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February 19, 2009

Thank you for this opportunity to appear before this distinguished committee today. I am here to ask that you support Senate Bill 0897, An Act Concerning Timeshares.

My name is Scott MacGregor, and I am the Executive Vice President of InnSeason Resorts, a timeshare resort development and management firm based in Massachusetts. InnSeason Resorts is the largest timeshare firm based in and focused on the New England market, with 9 resorts, and 500 year-round employees hosting more than 40,000 families who own or rent a timeshare at an InnSeason Resort each year.

As the leading developer in the region, we view the State of Connecticut as an important market in terms of current and future consumers of our products and services, and as the location of future development opportunities. At this time, we are actively planning a resort in the State of Connecticut that would potentially be one of the largest employers and a primary economic engine in the community where the resort may be developed.

This legislation is critical to our future development plans in the State of Connecticut, and to our industry in general. The State's current regulatory framework is insufficient to properly support modern timeshare development and operation. At the time the current laws were adopted, timeshare products and marketing programs were in their infancy; the regulatory environment was unprepared for the advent of complex legal and operational timeshare models including trust-based forms of ownership and points-based systems of reservations and use encompassing multiple resort locations. Similarly, marketing programs incorporating Internet communications, e-mail, viral marketing and social networking across state lines were not contemplated.

To develop projects that involve tens of millions of dollars in capital and complex financing over several years, developers, lenders, consumers and regulators require a regulatory framework that addresses the current products and their marketing and financing environments. This Bill has been drafted over the past two years through an active dialog among the Connecticut Department of Consumer Affairs and the timeshare industry's trade association, the American Resort Development Association, and other stakeholders. It builds on similar legislation currently enacted in more than twenty other states where timeshare development and marketing have been active, with adjustments to reflect Connecticut law and with changes suggested by important constituencies including the Bar Association, and the Real Estate and Hospitality industries. This legislation creates the level playing field and transparent, modern regulatory environment that developers like InnSeason Resorts and its lending partners require to make the commitments of time, money and people required to bring complex projects to fruition.

Many people perceive the timeshare industry to be an inconsequential cottage industry best known for aggressive marketing practices. In fact, over the past forty years the US timeshare industry has grown to be one of the fastest-growing segments of the mainstream hospitality industry with modern business infrastructures and a very consequential economic footprint. At the national level, industry leaders include the titans of the hospitality world: Marriott, Disney,

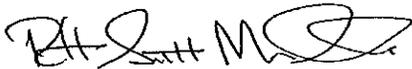
Starwood and Wyndham, to name just a few. Regional players like InnSeason Resorts serve markets where local preferences and nuances require more local solutions. Like many industries, the timeshare business is still assessing the damages caused by recent economic turmoil, but in 2007 the industry had grown to more than \$10.4 billion in annual sales of timeshare interests in the U.S. Sales volume is only the tip of the timeshare story. According to a national study¹ conducted by Ernst & Young in 2008, 4.7 million U.S. households owned one or more timeshares at 1,641 resorts. Nationally, 85% of timeshare owners reported their ownership experience as "good" or "excellent."

A study recently concluded by PricewaterhouseCoopers of the Economic Impact of the timeshare industry on the national economy included a subset study of the industry in the State of Massachusetts². Although your State and the State of Massachusetts are not directly comparable, it's not unrealistic to extrapolate from that neighboring state's experience the potential economic impacts in the State of Connecticut should a few substantial and modern resorts be established here. There, in 2007, the industry supported an estimated \$1.0 billion of output, 8,700 full and part time jobs, \$385 million in salaries, wages and related income, and \$196 million in tax revenue in that small state alone. Based on past studies, the national economic footprint of the timeshare industry in 2007 is expected to exceed \$60 billion.

Timeshare vacationers bring other benefits to the communities to which they travel. According to the 2008 PwC study, timeshare vacationers spend an average of \$1,599 per trip including meals and other lodging, and stay in those destinations a little more than a week, enjoying the local attractions, shops and restaurants. Average occupancy of timeshare resorts was 76.1%, compared with 63.0 percent for hotels.

In conclusion, timeshare products have become a staple of the hospitality and real estate industries, and bring jobs, revenues and visitors to local communities. Connecticut is attractive to the industry, both as a location of qualified consumers and as a target for future investment and development. Senate Bill 00897 will provide the regulatory framework to invite and regulate responsible growth of the industry in the State of Connecticut, and provide comprehensive protection to its consumers. Thank you for your consideration.

Respectfully Submitted



R. Scott MacGregor
Chief Financial Officer, InnSeason Resorts

¹ "State of the Vacation Timeshare Industry: United States Study, 2008 Edition," Ernst & Young. Available at www.ARDA.org.

² "Economic Impact of the Timeshare Industry on the Massachusetts Economy. 2008 Edition."