



State of Connecticut
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FINANCE, REVENUE AND BONDING COMMITTEE
JUDICIARY COMMITTEE
PUBLIC HEALTH COMMITTEE

General Law Committee Public Hearing
Friday, February 13, 2009

Testimony On
P.B. 5401, An Act Concerning Time Share Referrals

Senators Colapietro, Maynard, and Witkos; Representatives Shapiro, Taborsak, and Bacchiochi; and members of the General Law Committee:

I am sorry I cannot come before you today to request your support of P.B. 5401, *An Act Concerning Time Share Referrals*. I have proposed this bill to address a provision in our statutes which is discriminatory to a segment of Connecticut's population that participates in vacation timeshare programs.

Connecticut is one of only two states in the nation with real estate laws (CGS Sec. 20-322(3) and 20-325a) and regulations (Conn. Agencies Regs. Sec. 20-328a(e)) which state that only real estate agents are permitted to receive rewards or benefits from referring a friend, relative or acquaintance to buy into a time share vacation opportunity. The penalty for violating this law includes a \$1,000.00 fine and up to six months in prison.

Many retail stores and commercial businesses frequently offer rewards or rebates to customers who refer their services to a friend or relative. Those rewards and rebates often result in a financial gain but do not result in any legal penalty. Rewards for time share referrals are not monetary and do not adversely affect the State of Connecticut or any real property, but are subject to an arcane real estate law restricting them to only licensed real estate agents. This does not seem fair or equitable.

Ownership in a time share involves buying time, not property. Time share owners have no responsibility for insuring or maintaining any buildings or property and any damage to those buildings or property is solely the responsibility of the business entity that owns the property and manages the time share plans. Because there is no exchange of currency in any time share reward, any gains or rewards should be considered a benefit of purchase and not a financial gain.

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While I realize there are many more urgent issues that must be addressed by the General Assembly this year, this proposal would serve to eliminate a law that is out of step with the practices of 48 other states and bars citizens of Connecticut from enjoying the same benefits enjoyed by time share owners in the rest of the country. Therefore, I respectfully request that the General Law Committee consider passage of this bill. I would be happy to answer any questions you might have and thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script that reads "Themis Klarides".

Themis Klarides
Deputy Republican Leader

TK/pb