

Testimony of Jerry Farrell, Jr., Commissioner

Department of Consumer Protection

Insurance Committee Public Hearing February 19, 2009

Senator Crisco, Representative Fontana, Senator Caligiuri, Representative D'Amelio and Honorable Members of the Insurance and Real Estate Committee, I am Jerry Farrell, Jr., Commissioner of Consumer Protection. Thank you for the opportunity for me to testify in favor of SB-897, An Act Concerning Time Shares.

The Department of Consumer Protection is proposing legislation to update the licensing framework of timeshare registration. The agency currently registers 140 timeshare properties in accordance with the Interstate Land Sales Full Disclosure Act, which dates back to the late 1960's. Over the past forty years, the industry has matured and developed. Today, we see major corporations such as Marriott, Starwood, Wyndham, and Disney engaged in offering timeshare properties throughout the world. Recent statistics show that Connecticut remains one of the top three states in the nation for highest per capita income, and over the years, Connecticut residents have responded to the opportunities to purchase timeshare properties in very large numbers.

Senate Bill 897 will provide additional protections to Connecticut consumers who choose to purchase new or resale timeshare properties, as well as to enhance efficiency of the registration process. These steps, in addition to our ongoing effort to streamline the registration process, to further ensure protections for consumers and to reduce costly paperwork, have led the Department to recently implement on-line registration through ARELLO (the Association of Real Estate License Law Officials Timeshare Registry).

Some of the key provisions of this Agency legislative proposal include: a 5-day consumer-right of rescission that cannot be waived; the requirement of a detailed Timeshare Disclosure Statement to be provided to consumers; a biennial registration; an increase in enforcement ability of the Commissioner to suspend or revoke a timeshare registration, and to impose civil penalties of up to \$5000

for violations of the Timeshare Act, or the Unfair Trade Practices Act; definitions that more clearly set forth the offerings of the developers; and additional safeguards for purchasers of timeshare resale properties.

The Department is confident that passage of this bill will be in the best interest of Connecticut consumers, while improving efficiency within the Department of Consumer Protection. As such, we respectfully ask for your support and thank you for the opportunity for allowing me to testify in favor of this legislation.