuance and renewal of a developer's registration  
527 under sections 1 to 28, inclusive, of this act, including, but not limited  
528 to, (1) the form required for application for registration or a renewal of  
529 registration, and (2) any supporting documentation required for  
530 registration or renewal of registration.

531 (g) The commissioner shall issue or renew a registration under  
532 sections 1 to 28, inclusive, of this act for a period not to exceed twenty-  
533 four months.

534 (h) The commissioner shall assess and collect a fee of seven hundred  
535 dollars for the issuance or renewal of a registration under sections 1 to  
536 28, inclusive, of this act.

537 (i) The commissioner may assess and collect a late fee if the  
538 commissioner has not received the registration fee or supporting  
539 documentation required before the sixty-first day after the date a  
540 registration is issued or renewed under this section.

541 (j) Failure to pay a renewal fee or late fee shall be a violation of  
542 sections 1 to 28, inclusive, of this act.

543 Sec. 10. (NEW) (*Effective October 1, 2008*) (a) An advertisement shall  
544 not materially misrepresent:

545 (1) Facts or create false or misleading impressions regarding the  
546 time share plan;

547 (2) The size, nature, extent, qualities or characteristics of the  
548 accommodations or amenities;

549 (3) The amount or period of time during which the accommodations  
550 or amenities will be available to any purchaser;

551 (4) The nature or extent of any services incident to the time share  
552 plan; or

553 (5) The conditions under which a purchaser may exchange the right  
554 to use accommodations or amenities in one location for the right to use  
555 accommodations or amenities in another location.

556 (b) An advertisement shall not:

557 (1) Contain statements concerning nonspecific or not bona fide  
558 future price increases;

559 (2) Contain any asterisk or other reference symbol as a means of  
560 contradicting or substantially changing any previously made  
561 statement or as a means of obscuring material facts; or

562 (3) Describe any improvement to the time share plan that is not  
563 required to be built or that is uncompleted unless labeled in  
564 conspicuous type with words such as "need not be built", "proposed"  
565 or "under construction", with the date of promised completion, if  
566 applicable, clearly indicated.

567 (c) An advertisement that contains a promotion in connection with  
568 the offering of a time share interest shall include:

569 (1) A statement to the effect that the promotion is intended to solicit  
570 purchasers of time share interests;

571 (2) The full name of the developer of the time share property; and

572 (3) If applicable, the full name and address of any marketing  
573 company involved in the promotion of the time share property,  
574 excluding the developer or an affiliate or subsidiary of the developer.

575 (d) When a promotion uses free offers, gift enterprises, drawings,  
576 sweepstakes or discounts, the rules of the promotion shall be disclosed  
577 and shall include, when applicable, the day and the year by which all  
578 prizes listed or offered will be awarded, and the method by which all  
579 prizes are to be awarded.

580 (e) At least one of each prize featured in a promotion shall be  
581 awarded by the day and year specified in the promotion. The  
582 developer and any marketing company involved in the promotion  
583 shall be liable for making the awards.

584 (f) Any promotion offering prizes, including, but not limited to,  
585 awards, gifts or anything of value regardless of whether there are any  
586 conditions or restrictions attached to the receipt of the prize, shall  
587 disclose in conspicuous type:

588 (1) The value of each prize;

589 (2) The odds of winning each prize, expressed in Arabic numerals as  
590 a fraction or a ratio, or, if the odds depend upon the number of entries  
591 received, a statement that the odds depend upon the number of any  
592 entries received; and

593 (3) Any conditions or restrictions that apply to the receipt of the  
594 prize or void the receipt of the prize.

595 (g) An advertisement containing the disclosures required by this  
596 section shall be provided in writing or electronically:

597 (1) At least once before a scheduled sales presentation; and

598 (2) In a reasonable period before the scheduled sales presentation to  
599 ensure that the recipient receives the disclosures before leaving to  
600 attend the sales presentation.

601 (h) The developer shall not be required to provide the disclosures  
602 required by this section in every advertisement or other written, oral or  
603 electronic communication provided or made to a recipient before a  
604 scheduled sales presentation.

605 Sec. 11. (NEW) (*Effective October 1, 2008*) (a) Before a prospective  
606 purchaser signs any agreement to acquire a time share interest, the  
607 developer shall provide a time share disclosure statement to the  
608 prospective purchaser and shall obtain from the purchaser a written  
609 acknowledgement of receipt of the time share disclosure statement.

610 (b) The time share disclosure statement for a single-site time share  
611 plan or a multisite time share plan that includes a specific time share  
612 interest shall include:

613 (1) The type of time share plan offered and the name and address of  
614 the developer and the single site or specific site offered for the  
615 multisite time share plan;

616 (2) A description of the duration and operation of the time share  
617 plan;

618 (3) A description of the existing or proposed accommodations,  
619 including the type and number of time share interests in the  
620 accommodations expressed in periods of seven-day-use availability or  
621 other time increment applicable to the time share plan. The description  
622 of each type of accommodation included in the time share plan shall be  
623 categorized by the number of bedrooms, the number of bathrooms,  
624 and sleeping capacity, and shall include a statement indicating  
625 whether the accommodation contains a full kitchen, which means a  
626 kitchen that has a minimum of a dishwasher, range, sink, oven and  
627 refrigerator. If the accommodations are proposed or incomplete, a  
628 schedule for commencement, completion and availability of the  
629 accommodations shall be provided;

630 (4) A description of any existing or proposed amenities of the time  
631 share plan and, if the amenities are proposed or incomplete, a schedule  
632 for commencement, completion, and availability of the amenities;

633 (5) The extent to which financial arrangements have been provided  
634 for the completion of all promised accommodations and amenities that  
635 are committed to be built;

636 (6) A description of the method and timing for performing  
637 maintenance of the accommodations;

638 (7) A statement indicating that, on an annual basis, the sum of the  
639 nights that purchasers are entitled to use the accommodations does not  
640 exceed the number of nights the accommodations are available for use  
641 by the purchasers;

642 (8) A description of the method by which purchasers' use of the  
643 accommodations is scheduled;

644 (9) A statement that an association exists or is expected to be created  
645 or that such an association does not exist and is not expected to be

646 created and, if such an association exists or is reasonably  
647 contemplated, a description of its powers and responsibilities;

648 (10) Relating to the single-site time share plan or the specific time  
649 share interest of a multisite time share plan, copies of the following  
650 documents, if applicable, including any amendments to the  
651 documents, unless separately provided to the purchaser  
652 simultaneously with the time share disclosure statement: (A) The  
653 declaration; (B) the association articles of incorporation; (C) the  
654 association bylaws; (D) the association rules; and (E) any lease or  
655 contract, excluding the purchase contract and other loan documents  
656 required to be signed by the purchaser at closing;

657 (11) The name and principal address of the managing entity and a  
658 description of the procedures, if any, for altering the powers and  
659 responsibilities of the managing entity and for removing or replacing  
660 it;

661 (12) The current annual budget, if available, or the projected annual  
662 budget for the time share plan or time share properties managed by  
663 the same managing entity if assessments are deposited in a common  
664 account. The budget shall include:

665 (A) A statement of the amount reserved or budgeted for repairs,  
666 replacements and refurbishment;

667 (B) The projected common expense liability, if any, by category of  
668 expenditure for the time share plan or time share properties managed  
669 by the same managing entity; and

670 (C) The assumptions on which the operating budget is based;

671 (13) The projected assessments and a description of the method for  
672 calculating and apportioning those assessments among purchasers;

673 (14) Any initial fee or special fee due from the purchaser at closing,  
674 together with a description of the purpose and method of calculating  
675 the fee;

676 (15) A description of any lien, defect or encumbrance on or affecting  
677 title to the time share interest and, if applicable, a copy of each written  
678 warranty provided by the developer;

679 (16) A description of any bankruptcy that is pending or that has  
680 occurred within the past five years, pending civil or criminal suit,  
681 adjudication or disciplinary actions material to the time share plan of  
682 which the developer has knowledge;

683 (17) A description of any financing offered by or available through  
684 the developer;

685 (18) Any current or anticipated fees or charges to be paid by time  
686 share purchasers for the use of any accommodations or amenities  
687 related to the time share plan, and a statement that the fees or charges  
688 are subject to change;

689 (19) A description of the insurance respectively insuring the (A)  
690 time share property against damage and destruction, (B) association  
691 against liability to others, and (C) owners of time share interests  
692 against liability to others;

693 (20) A description of the type of insurance coverage necessary to  
694 protect the purchaser and reasonably repair or replace the  
695 accommodations and amenities;

696 (21) The extent to which a time share interest may become subject to  
697 a tax lien or other lien arising out of claims against purchasers of  
698 different time share interests;

699 (22) A description of the purchaser's right to cancel the purchase  
700 contract identified in section 14 of this act;

701 (23) A statement disclosing any right of first refusal or other  
702 restraint on the transfer of all or any portion of a time share interest;

703 (24) A statement disclosing that any deposit made in connection  
704 with the purchase of a time share interest shall be held by a closing

705 agent until expiration of any right to cancel the contract and that if the  
706 purchaser elects to exercise the right of cancellation, any deposit shall  
707 be returned to the purchaser, or, if the commissioner accepts from the  
708 developer a surety bond, irrevocable letter of credit or other form of  
709 financial assurance instead of an escrow deposit, a statement  
710 disclosing that the developer has provided a surety bond, irrevocable  
711 letter of credit or other form of financial assurance in an amount equal  
712 to or in excess of the funds that would otherwise be held by a closing  
713 agent and that if the purchaser elects to exercise the right of  
714 cancellation, any deposit shall be returned to the purchaser;

715 (25) If applicable, a statement that the assessments collected from  
716 the purchasers may be placed in a common account with the  
717 assessments collected from the purchasers of other time share  
718 properties managed by the same managing entity;

719 (26) If the time share plan provides purchasers with the opportunity  
720 to participate in an exchange program, a description of the name and  
721 address of the exchange company and the method by which a  
722 purchaser accesses the exchange program; and

723 (27) Any other information the commissioner deems necessary to  
724 protect prospective purchasers or to implement sections 1 to 28,  
725 inclusive, of this act.

726 (c) A developer who offers a specific time share interest in a  
727 multisite time share plan also shall fully disclose the following  
728 information in written, graphic or tabular form:

729 (1) A description of each component site, including the name and  
730 address of each component site;

731 (2) A description of each type of accommodation in each component  
732 site, categorized by the number of bedrooms, the number of  
733 bathrooms, and sleeping capacity and a statement indicating whether  
734 the accommodation contains a full kitchen, which means a kitchen that  
735 has a minimum of a dishwasher, range, sink, oven and refrigerator;

736 (3) A description of the amenities at each component site available  
737 for use by purchasers;

738 (4) A description of the reservation system, including, but not  
739 limited to:

740 (A) The entity responsible for operating the reservation system, its  
741 relationship to the developer and the duration of any agreement for  
742 operation of the reservation system;

743 (B) A summary of the rules governing access to and use of the  
744 reservation system; and

745 (C) The existence of and explanation regarding any priority  
746 reservation features that affect a purchaser's ability to make  
747 reservations for the use of a given accommodation on a first-come,  
748 first-served basis;

749 (5) The name and principal address of the managing entity for the  
750 multisite time share plan and a description of the procedures, if any,  
751 for altering the powers and responsibilities of the managing entity and  
752 for removing or replacing it;

753 (6) A description of any right to make additions to, substitutions in  
754 or deletions from accommodations, amenities or component sites, and  
755 a description of the basis on which accommodations, amenities or  
756 component sites may be added to, substituted in or deleted from the  
757 multisite time share plan;

758 (7) A description of the purchaser's liability for any fees associated  
759 with the multisite time share plan;

760 (8) The location of each component site of the multisite time share  
761 plan, the historical occupancy of each component site for the prior  
762 twelve-month period, if the component site was part of the multisite  
763 time share plan during such twelve-month time period, as well as any  
764 periodic adjustment or amendment to the reservation system that may  
765 be needed in order to respond to actual purchaser use patterns and

766 changes in purchaser use demand for the accommodations existing at  
767 the time within the multisite time share plan; and

768 (9) Any other information the commissioner deems necessary to  
769 protect prospective purchasers or to implement sections 1 to 28,  
770 inclusive, of this act.

771 (d) A developer who offers a nonspecific time share interest in a  
772 multisite time share plan shall disclose the following information in  
773 written, graphic or tabular form:

774 (1) The name and address of the developer;

775 (2) A description of the type of interest and the usage rights the  
776 purchaser will receive;

777 (3) A description of the duration and operation of the time share  
778 plan;

779 (4) A description of the insurance respectively insuring the (A) time  
780 share property against damage and destruction, (B) association against  
781 liability to others, and (C) owners of time share interests against  
782 liability to others;

783 (5) An explanation of who holds title to the accommodations of each  
784 component site;

785 (6) A description of each component site, including the name and  
786 address of each component site;

787 (7) A description of the existing or proposed accommodations,  
788 expressed in periods of seven-day use availability or any other time  
789 increment applicable to the time share plan. The description of each  
790 type of accommodation included in the time share plan shall be  
791 categorized by the number of bedrooms, the number of bathrooms,  
792 and sleeping capacity, and shall include a statement indicating  
793 whether the accommodation contains a full kitchen, which means a  
794 kitchen that has a minimum of a dishwasher, range, sink, oven and

795 refrigerator. If the accommodations are proposed or incomplete, a  
796 schedule for commencement, completion and availability of the  
797 accommodations shall be provided;

798 (8) A statement that an association exists or is expected to be created  
799 or that such an association does not exist and is not expected to be  
800 created and, if such an association exists or is reasonably  
801 contemplated, a description of its powers and responsibilities;

802 (9) If applicable, copies of the following documents applicable to the  
803 multisite time share plan, including any amendments to the  
804 documents, unless separately provided to the purchaser  
805 simultaneously with the time share disclosure statement: (A) The  
806 declaration; (B) the association articles of incorporation; (C) the  
807 association bylaws; (D) the association rules; and (E) any lease or  
808 contract, excluding the purchase contract and other loan documents  
809 required to be signed by the purchaser at closing;

810 (10) A description of the method and timing for performing  
811 maintenance of the accommodations;

812 (11) A statement indicating that, on an annual basis, the sum of the  
813 nights that purchasers are entitled to use the accommodations does not  
814 exceed the number of nights the accommodations are available for use  
815 by the purchasers;

816 (12) A description of each type of accommodation included in the  
817 time share plan, categorized by the number of bedrooms, the number  
818 of bathrooms, and sleeping capacity, and a statement indicating  
819 whether the accommodation contains a full kitchen, which means a  
820 kitchen that has a minimum of a dishwasher, range, sink, oven and  
821 refrigerator;

822 (13) A description of amenities available for use by the purchaser at  
823 each component site;

824 (14) The location of each component site of the multisite time share

825 plan, the historical occupancy of each component site for the prior  
826 twelve-month period, if the component site was part of the multisite  
827 time share plan during such twelve-month time period, as well as any  
828 periodic adjustment or amendment to the reservation system that may  
829 be needed in order to respond to actual purchaser use patterns and  
830 changes in purchaser use demand for the accommodations existing at  
831 the time within the multisite time share plan;

832 (15) A description of the right to make any additions, substitutions,  
833 or deletions of accommodations, amenities or component sites, and a  
834 description of the basis upon which accommodations, amenities or  
835 component sites may be added to, substituted in or deleted from the  
836 multisite time share plan;

837 (16) A description of the reservation system that shall include all of  
838 the following:

839 (A) The entity responsible for operating the reservation system, its  
840 relationship to the developer and the duration of any agreement for  
841 operation of the reservation system;

842 (B) A summary of the rules governing access to and use of the  
843 reservation system; and

844 (C) The existence of and an explanation regarding any priority  
845 reservation features that affect a purchaser's ability to make  
846 reservations for the use of a given accommodation on a first-come,  
847 first-served basis;

848 (17) The name and principal address of the managing entity for the  
849 multisite time share plan and a description of the procedures, if any,  
850 for altering the powers and responsibilities of the managing entity and  
851 for removing or replacing it, and a description of the relationship  
852 between the multisite time share plan managing entity and the  
853 managing entity of the component sites of the multisite time share  
854 plan, if different from the multisite time share plan managing entity;

855 (18) The current annual budget of the multisite time share plan, if  
856 available, or the projected annual budget for the multisite time share  
857 plan, which shall include, but not be limited to:

858 (A) A statement of the amount reserved or budgeted for repairs,  
859 replacements and refurbishment;

860 (B) The projected common expense liability, if any, by category of  
861 expenditure for the multisite time share plan; and

862 (C) The assumptions on which the operating budget is based;

863 (19) The projected assessments and a description of the method for  
864 calculating and apportioning those assessments among purchasers of  
865 the multisite time share plan;

866 (20) If applicable, a statement that the assessments collected from  
867 the purchasers may be placed in a common account with the  
868 assessments collected from the purchasers of other time share  
869 properties managed by the same managing entity;

870 (21) Any current fees or charges to be paid by time share purchasers  
871 for the use of any amenities related to the time share plan and a  
872 statement that the fees or charges are subject to change;

873 (22) Any initial or special fee due from the purchaser at closing,  
874 together with a description of the purpose of and method of  
875 calculating the fee;

876 (23) A description of the purchaser's liability for any fees associated  
877 with the multisite time share plan;

878 (24) A description of any lien, defect or encumbrance on or affecting  
879 title to the time share interest and, if applicable, a copy of each written  
880 warranty provided by the developer;

881 (25) The extent to which a time share interest may become subject to  
882 a tax lien or other lien arising out of claims against purchasers of

883 different time share interests;

884 (26) A description of those matters required by section 14 of this act;

885 (27) A description of any financing offered by or available through  
886 the developer;

887 (28) A description of any bankruptcy that is pending or that has  
888 occurred within the past five years, pending civil or criminal suits,  
889 adjudications or disciplinary actions material to the time share plan of  
890 which the developer has knowledge;

891 (29) A statement disclosing any right of first refusal or other  
892 restraint on the transfer of all or a portion of a time share interest;

893 (30) A statement disclosing that any deposit made in connection  
894 with the purchase of a time share interest shall be held by a closing  
895 agent until expiration of any right to cancel the contract and that if the  
896 purchaser elects to exercise the right of cancellation, any deposit shall  
897 be returned to the purchaser not later than ten days after the date the  
898 seller is notified of the cancellation; or, if the commissioner requires  
899 from the developer a surety bond, irrevocable letter of credit or other  
900 form of financial assurance instead of an escrow deposit, a statement  
901 disclosing that the developer has provided a surety bond, irrevocable  
902 letter of credit or other form of financial assurance in an amount equal  
903 to or in excess of the funds that would otherwise be held by a closing  
904 agent and that if the purchaser elects to exercise the right of  
905 cancellation, any deposit shall be returned to the purchaser not later  
906 than twenty business days after the date the seller is notified of the  
907 cancellation;

908 (31) If the time share plan provides purchasers with the opportunity  
909 to participate in an exchange program, a description of the name and  
910 address of the exchange company and the method by which a  
911 purchaser accesses the exchange program; and

912 (32) Any other information the commissioner determines is

913 necessary to protect prospective purchasers or to implement the  
914 purpose of sections 1 to 28, inclusive, of this act.

915 (e) A developer may include any other information in a time share  
916 disclosure statement required by this section as approved by the  
917 commissioner.

918 (f) If a time share plan is located wholly outside this state, the  
919 commissioner may permit the developer to submit a time share  
920 disclosure statement the developer is currently providing purchasers  
921 or an equivalent time share disclosure statement filed for the time  
922 share plan in another state if the current statement or the equivalent  
923 statement substantially complies with the requirements of this section.  
924 Use of an equivalent time share disclosure statement pursuant to this  
925 subsection does not exempt the developer from other requirements of  
926 this section.

927 Sec. 12. (NEW) (*Effective October 1, 2008*) (a) Before the signing of  
928 any agreement to purchase a time share interest in which a prospective  
929 purchaser is also offered participation in any exchange program, the  
930 developer shall deliver to the prospective purchaser the exchange  
931 disclosure statement of any exchange company whose service is  
932 advertised or offered by the developer or other person in connection  
933 with the disposition.

934 (b) If participation in an exchange program is offered for the first  
935 time after a disposition has occurred, any person offering that  
936 participation shall also deliver an exchange disclosure statement to the  
937 purchaser before the execution by the purchaser of any instrument  
938 relating to participation in the exchange program.

939 (c) In all cases, the person offering participation in the exchange  
940 program shall obtain from the purchaser a written acknowledgment  
941 of receipt of the exchange disclosure statement.

942 (d) The exchange disclosure statement shall include:

- 943 (1) The name and address of the exchange company;
- 944 (2) If the exchange company is not the developer, a statement  
945 describing the legal relationship, if any, between the exchange  
946 company and the developer;
- 947 (3) A statement indicating the conditions under which the exchange  
948 program might terminate or become unavailable;
- 949 (4) Whether membership or participation or both in the exchange  
950 program is voluntary or mandatory;
- 951 (5) A complete description of the required procedure for executing  
952 an exchange of time share periods;
- 953 (6) The fee required for membership or participation or both in the  
954 program and whether the fee is subject to change;
- 955 (7) A statement disclosing that participation in the exchange  
956 program is conditioned on compliance with the terms of a contract  
957 between the exchange company and the purchaser;
- 958 (8) A statement in conspicuous type that all exchanges are arranged  
959 on a space-available basis and that neither the developer nor the  
960 exchange company guarantees that a particular time share period can  
961 be exchanged;
- 962 (9) A description of seasonal demand and unit occupancy  
963 restrictions employed in the exchange program;
- 964 (10) The following information, which shall be independently  
965 audited by a certified public accountant or accounting firm in  
966 accordance with the standards of the Accounting Standards Board of  
967 the American Institute of Certified Public Accountants and reported  
968 annually:
- 969 (A) The number of purchasers currently enrolled in the exchange  
970 program;

971 (B) The number of accommodations and facilities that have current  
972 written affiliation agreements with the exchange program;

973 (C) The percentage of confirmed exchanges, which is the number of  
974 exchanges confirmed by the exchange program divided by the number  
975 of exchanges properly applied for, together with a complete and  
976 accurate statement of the criteria used to determine whether an  
977 exchange request was properly applied for;

978 (D) The number of time share periods for which the exchange  
979 program has an outstanding obligation to provide an exchange to a  
980 purchaser who relinquished a time share period during the year in  
981 exchange for a time share period in any future year; and

982 (E) The number of exchanges confirmed by the exchange program  
983 during the year; and

984 (11) A statement in boldface type that the percentage described in  
985 subparagraph (C) of subdivision (10) of subsection (d) of this section is  
986 a summary of the exchange requests entered with the exchange  
987 program in the period reported and that the percentage does not  
988 indicate the probabilities of a purchaser's being confirmed to any  
989 specific choice or range of choices.

990 (e) Each exchange company offering an exchange program in this  
991 state shall file with the department the information specified in this  
992 section, together with any membership agreement and application  
993 between the purchaser and the exchange company, and the audit  
994 specified in subdivision (10) of subsection (d) of this section on or  
995 before June first of each year. An exchange company shall make its  
996 initial filing not later than twenty days prior to offering an exchange  
997 program to any purchaser in this state. Each filing shall be  
998 accompanied by an annual filing fee of five hundred dollars.

999 (f) Any material change to an exchange company filing shall be filed  
1000 with the department as an amendment prior to becoming effective.  
1001 Each amendment filing shall be accompanied by a filing fee of one

1002 hundred dollars. An exchange program filing is required to be  
1003 updated with respect to added or deleted resorts only once each year,  
1004 and such annual update shall not be deemed to be a material change to  
1005 the filing.

1006 (g) If at any time the department determines that any of the  
1007 information supplied by an exchange company fails to meet the  
1008 requirements of this section, the department shall undertake  
1009 enforcement action against the exchange company.

1010 Sec. 13. (NEW) (*Effective October 1, 2008*) Notwithstanding  
1011 obligations placed upon any other persons pursuant to sections 1 to 28,  
1012 inclusive, of this act, the developer shall supervise, manage and control  
1013 all aspects of the offering of a time share interest, including, but not  
1014 limited to, promotion, advertising, contracting and closing. Any  
1015 violation of sections 1 to 28, inclusive, of this act that occurs during  
1016 such offering activities is considered to be a violation by the developer  
1017 as well as by the person actually committing the violation.

1018 Sec. 14. (NEW) (*Effective October 1, 2008*) (a) A purchaser may cancel  
1019 a purchase contract before midnight of the fifth calendar day after the  
1020 date the purchaser signs and receives a copy of the purchase contract  
1021 or receives the required time share disclosure statement, whichever is  
1022 later. A developer may offer a cancellation period that is longer than  
1023 five calendar days if required in the jurisdiction where the time share  
1024 property is located.

1025 (b) A purchaser shall not waive any right of cancellation under this  
1026 section. A contract containing a waiver is voidable by the purchaser.

1027 (c) If a purchaser elects to cancel a purchase contract under this  
1028 section, the purchaser may do so by hand-delivering notice of  
1029 cancellation to the developer, by mailing notice by prepaid United  
1030 States mail to the developer or to the developer's agent for service of  
1031 process or by providing notice by overnight common carrier delivery  
1032 service to the developer or the developer's agent for service of process.

1033 (d) Cancellation is without penalty, and all payments made by the  
1034 purchaser before cancellation shall be refunded not later than twenty  
1035 business days after the date on which the developer receives a timely  
1036 notice of cancellation or on or before the fifth day after the date the  
1037 developer receives good funds from the purchaser, whichever is later.

1038 Sec. 15. (NEW) (*Effective October 1, 2008*) (a) Each purchase contract  
1039 shall contain the following information: The statements required by  
1040 this subsection and subdivision (7) of subsection (c) of this section shall  
1041 be provided in conspicuous type and in the language set forth in this  
1042 section or in similar language or type if required by the jurisdiction in  
1043 which the time share property or properties are located, with the  
1044 developer's name and address, the date of the last day of the fiscal year  
1045 and the address of the managing entity inserted where indicated:

1046 "PURCHASER'S RIGHT TO CANCEL.

1047 (1) BY SIGNING THIS CONTRACT YOU ARE INCURRING AN  
1048 OBLIGATION TO PURCHASE A TIME SHARE INTEREST. YOU  
1049 MAY, HOWEVER, CANCEL THIS CONTRACT WITHOUT  
1050 PENALTY OR OBLIGATION BEFORE MIDNIGHT OF THE FIFTH  
1051 CALENDAR DAY AFTER THE DATE YOU SIGN AND RECEIVE A  
1052 COPY OF THE PURCHASE CONTRACT, OR RECEIVE THE  
1053 REQUIRED TIME SHARE DISCLOSURE STATEMENT, WHICHEVER  
1054 IS LATER.

1055 (2) IF YOU DECIDE TO CANCEL THIS CONTRACT, YOU MAY  
1056 DO SO BY EITHER HAND-DELIVERING NOTICE OF  
1057 CANCELLATION TO THE DEVELOPER, BY MAILING NOTICE BY  
1058 PREPAID UNITED STATES MAIL TO THE DEVELOPER OR THE  
1059 DEVELOPER'S AGENT FOR SERVICE OF PROCESS, OR BY  
1060 PROVIDING NOTICE BY OVERNIGHT COMMON CARRIER  
1061 DELIVERY SERVICE TO THE DEVELOPER OR THE DEVELOPER'S  
1062 AGENT FOR SERVICE OF PROCESS. YOUR NOTICE OF  
1063 CANCELLATION IS EFFECTIVE ON THE DATE SENT OR  
1064 DELIVERED TO (INSERT NAME OF DEVELOPER) AT (INSERT

1065 ADDRESS OF DEVELOPER). FOR YOUR PROTECTION, SHOULD  
1066 YOU DECIDE TO CANCEL YOU SHOULD EITHER SEND YOUR  
1067 NOTICE OF CANCELLATION BY CERTIFIED MAIL WITH A  
1068 RETURN RECEIPT REQUESTED OR OBTAIN A SIGNED AND  
1069 DATED RECEIPT IF DELIVERING IT IN PERSON OR BY  
1070 OVERNIGHT COMMON CARRIER.

1071 (3) A PURCHASER SHOULD NOT RELY ON STATEMENTS  
1072 OTHER THAN THOSE INCLUDED IN THIS CONTRACT AND THE  
1073 DISCLOSURE STATEMENT.

1074 (4) SHOULD YOU CANCEL, ANY PAYMENTS MADE BY YOU  
1075 UNDER THE CONTRACT AND ANY NEGOTIABLE INSTRUMENT  
1076 EXECUTED BY YOU WILL BE RETURNED WITHIN TWENTY  
1077 BUSINESS DAYS FOLLOWING RECEIPT BY THE DEVELOPER OF  
1078 YOUR CANCELLATION NOTICE, OR ON OR BEFORE THE FIFTH  
1079 CALENDAR DAY AFTER THE DATE THE DEVELOPER RECEIVES  
1080 GOOD FUNDS FROM THE PURCHASER, WHICHEVER IS LATER,  
1081 AND ANY SECURITY INTEREST ARISING OUT OF THE  
1082 TRANSACTION WILL BE CANCELLED."

1083 (b) Immediately following the required statements in subsection (a)  
1084 of this section shall be a space reserved for the signature of the  
1085 purchaser.

1086 (c) The purchase contract shall also include the following:

1087 (1) The name and address of the developer and the address of the  
1088 time share property or the address of any available time share interest  
1089 being offered;

1090 (2) The name of the person or persons primarily involved in the  
1091 sales presentation on behalf of the developer;

1092 (3) A statement disclosing the amount of the periodic assessments  
1093 currently assessed against or collected from the purchasers of the time  
1094 share interest;

1095 (4) If applicable, a statement disclosing that the time share common  
1096 properties are mortgaged and not subject to a nondisturbance clause  
1097 which fully protects the use and enjoyment rights of each time share  
1098 owner in the event of foreclosure;

1099 (5) In the event such time share interests are sold under a lease, right  
1100 to use, or membership agreement where free and clear title to the  
1101 accommodation is not passed to the purchaser, then the purchase  
1102 contract shall contain a statement that the time share is free and clear;  
1103 or if subject to a mortgage, the mortgage shall contain a  
1104 nondisturbance clause which fully protects the use and enjoyment  
1105 rights of each time share owner in the event of foreclosure;

1106 (6) The date the purchaser signs the contract; and

1107 (7) The following statement in conspicuous type:

1108 "AS A TIME SHARE OWNER, YOU HAVE A RIGHT TO REQUEST  
1109 A WRITTEN ANNUAL TIME SHARE FEE AND EXPENSE  
1110 STATEMENT. THIS STATEMENT IS PREPARED ANNUALLY BY  
1111 THE MANAGING ENTITY AND WILL BE AVAILABLE NOT LATER  
1112 THAN FIVE MONTHS AFTER (INSERT THE DATE OF THE LAST  
1113 DAY OF THE FISCAL YEAR). YOU MAY REQUEST THE  
1114 STATEMENT BY WRITING TO (INSERT NAME AND ADDRESS OF  
1115 THE MANAGING ENTITY).".

1116 (d) The information required to be provided by this section may be  
1117 provided in the purchase contract or in an exhibit to the purchase  
1118 contract, or it may be provided in part in both if all of the information  
1119 is provided.

1120 Sec. 16. (NEW) (*Effective October 1, 2008*) (a) An exchange company  
1121 may employ seasonal demand and unit occupancy restrictions in the  
1122 operation of its exchange program.

1123 (b) A developer shall not incur any liability arising out of the use,  
1124 delivery or publication to a purchaser of written information or audio-

1125 visual materials provided to such developer by the exchange company  
1126 in accordance with section 12 of this act, unless the developer knows or  
1127 has reason to know that the materials are inaccurate or false.

1128 (c) No exchange company shall have any liability with respect to  
1129 any violation under sections 1 to 28, inclusive, of this act arising out of  
1130 the use by a developer of information relating to an exchange program  
1131 other than that provided to the developer by the exchange company.

1132 (d) An exchange company may elect to deny exchange privileges to  
1133 any purchaser whose use of the accommodations of the purchaser's  
1134 time share plan is denied, and no exchange program or exchange  
1135 company shall be liable to any of its members or third parties on  
1136 account of any such denial of exchange privileges.

1137 (e) Except for written information or audio-visual materials  
1138 provided to a developer by an exchange company, an exchange  
1139 company shall not incur liability as a result of (1) a representation  
1140 made by a developer that relates to any exchange program or  
1141 exchange company, or (2) the use, delivery or publication by a  
1142 developer of information that relates to an exchange program or  
1143 exchange company.

1144 Sec. 17. (NEW) (*Effective October 1, 2008*) (a) A developer or closing  
1145 agent of a time share plan shall deposit in an escrow or trust account in  
1146 a federally insured depository one hundred per cent of all funds  
1147 received during the purchaser's cancellation period. For transactions  
1148 involving the sale of time share interests in time share properties  
1149 located in this state, such deposits shall be held in escrow as set forth  
1150 in subsection (b) of this section.

1151 (b) Any broker accepting moneys paid or advanced by the  
1152 purchaser, lessee, prospective purchaser or prospective lessee in  
1153 respect to the sale or lease of any time share interest shall comply with  
1154 the following:

1155 (1) Deposit any such moneys, in accordance with section 20-324k of

1156 the general statutes, in an escrow account approved by the  
1157 commissioner, in a bank doing business in this state; and

1158 (2) Maintain such moneys in such escrow account until:

1159 (A) A proper and valid release is obtained therefor;

1160 (B) Either party has defaulted under the contract or agreement and  
1161 the commissioner or the court has made a determination as to the  
1162 disposition of such money, or the seller or lessor orders the return of  
1163 such money to such purchaser or lessee; or

1164 (C) The time limits for revoking the contract or agreement, as set  
1165 forth in subsection (c) section 20-329h of the general statutes, have  
1166 expired.

1167 (c) A closing agent owes the purchaser a fiduciary duty.

1168 (d) The closing agent and the developer shall execute an agreement  
1169 that includes a statement providing that:

1170 (1) Funds may be disbursed to the developer from the escrow or  
1171 trust account by the agent only:

1172 (A) After the purchaser's cancellation period has expired; and

1173 (B) As provided by the purchase contract, subject to sections 1 to 28,  
1174 inclusive, of this act; and

1175 (2) If the purchaser cancels the purchase contract as provided by the  
1176 contract, the funds shall be paid to (A) the purchaser, or (B) the  
1177 developer if the purchaser's funds have been refunded previously by  
1178 the developer; and

1179 (3) If a developer contracts to sell a time share interest and the  
1180 construction of the building in which the time share interest is located  
1181 has not been completed when the cancellation period expires, the  
1182 developer shall continue to maintain all funds received from the  
1183 purchaser under the purchase agreement in the escrow or trust

1184 account until construction of the building is completed. The  
1185 documentation required for evidence of completion of construction  
1186 includes:

1187 (A) A certificate of occupancy;

1188 (B) A certificate of substantial completion;

1189 (C) Evidence of a public safety inspection from a government  
1190 agency in the applicable jurisdiction; or

1191 (D) Any other evidence acceptable to the commissioner.

1192 (e) The funds or property constituting the escrow or trust deposit  
1193 may be released from escrow only in accordance with this section.

1194 (f) If the purchaser cancels the purchase contract as provided by the  
1195 contract, the funds shall be paid to (1) the purchaser, or (2) the  
1196 developer if the purchaser's funds have been refunded previously by  
1197 the developer.

1198 (g) If the purchaser defaults in the performance of obligations under  
1199 the terms of the purchase contract, the funds shall be paid to the  
1200 developer.

1201 (h) If the developer defaults in the performance of obligations under  
1202 the purchase contract, the funds shall be paid to the purchaser.

1203 (i) If the funds of the purchaser have not been disbursed previously  
1204 as provided in subsections (e) to (h), inclusive, of this section, the  
1205 funds may be disbursed to the developer by the agent if acceptable  
1206 evidence of completion of construction is provided.

1207 (j) If there is a dispute relating to the funds in the escrow or trust  
1208 account, the agent shall maintain the funds in the account until (1) the  
1209 agent receives written directions agreed to and signed by all parties, or  
1210 (2) a civil action relating to the disputed funds is filed.

1211 (k) If a civil action is filed, the closing agent shall maintain or

1212 deposit the funds as directed by the court in which the action is filed.

1213 (l) In lieu of the deposit of funds in an escrow or trust account as  
1214 required by this section, the commissioner may accept from the  
1215 developer a surety bond, irrevocable letter of credit or other form of  
1216 financial assurance, including financial assurance posted in another  
1217 state or jurisdiction.

1218 (m) The amount of the financial assurance provided under  
1219 subsection (l) of this section shall be in an amount equal to or greater  
1220 than the amount of funds that would otherwise be placed in an escrow  
1221 or trust account under subsection (a) of this section.

1222 (n) The amount of the financial assurance provided under this  
1223 section for time share property under construction shall be no less  
1224 than:

1225 (1) The amount equal to or more than the amount of funds that  
1226 would otherwise be placed in an escrow or trust account under  
1227 subsection (e) of this section; or

1228 (2) The amount necessary to assure completion of all  
1229 accommodations promised to be completed along with all furniture,  
1230 fixtures and any other promised improvements as portrayed in the  
1231 time share instruments or time share disclosure statement. The surety  
1232 bond shall provide for the reduction of the bond amount as work is  
1233 completed, provided such bond reductions have been approved by the  
1234 commissioner. In the event the developer is considering future  
1235 additional phases, the amount need not include the cost of completion  
1236 of those phases so long as they have not been promised as part of the  
1237 time share instruments.

1238 (o) The type of surety bond provided under this section may  
1239 include, but not be limited to, a completion of construction bond or  
1240 escrow bond.

1241 (p) The closing agent or developer shall make documents related to

1242 the escrow or trust account or the financial assurance provided  
1243 available to the commissioner upon the commissioner's request.

1244 Sec. 18. (NEW) (*Effective October 1, 2008*) (a) Any of the following  
1245 committed by a developer or other person shall be deemed an unfair  
1246 trade practice under chapter 735a of the general statutes:

1247 (1) Failing to disclose the information required to be disclosed by  
1248 sections 1 to 28, inclusive, of this act;

1249 (2) Making false or materially misleading statements of fact  
1250 concerning the characteristics of accommodations or amenities  
1251 available to a consumer;

1252 (3) Making false or materially misleading statements of fact  
1253 concerning the duration that accommodations or amenities will be  
1254 available to a consumer;

1255 (4) Making false or materially misleading statements of fact  
1256 concerning the conditions under which a purchaser of a time share  
1257 interest may exchange the right to occupy a unit for the right to occupy  
1258 a unit in the same or another time share property;

1259 (5) Representing that a prize, gift or other benefit will be awarded in  
1260 connection with a promotion with the intent not to award that prize,  
1261 gift or benefit in the manner represented;

1262 (6) Failing to provide a copy of the purchase contract to the  
1263 purchaser at the time the contract is signed by the purchaser;

1264 (7) Failing to provide the annual statement required by subsection  
1265 (a) of section 21 of this act; or

1266 (8) Failing to maintain a one-to-one use right to use night ratio for a  
1267 time share plan during a consecutive twelve-month period, as  
1268 determined under subsection (c) of this section.

1269 (b) The provisions of this section are not exclusive and are in

1270 addition to any other unfair trade practices provided for under any  
1271 other law.

1272 (c) A developer complies with the one-to-one use right to use night  
1273 ratio referred to in subdivision (8) of subsection (a) of this section if the  
1274 sum of the nights that purchasers are entitled to use in a given twelve-  
1275 month period do not exceed the number of nights available for use by  
1276 those purchasers during the same twelve-month period. No individual  
1277 time share unit may be counted as providing more than three hundred  
1278 sixty-five use nights per twelve-month period or more than three  
1279 hundred sixty-six use nights per twelve-month period that includes  
1280 February twenty-ninth. The use rights of each purchaser shall be  
1281 counted without regard to whether the purchaser's use rights have  
1282 been suspended for failure to pay assessments or for other reasons.

1283 (d) A nonmaterial error or omission is not actionable if a developer  
1284 has complied with sections 1 to 28, inclusive, of this act in good faith.  
1285 Any nonmaterial error or omission is not sufficient to permit a  
1286 purchaser to cancel a purchase contract after the period provided for  
1287 cancellation expires under said sections.

1288 Sec. 19. (NEW) (*Effective October 1, 2008*) (a) Notwithstanding any  
1289 provision contained in the time share instrument or in sections 1 to 28,  
1290 inclusive, of this act the managing entity shall use due diligence to  
1291 obtain the following insurance coverage as a common expense of the  
1292 time share plan:

1293 (1) Adequate casualty insurance to protect the time share property  
1294 and amenities against all reasonably foreseeable perils, in such covered  
1295 amounts and subject to such reasonable exclusions and reasonable  
1296 deductibles as are consistent with the provisions of this section; and

1297 (2) Adequate liability insurance to reasonably protect the time share  
1298 property and amenities from occurrences commonly insured against  
1299 for death, bodily injury, and property damage arising out of or in  
1300 connection with the use, ownership and maintenance of the time share  
1301 property.

1302 (b) In making the determination as to whether the insurance  
1303 obtained pursuant to this section is adequate, the managing entity  
1304 shall take into account the following factors, among others as may be  
1305 applicable:

1306 (1) Available insurance coverages and related premiums in the  
1307 marketplace;

1308 (2) Amounts of any related deductibles, types of exclusions and  
1309 coverage limitations, provided, for purposes of this subdivision, a  
1310 deductible of five per cent or less shall be deemed to be reasonable per  
1311 se;

1312 (3) The probable maximum loss relating to the insured time share  
1313 property during the policy term;

1314 (4) The extent to which a given peril is insurable under  
1315 commercially reasonable terms;

1316 (5) Amounts of any deferred maintenance or replacement reserves  
1317 on hand;

1318 (6) Geography and any special risks associated with the location of  
1319 the time share property; and

1320 (7) The age and type of construction of the time share property.

1321 (c) Notwithstanding any provision contained in this section or in the  
1322 time share instrument, insurance shall be procured and maintained by  
1323 the managing entity for the time share property as a common expense  
1324 of the time share plan against such perils, in such coverages and  
1325 subject to such reasonable deductions or reasonable exclusions as may  
1326 be required by:

1327 (1) An institutional lender to a developer, for so long as such lender  
1328 holds a mortgage encumbering any interest in or lien against a portion  
1329 of the time share property; or

1330 (2) Any holder or pledge of, or any institutional lender having a  
1331 security interest in, a pool of promissory notes secured by mortgages  
1332 or other security interests relating to the time share plan, executed by  
1333 purchasers in connection with such purchasers' acquisition of time  
1334 share interests in such time share property, or any agent, underwriter,  
1335 placement agent, trustee, servicer, custodian or other portfolio  
1336 manager acting on behalf of such holder, pledge or institutional lender,  
1337 for so long as such notes and mortgages or other security interests  
1338 remain outstanding.

1339 (d) Notwithstanding any provision contained in the time share  
1340 instrument or in sections 1 to 28, inclusive, of this act, the managing  
1341 entity is authorized to apply any existing reserves for deferred  
1342 maintenance and capital expenditures toward payment of insurance  
1343 deductibles or the repair or replacement of the time share property  
1344 after a casualty without regard to the purposes for which such reserves  
1345 were originally established.

1346 (e) A copy of each policy of insurance in effect shall be made  
1347 available for reasonable inspection by purchasers and their authorized  
1348 agents.

1349 Sec. 20. (NEW) (*Effective October 1, 2008*) (a) Except as provided in  
1350 subsection (b) or (d) of section 7 of this act, no developer subject to  
1351 sections 1 to 28, inclusive, of this act shall (1) offer or dispose of a time  
1352 share interest in a time share property that has not been registered  
1353 with the department, or (2) accept reservations and deposits from  
1354 prospective purchasers.

1355 (b) Any developer who violates the provisions of subsection (a) of  
1356 this section shall be guilty of a class A misdemeanor. A developer shall  
1357 not be prosecuted for more than one offense involving the same  
1358 promotion, even if mailed or distributed to more than one person.

1359 Sec. 21. (NEW) (*Effective October 1, 2008*) (a) Notwithstanding any  
1360 provision of the required time share disclosure statement, project  
1361 instrument, time share instrument or bylaws adopted pursuant to a

1362 time share instrument, the managing entity shall make a written  
1363 annual statement of the operation of the time share plan or time share  
1364 properties managed by the managing entity if assessments are  
1365 deposited in a common account, to each purchaser who requests  
1366 statement not later than five months after the last day of each fiscal  
1367 year. The statement shall fairly and accurately represent the collection  
1368 and expenditure of assessments and include:

1369 (1) A balance sheet;

1370 (2) An income and expense statement;

1371 (3) The current budget for the time share property, time share  
1372 properties managed by the same managing entity or multisite time  
1373 share plan required by subdivision (12) of subsection (b) of section 11  
1374 of this act or subdivision (18) of subsection (d) of section 11 of this act;  
1375 and

1376 (4) The name, address, and telephone number of a designated  
1377 representative of the managing entity.

1378 (b) At the request of an owner, the managing entity of the time share  
1379 plan shall provide such owner with the name and address of each  
1380 member of the board of directors of the owners' association, if one  
1381 exists.

1382 (c) A developer or managing entity shall have an annual  
1383 independent audit of the financial statements of the time share plan or  
1384 time share properties managed by the managing entity performed by a  
1385 certified public accountant or an accounting firm. The audit shall be:

1386 (1) Conducted in accordance with generally accepted auditing  
1387 standards as prescribed by the American Institute of Certified Public  
1388 Accountants, the Governmental Accounting Standards Board, the  
1389 United States General Accounting Office or other professionally  
1390 recognized entities that prescribe auditing standards; and

1391 (2) Completed not later than five months after the last day of the

1392 fiscal year of the time share plan or time share property.

1393 (d) Knowingly furnishing false information in the annual time share  
1394 fee and expense statement shall be an unfair trade practice in violation  
1395 of chapter 735a of the general statutes.

1396 (e) The managing entity of any accommodation located in this state  
1397 shall post prominently in the registration area of the accommodations  
1398 the following notice, with the date of the last day of the current fiscal  
1399 year and the address of the managing entity inserted where indicated:

1400 "AS A TIME SHARE OWNER YOU HAVE A RIGHT TO REQUEST  
1401 A WRITTEN ANNUAL TIME SHARE FEE AND EXPENSE  
1402 STATEMENT. THIS STATEMENT IS PREPARED ANNUALLY BY  
1403 THE MANAGING ENTITY AND WILL BE AVAILABLE NO LATER  
1404 THAN FIVE MONTHS FOLLOWING (INSERT THE DATE OF THE  
1405 LAST DAY OF THE CURRENT FISCAL YEAR). YOU MAY REQUEST  
1406 THE STATEMENT, BY WRITING TO (INSERT ADDRESS OF THE  
1407 MANAGING ENTITY).".

1408 (f) On receipt of a written request filed with the commissioner by a  
1409 managing entity before the date on which the statement required by  
1410 this section shall be made available, the commissioner may, for good  
1411 cause shown, grant the managing entity an extension of not more than  
1412 thirty days in which to provide the statement.

1413 (g) If the statement required by this section is late and an extension  
1414 has not been granted under subsection (f) of this section, the  
1415 commissioner may institute, through the Office of the Attorney  
1416 General, an action for injunctive relief.

1417 Sec. 22. (NEW) (*Effective October 1, 2008*) (a) A managing entity that  
1418 manages two or more single-site time share plans may commingle the  
1419 assessments collected from purchasers of one time share plan with the  
1420 assessments collected from purchasers of any other single-site plan for  
1421 which it is the managing entity only if the practice is disclosed in the  
1422 time share disclosure statement for each time share property and an

1423 appropriate statement is included in the declaration required by  
1424 section 5 of this act for each time share property.

1425 (b) A managing entity that manages a multisite time share plan may  
1426 deposit assessments collected from purchasers of one time share  
1427 property into a common account with assessments collected from  
1428 purchasers of other time share properties participating in the same  
1429 multisite time share plan only if the practice is disclosed in the time  
1430 share disclosure statement for each time share property in the multisite  
1431 time share plan and an appropriate statement is included in the  
1432 declaration required by section 5 of this act for each time share plan.

1433 (c) Nothing in this section shall be construed to allow a managing  
1434 entity to commingle assessments of a multisite time share plan with  
1435 the assessments of a separate multisite time share plan or a time share  
1436 plan that is not a part of the multisite time share plan.

1437 (d) In matters related to the funds of the owners of time share  
1438 interests and the association, the managing entity shall have a duty to  
1439 act in the best interests of each owner of a time share interest in the  
1440 time share plan and the association.

1441 Sec. 23. (NEW) (*Effective October 1, 2008*) (a) The managing entity  
1442 may levy and enforce assessments on any time share interests in  
1443 accordance with the time share instrument, and any such assessment  
1444 shall constitute a debt of the owner of the interest at the time the  
1445 assessment is made. Assessments and other monetary obligations are  
1446 governed as follows:

1447 (1) After giving notice to the time share owner and an opportunity  
1448 to be heard, the managing entity may impose reasonable monetary  
1449 penalties for violation of the time share instrument, as an assessment,  
1450 as authorized by the time share instrument;

1451 (2) Assessments may include personal charges and other amounts  
1452 as authorized by the time share instrument;

1453 (3) The managing entity may assign to the delinquent owners the  
1454 costs of collection, including attorney fees, administrative fees, late  
1455 fees, interest and penalties or as otherwise authorized by the time  
1456 share instrument; and

1457 (4) The amount of any assessment plus any other charges such as  
1458 interest, collection costs, attorney fees, administrative fees, late fees,  
1459 interest and penalties, as provided in the time share instrument or as  
1460 otherwise provided by law, are a lien on the time share interest  
1461 assessed from the time the assessment became due. Recording of the  
1462 time share instrument, as set forth in section 5 of this act, shall  
1463 constitute record notice and perfection of the lien. No further  
1464 recordation of any claim of lien for assessment under this section is  
1465 required. Such lien may be foreclosed in like manner as a mortgage on  
1466 real property.

1467 (b) On the receipt of a written request, the managing entity shall  
1468 furnish to an owner, purchaser or any lender who has a security  
1469 interest in a time share interest or the time share property a statement  
1470 setting forth the amount of unpaid assessments made against the  
1471 owner's time share interest. The statement shall be furnished not later  
1472 than ten business days after receipt of the request and is binding on the  
1473 managing entity, the association, the board and every owner.

1474 (c) If an association, developer or other managing entity files an  
1475 action to foreclose the assessment lien on time share interests, the  
1476 association, developer or other managing entity may join in the same  
1477 action multiple defendant obligors and junior interest holders of  
1478 separate time share interests, on compliance with all of the following:

1479 (1) The foreclosure proceeding involves a single time share plan;

1480 (2) The foreclosure proceeding is filed by a single plaintiff;

1481 (3) The default and remedy provisions in the written instruments on  
1482 which the foreclosure proceeding is based are substantially the same  
1483 for each defendant; and

1484 (4) The nature of the defaults alleged is the same for each defendant.

1485 (d) In any foreclosure proceeding involving multiple defendants  
1486 filed pursuant to subsection (c) of this section, the court shall sever for  
1487 separate trial any count of the complaint in which a defense or  
1488 counterclaim is timely raised by a defendant.

1489 Sec. 24. (NEW) (*Effective October 1, 2008*) Notwithstanding any  
1490 provision of section 23 of this act or section 36a-805 of the general  
1491 statutes, any costs of collection, including reasonable collection agency  
1492 fees and reasonable attorney's fees incurred in the collection of a  
1493 delinquent assessment, shall be paid by the purchaser and shall be  
1494 secured by a lien in favor of the managing entity upon the time share  
1495 interest with respect to which the delinquent assessment has been  
1496 incurred. In the event that the managing entity turns the matter over to  
1497 a consumer collection agency, the managing entity shall advise the  
1498 purchaser not later than sixty days prior to turning the matter over to  
1499 the consumer collection agency that the purchaser may be liable for the  
1500 fees of the consumer collection agency and that a lien may result  
1501 therefrom.

1502 Sec. 25. (NEW) (*Effective October 1, 2008*) (a) A developer or  
1503 managing entity, on written request by an owner, shall make available  
1504 for examination at its registered office or principal place of business  
1505 and at any reasonable time or times the relevant books and records  
1506 relating to the collection and expenditure of assessments.

1507 (b) A developer or managing entity shall maintain in its records a  
1508 copy of each purchase contract for an accommodation sold by the  
1509 developer for a time share period unless the contract has been  
1510 canceled. If a sale of the time share estate is pending, the developer  
1511 shall retain a copy of the contract until a deed of conveyance,  
1512 agreement for deed or lease is recorded in the real property records of  
1513 the town, county or other jurisdiction in which the time share property  
1514 is located.

1515 Sec. 26. (NEW) (*Effective October 1, 2008*) (a) A time share resale

1516 broker who acts on behalf of a time share owner other than a  
1517 developer, shall, prior to offering in this state:

1518 (1) Be licensed as a real estate broker pursuant to the provisions of  
1519 section 20-311 of the general statutes;

1520 (2) Register as a time share resale broker with the department by  
1521 completing a form for registration approved by the commissioner and  
1522 paying a fee of five hundred dollars, except that any real estate broker  
1523 or salesperson licensed pursuant to section 20-314 of the 2008  
1524 supplement to the general statutes shall be exempt from such  
1525 registration fee; and

1526 (3) Comply with the provisions of sections 27 and 28 of this act and  
1527 submit copies to the department of the documents and disclosures  
1528 required therein.

1529 (b) For purposes of this section, a rebuttable presumption shall exist  
1530 that a time share owner who has acquired more than twelve time share  
1531 interests did not acquire them for the personal use and occupancy of  
1532 said owner.

1533 (c) Unless the method for resale of time shares is for the purpose of  
1534 evading the provisions of sections 1 to 28, inclusive, of this act, a  
1535 person shall not be required to register as a time share resale broker if  
1536 such person:

1537 (1) Has acquired fewer than twelve time share interests and later  
1538 resells or offers to resell one or more of those time share interests;

1539 (2) Is a real estate broker or sales person licensed pursuant to section  
1540 20-311 of the general statutes;

1541 (3) Is a licensed real estate broker or salesperson who resells or  
1542 offers to resell time share interests in a time share plan as an agent for  
1543 a developer who is registered under sections 1 to 28, inclusive, of this  
1544 act;

1545 (4) Is a developer who is registered under sections 1 to 28, inclusive,  
1546 of this act or is an affiliate of the developer which is also a managing  
1547 entity;

1548 (5) Is a managing entity that is not otherwise a developer, that sells  
1549 or engages a third party to sell on its behalf, fifty or fewer time share  
1550 interests in the time share plan that it manages in a given calendar year  
1551 to persons who are not existing purchasers of that time share plan; or

1552 (6) Is an exchange company subject to section 12 of this act.

1553 (d) A time share resale broker who offers to resell a time share  
1554 interest shall:

1555 (1) Provide a fully executed copy of the written agreement described  
1556 in subsection (a) of section 28 of this act to the time share owner on the  
1557 date the owner signs the agreement; and

1558 (2) Make the disclosures required pursuant to subsection (a) of  
1559 section 28 of this act before accepting anything of value from the time  
1560 share owner.

1561 Sec. 27. (NEW) (*Effective October 1, 2008*) Before a purchaser signs  
1562 any contract to purchase a time share resale, the person who is  
1563 reselling the time share, other than a developer registered under this  
1564 chapter, shall disclose in conspicuous type in the contract to purchase  
1565 the time share resale the following information:

1566 (1) The name, address and telephone number of the time share plan  
1567 and the managing entity of the time share plan;

1568 (2) The period of time or the duration of time during which the  
1569 purchaser may use the time share interest;

1570 (3) A legal description of the time share interest being acquired;

1571 (4) The earliest date that the purchaser may use the time share  
1572 interest;

1573 (5) The place where the documents of formation of the association, if  
1574 any, and the time share instrument may be obtained together with the  
1575 following disclosure:

1576 "THERE ARE MANY IMPORTANT DOCUMENTS RELATING TO  
1577 THE TIME SHARE PLAN WHICH YOU SHOULD REVIEW PRIOR  
1578 TO PURCHASING A TIME SHARE INTEREST, INCLUDING THE  
1579 DECLARATION OF CONDOMINIUM OR COVENANTS AND  
1580 RESTRICTIONS; THE OWNERS' ASSOCIATION ARTICLES AND  
1581 BYLAWS; THE CURRENT YEAR'S OPERATING AND RESERVE  
1582 BUDGETS; AND ANY RULES AND REGULATIONS AFFECTING  
1583 THE USE OF THE TIME SHARE PLAN ACCOMMODATIONS AND  
1584 AMENITIES";

1585 (6) The amount of the annual assessment for the time share interest  
1586 for the current fiscal year and a statement indicating whether or not ad  
1587 valorem real property taxes are included in the annual assessment;

1588 (7) If ad valorem real property taxes are not included in the annual  
1589 assessment, the amount of ad valorem real property taxes for the  
1590 current fiscal year;

1591 (8) Whether all assessments against the time share interest are paid  
1592 in full, and if not, the amount owed, and the consequences of failure to  
1593 pay any assessment or real property taxes; and

1594 (9) Any other information required to be disclosed pursuant to  
1595 regulations adopted by the commissioner.

1596 Sec. 28. (NEW) (*Effective October 1, 2008*) (a) An agreement for a time  
1597 share resale entered into by a time share owner and a time share resale  
1598 broker who offers to resell a time share interest shall:

1599 (1) Be in writing; and

1600 (2) Contain disclosures in conspicuous type that set forth:

1601 (A) Whether any person other than the time share owner may use

1602 the time share interest during the period before the time share is  
1603 resold;

1604 (B) Whether any person other than the time share owner may rent  
1605 or exchange the use of the time share interest during the period before  
1606 the time share is resold;

1607 (C) The name of any person who will receive any rents, profits or  
1608 other consideration generated from the use of the time share interest  
1609 during the period before the time share interest is resold;

1610 (D) A detailed description of any relationship between the person  
1611 who resells the time share interest and any other person who receives  
1612 any benefit from the use of the time share interest;

1613 (E) A description, including the amount, of any fee to be paid by the  
1614 time share owner to the time share resale broker prior to the sale of the  
1615 time share interest. If any such fee is charged by the time share resale  
1616 broker prior to the sale of the time share interest, a statement shall be  
1617 included disclosing (i) the number of time share interests sold by the  
1618 time share resale broker compared to the number of time share  
1619 interests listed by the time share resale broker for each of the past three  
1620 years, or (ii) the ratio or percentage of the number of listings versus the  
1621 number of time share interests sold for each of the past three years;  
1622 and

1623 (F) A description of the amount or percentage and procedures for  
1624 paying any commissions due to the time share resale broker upon  
1625 resale of the time share interest.

1626 (b) Notwithstanding the provisions of sections 1 to 28, inclusive, of  
1627 this act, any time share property established within this state on or  
1628 before December 31, 2007, shall be exempt from the provisions of said  
1629 sections, and shall be subject to the general statutes and the regulations  
1630 of Connecticut state agencies as existed on said date.

1631 Sec. 29. Section 47-266 of the general statutes is repealed and the

1632 following is substituted in lieu thereof (*Effective October 1, 2008*):

1633 (a) If the declaration provides that ownership or occupancy of any  
 1634 units, is or may be in time shares, the public offering statement shall  
 1635 disclose, in addition to the information required by section 47-264: (1)  
 1636 The number and identity of units in which time shares may be created;  
 1637 (2) the total number of time shares that may be created; (3) the  
 1638 minimum duration of any time shares that may be created; and (4) the  
 1639 extent to which the creation of time shares will or may affect the  
 1640 enforceability of the association's lien for assessments provided in  
 1641 section 47-258.

1642 (b) The requirements of this section are in addition to the  
 1643 requirements of [chapter 734b] section 11 of this act.

1644 Sec. 30. (*Effective October 1, 2008*) Sections 42-103w to 42-103bb,  
 1645 inclusive, of the general statutes or the 2008 supplement to the general  
 1646 statutes are repealed.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2008</i>	New section
Sec. 2	<i>October 1, 2008</i>	New section
Sec. 3	<i>October 1, 2008</i>	New section
Sec. 4	<i>October 1, 2008</i>	New section
Sec. 5	<i>October 1, 2008</i>	New section
Sec. 6	<i>October 1, 2008</i>	New section
Sec. 7	<i>October 1, 2008</i>	New section
Sec. 8	<i>October 1, 2008</i>	New section
Sec. 9	<i>October 1, 2008</i>	New section
Sec. 10	<i>October 1, 2008</i>	New section
Sec. 11	<i>October 1, 2008</i>	New section
Sec. 12	<i>October 1, 2008</i>	New section
Sec. 13	<i>October 1, 2008</i>	New section
Sec. 14	<i>October 1, 2008</i>	New section
Sec. 15	<i>October 1, 2008</i>	New section
Sec. 16	<i>October 1, 2008</i>	New section
Sec. 17	<i>October 1, 2008</i>	New section

Sec. 18	<i>October 1, 2008</i>	New section
Sec. 19	<i>October 1, 2008</i>	New section
Sec. 20	<i>October 1, 2008</i>	New section
Sec. 21	<i>October 1, 2008</i>	New section
Sec. 22	<i>October 1, 2008</i>	New section
Sec. 23	<i>October 1, 2008</i>	New section
Sec. 24	<i>October 1, 2008</i>	New section
Sec. 25	<i>October 1, 2008</i>	New section
Sec. 26	<i>October 1, 2008</i>	New section
Sec. 27	<i>October 1, 2008</i>	New section
Sec. 28	<i>October 1, 2008</i>	New section
Sec. 29	<i>October 1, 2008</i>	47-266
Sec. 30	<i>October 1, 2008</i>	Repealer section

**INS**      *Joint Favorable Subst.*