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494

#2

SECTIONAL ANALYSIS FOR CSSB 494 (L & C)

The changes reflect the CS that passed L+C

PURPOSE

This legislation relates to the sale of time share programs for use, occupancy, or possession of residential property. The bill also amends the Real Estate Commission's authority to adopt regulations necessary for administration of the entire real estate chapter.

The most common time share offer is to sell for a one-to-two week period the use of a vacation "home" in a popular vacation spot to individuals. For example, a person would "own" periods of two weeks of time in an apartment on the beach in Hawaii.

Section 1

The section of the bill requires the Real Estate Commission to set up registration requirements for all time shares offered in the state regardless of whether the property is located in the state. In addition, a time share offer made in this state must be made through a real estate broker, licensed in Alaska. The effect of this requirement would be to give purchasers of time shares recourse to the real estate surety fund for misrepresentation by a real estate broker, associate real estate broker, or real estate salesperson.

Section 45.50.635

The section requires persons selling time shares to disclose in writing significant facts about the offer to potential purchasers. The written disclosure statement must be filed with the Real Estate Commission as part of the registration. Adequate written disclosure enables a consumer to make an informed purchase decision.

Section 45.50.640

This section allows for a 15-day "cooling-off" period for a purchaser to cancel the time share purchase. Fifteen days will allow a purchaser time to fully review written materials, consult an attorney, accountant, or other professionals and investigate representations made during the time share presentation.

Section 45.50.645

This section requires each purchaser's deposit be held in escrow until after the cancellation period has expired to assure that the purchaser will receive a refund of any payments made if the purchaser decides to cancel. (for 15 days)

Section 45.50.650

This section would provide for enforcement powers identical to the enforcement powers in the Consumer Protection Act.

Section 45.50.655

A private cause of action is specifically set out in this section, providing that for violations of this bill the purchaser may void the sale. If the purchaser, however, has received some value such as using the time share unit for a period of time, the value of that use would be

Sectional Analysis for CS

deducted from any amount the purchaser could recover. The customer's cause of action under this bill would be in addition to all other remedies presently available.

Section 45.50.657

This section reiterates that nothing in this legislation limits any statutory rights.

Section 45.50.660

Various definitions are listed in this section. The definition of "offeror" exempts the requirements of AS 45.50.630 - 45.50.660 for an individual who is re-selling his/hers interest in a time share program.

Section 2

This section contains provisions allowing the Real Estate Commission to set, by regulation, procedures for registration of time shares and fees for this registration.

Section 3

A person who markets a time share ^{may} ~~shall~~ pay a supplemental bond fee or post a supplemental bond payable to the real estate surety fund.

Section 4

This section amends the statute that sets the maximum liability of the surety fund for any one broker at \$50,000 so that if a supplemental bond fee for higher liability has been filed by a time share offeror, the consuming public could file claims up to the higher maximum liability amount of the bond fees. The commission will be authorized to establish, by regulation, a schedule of adequate supplemental payments to the surety fund to protect both the public and the integrity of the fund from depletion.

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This section contains provisions allowing the Real Estate Commission to set, by regulation, procedures for registration of time shares and fees for this registration.

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A person who markets a time share shall pay a supplemental bond fee or post a supplemental bond payable to the real estate surety fund.

Section 4

This section amends the statute that sets the maximum liability of the surety fund for any one broker at \$50,000 so that if a supplemental bond fee for higher liability has been filed by a time share offeror, the consuming public could file claims up to the higher maximum liability amount of the bond fees. The commission will be authorized to establish, by regulation, a schedule of adequate supplemental payments to the surety fund to protect both the public and the integrity of the fund from depletion.

Newest Draft

Bradley
5/2/84.

Original sponsor: Rules/Governor

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IN THE SENATE

BY THE LABOR AND
COMMERCE COMMITTEE

CS FOR SENATE BILL NO. 494 (L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTEENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to the sale of time share programs for use, occupancy, or possession of residential property; amending the Real Estate Commission's authority to adopt regulations; and providing for an effective date."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 45.50 is amended by adding new sections to read:

ARTICLE 7. TIME SHARE PROGRAMS FOR RESIDENTIAL PROPERTY.

Sec. 45.50.630. REAL ESTATE BROKER AND REGISTRATION. (a) A person may not offer a time share in the state regardless of where the time share project is located unless the offer is made through a real estate broker or associate broker, or real estate salesperson, licensed in the state under AS 08.88.161.

(b) A person may not offer a time share in the state unless the offeror has registered the offering with the Real Estate Commission and paid the registration fee in accordance with regulations adopted under AS 08.88.111. The provisions of AS 08.88 apply to the sale of a time share.

Sec. 45.50.635. DISCLOSURE STATEMENT. A person may not make any offer of a time share, including an offer made by telephone or mail, to a resident of the state regardless of where the time share project is located unless the offeror discloses to the potential purchaser in writing, before the purchaser signs any time share instrument,

(1) the current name and address of the time share offeror;

- 1 (2) the address and location of the time share units;
- 2 (3) a description of the time share units, including the
- 3 developer's schedule for completion of all buildings, units, and
- 4 amenities and dates of availability;
- 5 (4) if the time share program or project is located in part
- 6 or in whole in a horizontal property regime, a description of the
- 7 project and any pertinent provision, of the project instruments;
- 8 (5) any restraints on the transfer of the purchaser's time
- 9 share interest in the time share;
- 10 (6) whether the time share is a time share ownership or a
- 11 use plan, along with a description of the rights and responsibilities
- 12 under that plan;
- 13 (7) a statement that the purchaser has 15 calendar days to
- 14 cancel the time share instrument after the executed instrument has
- 15 been delivered or received by the purchaser;
- 16 (8) a statement that, under AS 45.50.655, every sale or
- 17 transfer made in violation of AS 45.50.630 - 45.50.660 may be revoked
- 18 at the election of the purchaser;
- 19 (9) notice of any liens, title defects, or encumbrances on
- 20 or affecting the offeror's or purchaser's title to the time share
- 21 project;
- 22 (10) notice of any pending or anticipated suits that are
- 23 material to the time share of which the time share offeror has or
- 24 should have knowledge;
- 25 (11) the total financial obligation of the purchaser, in-
- 26 cluding the initial price and each additional charge that the purchas-
- 27 er may be subject to;
- 28 (12) a good-faith estimate of the dues, maintenance fees,
- 29 real property taxes, and similar periodic expenses relating to the

1 time share, and the method or formula by which they are derived and
2 apportioned;

3 (13) a statement as to whether the time share project is
4 included in an exchange program, the present cost and a good faith
5 estimate of the future cost to the purchaser of the exchange program,
6 and whether the purchaser will or will not be required to become a
7 member of the exchange program.

8 Sec. 45.50.640. CANCELLATION RIGHTS. (a) A time share instru-
9 ment may be canceled by the purchaser within 10 days after a fully
10 executed time share instrument is delivered or mailed to the purchas-
11 er. Cancellation under this section voids the instrument as of the
12 date the instrument was signed by the purchaser.

13 (b) If the purchaser elects to cancel a time share instrument
14 under this section, cancellation is effective when the purchaser hand
15 delivers written notice of the cancellation to the time share offeror
16 or the offeror's real estate broker or mails a certified letter,
17 marked "Deliver to Addressee Only, Return Receipt," of cancellation to
18 the time share offeror at the address listed in the offeror's disclo-
19 sure statement within the time period specified in (a) of this sec-
20 tion.

21 (c) A purchaser who, before executing a time share instrument,
22 has made a personal inspection of a completed time share unit or,
23 except under (d) of this section, taken up residence in a completed
24 time share unit, may not cancel the time share instrument under (a) of
25 this section.

26 (d) A purchaser who resides in the purchased time share unit
27 during the 10-day cancellation period may not cancel the time share
28 instrument under (a) of this section later than 48 hours after the
29 purchaser first takes up residency in the purchased time share unit.

*unless the purchaser
has resided in
the unit*

1 Sec. 45.50.645. ESCROW OF DEPOSITS. A deposit or payment made
2 by a purchaser of a time share shall be held in escrow for 15 days to
3 allow time for the purchaser to cancel the time share instrument
4 unless the time share instrument has been earlier canceled. The
5 15-day period begins to run on the day after a fully executed time
6 share instrument is mailed or delivered to the purchaser. All pur-
7 chaser escrow funds shall be deposited in a licensed real estate
8 broker's trust account maintained within the state.

9 Sec. 45.50.650. ENFORCEMENT AND REMEDIES. A violation of
10 AS 45.50.630 - 45.50.660 is an unlawful act or practice prohibited by
11 the Unfair Trade Practices and Consumer Protection Act, AS 45.50.471 -
12 45.50.561. The public enforcement powers and private remedies provid-
13 ed by AS 45.50.471 - 45.50.561 apply to violations of AS 45.50.630 -
14 45.50.660.

15 Sec. 45.50.655. SALES REVOCABLE FOR VIOLATION OF AS 45.50.630 -
16 45.50.660. Each sale or transfer made in violation of AS 45.50.630 -
17 45.50.660 may be revoked by the purchaser. If the time share offeror
18 or a director, officer, or agent of or for the time share offeror has
19 personally participated or aided in any way in making the sale, trans-
20 fer, or solicitation, the offeror and each other person are jointly
21 and severally liable to the purchaser. An action to revoke a sale or
22 transfer made in violation of AS 45.50.630 - 45.50.660 must be filed
23 in the judicial district (1) in which the time share project is lo-
24 cated or was offered or sold, or (2) in which the time share offeror
25 or licensed real estate broker resides or is doing business upon
26 tender of the time share interest sold, or (3) in which the contract
27 was made. On judgment by the court in favor of the purchaser, the
28 purchaser is entitled to the full amount paid by the purchaser, with
29 prejudgment interest, less a portion of the amount paid representing

1 the portion of any benefits the purchaser actually received or had the
2 right to receive during the time preceding the tender. In all cases,
3 the court may provide equitable relief it considers necessary or
4 proper. An action under this section does not limit any other remedy
5 of the purchaser.

6 Sec. 45.50.657. STATUTORY OR COMMON LAW REMEDIES. Nothing in
7 AS 45.50.630 - 45.50.660 limits any other statutory or common law
8 right of a person to bring an action in any court for an act involved
9 in the development, sale, exchange, or purchase of a time share inter-
10 est, or limits the right of a court of the state to penalize a person
11 for a violation of law.

12 Sec. 45.50.658. TIME SHARE PROGRAMS REAL PROPERTY. A time share
13 estate in this state ^{may} shall be organized under AS 34.07 and may be
14 conveyed under AS 34.15.

15 Sec. 45.50.659. PARTITION. Except as provided in a declaration
16 filed under AS 34.07.020 or as provided in bylaws, action for parti-
17 tion of a time share unit may not be maintained in a time share pro-
18 gram organized under AS 34.07.

19 Sec. 45.50.660. DEFINITIONS. In AS 45.50.630 - 45.50.660

20 (1) "offer" includes an inducement, solicitation, or at-
21 tempt by a time share offeror or an agent of the time share offeror to
22 encourage a person to acquire an interest in a time share;

23 (2) "purchaser" means a person who acquires or attempts to
24 acquire or succeeds to an interest in a time share, or who is soli-
25 cited to acquire such an interest;

26 (3) "time share" means a time share estate or a time share
27 use;

28 (4) "time share estate" means an ownership interest in real
29 property devoted to a time share program;

1 (5) "time share instrument" means a document, by whatever
2 name, creating a purchaser's interest in a time share and includes a
3 purchase contract, deed, lease, club membership agreement, vacation
4 license, right-to-use contract, or similar instrument;

5 (6) "time share offeror" or "offeror" means a person, a
6 joint venture, or other entity that creates a time sharing plan or is
7 in the business of selling time share units;

8 (7) "time share program" means an arrangement for time
9 shares in a time share project by which the use, occupancy, or posses-
10 sion of real property has been made subject to a time share under
11 which use, occupancy, or possession circulates among purchasers of the
12 time shares according to a fixed or floating time schedule occurring
13 periodically over any period of time;

14 (8) "time share project" means any real property containing
15 one or more units that is the subject of a time share program;

16 (9) "time share use" means an arrangement, whether called a
17 leasehold, contractual right, or other right, for exclusive occupancy
18 of a specific or unspecified unit in a time share program, other than
19 a time share estate.

20 * Sec. 2. AS 08.88.111 is amended to read:

21 Sec. 08.88.111. COMMISSION REGULATIONS. (a) The commission
22 shall adopt procedural regulations describing

23 (1) how it conducts an examination;

24 (2) how a person applies to take an examination, applies
25 for a use, and registers that person's office;

26 (3) the procedure for registration of time shares, as
27 defined in AS 45.50.660, to be offered in the state.

28 (b) The commission shall adopt regulations regarding registra-
29 tion of time shares to be offered in the state, as required under

1 AS 45.50.630, including

2 (1) a reasonable fee for the registration that may include
3 either the supplemental payment by the time share offeror through its
4 licensed broker or salesperson to the real estate surety fund or
5 bonding in the name of the surety fund; the supplemental payment or
6 bond must be adequate to protect both the public and the real estate
7 surety fund;

8 (2) a requirement that the written disclosure statement
9 described in AS 45.50.635 be part of the registration;

10 (3) a requirement that the name of the real estate broker
11 licensed in the state through whom the time s' will be offered be
12 part of the registration;

13 (4) forms necessary for administering AS 45.50.630; and

14 (5) other regulations necessary to carry out the provisions
15 of AS 45.50.630.

16 (c) In addition to regulations adopted under (a) or (b) of this
17 section, the commission may adopt regulations necessary to carry out
18 the purposes of AS 08.88.

19 * Sec. 3. AS 08.88.455 is amended to read:

20 Sec. 08.88.455. PAYMENTS BY REAL ESTATE BROKERS AND SALESPERSON
21 [SALESMEN]. (a) A licensed real estate broker or associate broker,
22 when obtaining or renewing a real estate license, in lieu of obtaining
23 a corporate surety bond, shall pay to the commission in addition to
24 the license fee, a bond fee not to exceed \$125, and a licensed sales-
25 person [SALESMAN], when obtaining or renewing a license, in lieu of
26 obtaining a corporate surety bond, shall pay to the commission in
27 addition to the license fee, a bond fee not to exceed \$40. After the
28 fund reaches \$250,000 the commission shall by regulation adjust the
29 bond fees so that, taking into account anticipated expenditures for

1 claims against the fund and real estate educational purposes, the fund
2 is maintained at a level not less than \$250,000.

3 (b) A licensed real estate broker, associate broker, or sales-
4 person who markets a time share offering for a time share offeror
5 under AS 45.50.630, may be required annually to pay to the commission
6 a supplemental bond fee or post a supplemental bond payable to the
7 real estate surety fund, in accordance with regulations adopted by the
8 commission under AS 08.88.111(b).

9 (c) All fees collected under this section shall be paid at least
10 once a month by the commission into the general fund. These payments
11 shall be credited to the real estate surety fund.

12 * Sec. 4. AS 08.88.475 is amended to read:

13 Sec. 08.88.475. MAXIMUM LIABILITY. (a) The maximum liability
14 of the real estate surety fund does not exceed \$50,000 for any one
15 broker or salesperson, except when the broker or salesperson has paid
16 supplemental fees to the surety fund under AS 08.88.455(b), in which
17 case the maximum liability is as determined under regulations adopted
18 under AS 08.88.111(b) [SALESMAN].

19 (b) If the maximum [\$50,000] liability of the fund as provided
20 in (a) of this section is insufficient to pay in full the valid claims
21 of all persons who have filed claims against one broker or salesperson
22 [SALESMAN], the maximum liability amount [\$50,000] shall be distribut-
23 ed among the claimants in the ratio that their individual claims bear
24 to the aggregate of valid claims, or in another manner that the com-
25 mission considers equitable. Distribution shall be among the persons
26 entitled to share in the recovery, without regard to the order of
27 priority in which their claims were filed.

28 * Sec. 5. This Act takes effect immediately in accordance with AS 01.-
29 10.070(c).

ADMITTED:
STATE OF ALASKA
STATE OF CALIFORNIA

JOHN T. HANSEN
ATTORNEY AT LAW
330 "L" STREET
ANCHORAGE, ALASKA 99501

TELEPHONE
AREA CODE 907
276-4573

April 27, 1984

HAND DELIVERED

Connie J. Sipe, Esq.
Consumer Affairs
Attorney Generals Office
1031 w. 4th Avenue
Suite 110
Anchorage, Alaska 99501

Dear Connie:

I have reviewed your draft substitute version of S.B. 494, and I would suggest that the following changes and additions be incorporated into the final draft.

(1) 45.50.658 should read:

A time share estate which is offered for sale in a time share program organized in accordance with and submitted to the provisions of the Horizontal Property Regimes Act may be held, sold, transferred, exchanged, encumbered or disposed of as any other interest in real property provided for in A.S. 34.15.010 -

This provision clearly provides for real property ownership of time share estates in a program which is submitted to the Horizontal Property Regimes Act and by so doing eliminates uncertainty and the less desirable time share ownership schemes. This proposed section will protect purchasers and afford lenders the certainty they require before they will take a security interest in a time share unit.

The only other section that is necessary to a comprehensive time share bill is one that deals with the common law and statutory right to partition among co-tenants. In this regard, I would propose the following language to address the problem.

(2) A.S. 45.50.659

No action for partition of a time share unit may be maintained in a time share program organized in accordance with and submitted to the Horizontal Property Regimes Act, except as provided by the time share documents. If a time share is owned by two or more persons, the provisions of this section shall not prohibit an action for judicial sale of time shares in lieu of partition as between such co-owners. Notwithstanding any law or authority to the contrary, a provision in a declaration effecting a waiver or subordination of the rights of partition and/or other

Connie J. Sipe, Esq.
April 27, 1984
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attributes of tenancy-in-common shall be valid, binding and enforceable.

This section was included in the Model Time Share Act drafted by the National Timesharing Counsel of the American Land Development Association and the National Association of Real Estate License Law Officials. In order to adopt this section, a definition of time share documents is necessary. I would propose the following definition from the above referenced Model Act.

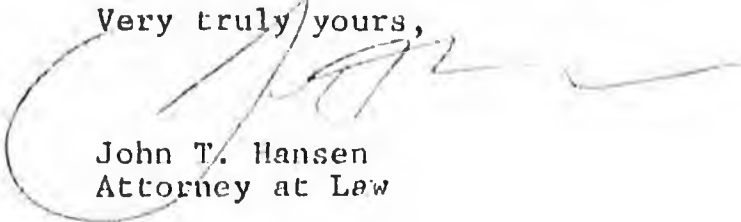
"Timeshare Documents" means all of the documents, by whatever names denominated, and any amendments thereto, which establish the timeshare plan, create and govern the rights and relationships of owners, and govern the use and operation of the timeshare property, excluding project instruments. Such documents include, but are not limited to, the declaration, the articles of incorporation, and by-laws of the association, and the rules and regulations for the timeshare plan.

The cancellation period is less objectionable and if the bill is finally drafted with the above proposed sections included there will be no further objection from my clients. The escrow provisions in 45.50.645 must be changed to be consistent with 45.60.640 (c) by adding the following language in the first sentence following the words "timeshare instrument"; unless the purchaser has made an inspection of the project or resided in the time share unit pursuant to 45.50.640 subsection(c).

I am prepared to send a letter to the members of the Labor and Commerce Committee (a draft of which is enclosed for your reference) in support of your substitute bill if the above referenced changes and additions are incorporated therein. My clients will also direct their resources and efforts towards having such a bill passed this session.

I want to extend my gratitude for your office's efforts and spirit of compromise which I now believe will result in the passage of a balanced and comprehensive time share legislation.

Very truly yours,



John T. Hansen
Attorney at Law

JTH/da

Connie J. Sipe, Esq.
April 27, 1984
Page -2-

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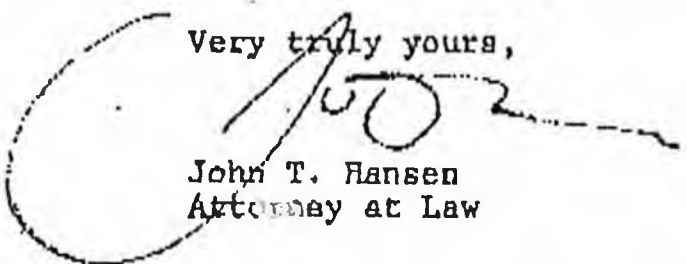
OK { "Timeshare Documents" means all of the documents, by whatever names denominated, and any amendments thereto, which establish the timeshare plan, create and govern the rights and relationships of owners, and govern the use and operation of the timeshare property, excluding project instruments. Such documents include, but are not limited to, the declaration, the articles of incorporation, and by-laws of the association, and the rules and regulations for the timeshare plan.

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I am prepared to send a letter to the members of the Labor and Commerce Committee (a draft of which is enclosed for your reference) in support of your substitute bill if the above referenced changes and additions are incorporated therein. My clients will also direct their resources and efforts towards having such a bill passed this session. *Wrote*

I want to extend my gratitude for your office's efforts and spirit of compromise which I now believe will result in the passage of a balanced and comprehensive time share legislation.

Very truly yours,


John T. Hansen
Attorney at Law

JTH/da

RE: SENATE BILL #4-94 (Timesharing)

The following is a list of suggested changes we would like to see in this particular bill to make it more effective.

Page 2, Item 7

We would like to have this changed from 15 calendar days to 7 calendar days.

Page 3, Section 45.50.642, Item B2

Since these transactions are contractual in themselves and are covered under the real estate act, we do not feel that it is necessary to have this provision.

Page 4, Item 10

We would like to suggest a change in the wording from "any promised or planned entertainment, etc." other than a casual contact such as a lunch not held specifically for the purpose of talking about timesharing. In other words, you could be having an ordinary business lunch in which the subject is not timesharing but the subject could come up on a one to one basis. Some provision should be made for subject casual contact.

Page 4, Item 13

This section apparently attempted to tie in the consumer protection act 45.50.471 and since this is a real estate transaction, the Superior Court has ruled that this particular act is not applicable to real estate. In other words, the real estate laws are adequate for the protection of the consumer.

Section 45.50.645, Escrow Deposits

15 days should be more than adequate time instead of 25 days in which to cancel a timeshare instrument. I would like to add that a title company or other such trust account may be used as well as a brokers trust account. As long as it is a duly constructed and protected trust account, it shouldn't matter.

Page 6, Section 45.50.660, Private Class Action, Item B

Again, we would like to state that since this is a real estate transaction, this section is not applicable to timesharing any more than it would be to any real estate transaction.

Section 45.50.660, Definition

This section does not address an important item and the following should be added: 10. The right to transfer, sell, hold, etc. as in any other real estate transaction.

Basically, it is a fairly good act and has some good protection for both the purchaser and the developer. We particularly like Sections 11 and 12 on Page 4.

Submitted by,



N.E. Sommers

N.E. Sommers Co.

POSITION STATEMENT

I trust all of us have met here for the purpose of establishing laws and regulations that will jointly serve the needs of the consumer, business, governments and regulatory agencies.

We on the industry side are puzzled and perplexed by the harshness of Senate Bill 494 as proposed.

Are we addressing a problem that now exists? Or are we anticipating problems in the future? If there is an existing problem, where is the evidence of that problem? Dozens of people visit our office each week. We have more than one hundred happy timeshare owners who have purchased their properties through our office. Since we are doing quality business, since the overwhelming response to our program is favorable, where is the problem that justifies such harshness?

If this bill has been proposed to prevent some future problem because of something reputed to have taken place in Nevada or Florida or some other place, perhaps it would be wise to proceed cautiously and responsibly to insure that innocent consumers or innocent business people are not injured by hasty, irresponsible action.

To condemn an entire industry for something that happened in some remote area or in a few isolated cases locally would be to assume guilt by association. It is our position that to so assume would be most unfair. As Robert Frost once penned:

"Before I built a wall I'd ask to know/
What I was walling in or walling out."

It is our hope that by carefully considering the real issues addressed by the proposed SB 494, we can judiciously and responsibly arrive at a solution that will protect all concerned and allow us to proceed harmoniously in providing our services to the great people of this state.

We support constructive legislation. We feel that portions of this bill are most beneficial and take strides to enhance timeshare industry standards and practices in Alaska.

What we agree with:

1. Licensing
2. Registration of offerings
3. Disclosure

What we disagree with:

(See marked copies of SB 494)

RECOMMENDATIONS

- #1 Our first recommendation and one that we feel very strongly about is this:
- a. Table SB 494 for further review and in-depth consideration.
 - b. Form a task force, review panel or review committee with representations from industry, consumers, and regulatory agencies.
 - c. Have the committee make specific well thought out and agreed upon recommendations for a comprehensive bill to be passed with full support from all camps in a subsequent legislative session.
- #2 If this is considered an emergency situation (again, where is the evidence) we would recommend the passage of a drastically streamlined version of this bill addressing the issues of licensing and disclosure but deleting controversial issues to be added by amendment in the future. This would provide time for all considerations to be heard and all implications considered.

SYNOPSIS OF POSITION

We feel that SB 494 is written in such a way as to be blatantly discriminatory of the timeshare industry. We regard ourselves, and are regarded by our clientele as real estate professionals. We would appreciate the chance to compete on an equal basis in the real estate industry without the shackles and fetters brought on by careless and presumptuous overlegislation.

We feel that the passage of this bill or any amended form thereof, closely resembling the original, would be a flagrant breach of the public trust we as citizens have placed in our elected officials, our state government, and it's regulatory agencies.

We strongly urge you to sincerely consider and act carefully and judiciously upon our recommendations lest we "wall out" something very beneficial to the residents of this great state.

Presented by

Wayne L. Palmer, President
Network Leisure Shoppes Inc.
on behalf of our employees, our
customers, and our suppliers.

} See original draft

Levy
4/20/84

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE LABOR AND
COMMERCE COMMITTEE

2 CS FOR SENATE BILL NO. 494 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the sale of time share programs
7 for use, occupancy, or possession of residential
8 property; amending the Real Estate Commission's
9 authority to adopt regulations; and providing for an
10 effective date."

11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

12 * Section 1. AS 45.50 is amended by adding new sections to read:

13 ARTICLE 7. TIME SHARE PROGRAMS FOR RESIDENTIAL PROPERTY.

14 Sec. 45.50.630. REAL ESTATE BROKER AND REGISTRATION. (a) A
15 person may not offer a time share in the state regardless of where the
16 time share project is located unless the offer is made through a real
17 estate broker or associate broker, or real estate salesperson, li-
18 censed in the state under AS 08.88.161.

19 (b) A person may not offer a time share in the state unless the
20 offeror has registered the offering with the Real Estate Commission
21 and paid the registration fee in accordance with regulations adopted
22 under AS 08.88.111. The provisions of AS 08.88 apply to the sale of a
23 time share.

24 Sec. 45.50.635. DISCLOSURE STATEMENT. A person may not make any
25 offer of a time share, including an offer made by telephone or mail,
26 to a resident of the state regardless of where the time share project
27 is located unless the offeror discloses to the potential purchaser in
28 writing, before the purchaser signs any time share instrument,

- 29 (1) the current name and address of the time share offeror;

- (2) the address and location of the time share units;
- (3) a description of the time share units, including the developer's schedule for completion of all buildings, units, and amenities and dates of availability;
- (4) if the time share program or project is located in part or in whole in a horizontal property regime, a description of the project and any pertinent provisions of the project instruments;
- (5) any restraints on the transfer of the purchaser's time share interest in the time share;
- (6) whether the time share is a time share ownership or a use plan, along with a description of the rights and responsibilities under that plan;
- (7) a statement that the purchaser has 15 calendar days to cancel the time share instrument after the executed instrument has been delivered or received by the purchaser;
- (8) a statement that, under AS 45.50.655, every sale or transfer made in violation of AS 45.50.630 - 45.50.660 may be revoked at the election of the purchaser;
- (9) notice of any liens, title defects, or encumbrances on or affecting the offeror's or purchaser's title to the time share project;
- (10) notice of any pending or anticipated suits that are material to the time share, of which the time share offeror has, or should have, knowledge;
- (11) the total financial obligation of the purchaser, including the initial price and any additional charges to which the purchaser may be subject;
- (12) a good-faith estimate of the dues, maintenance fees, real property taxes, and similar periodic expenses relating to the

1 time share, and the method or formula by which they are derived and
2 apportioned;

3 (13) a statement as to whether the time share project is
4 included in an exchange program, the present cost and a good faith
5 estimate of the future cost to the purchaser of the exchange program,
6 and whether the purchaser will or will not be required to become a
7 member of the exchange program.

8 Sec. 45.50.640. CANCELATION RIGHTS. (a) A time share instru-
9 ment may be canceled by the purchaser within 15 days after a fully
10 executed time share instrument is delivered or mailed to the purchas-
11 er. Cancellation under this section voids the instrument as of the
12 date the instrument was signed by the purchaser.

13 (b) If the purchaser elects to cancel a time share instrument
14 under this section, cancellation is effective when the purchaser
15 hand-delivers written notice of the cancellation to the time share
16 offeror or the offeror's real estate broker, or mails a certified
17 letter, marked "Deliver to Addressee Only, Return Receipt," of cancel-
18 ation to the time share offeror at the address listed in the offeror's
19 disclosure statement within the time period specified in (a) of this
20 section.

21 Sec. 45.50.645. ESCROW OF DEPOSITS. A deposit or payment made
22 by a purchaser of a time share shall be held in escrow for 25 days to
23 allow time for the purchaser to cancel the time share instrument. The
24 25-day period begins to run on the day after a fully executed time
25 share instrument is mailed or delivered to the purchaser. All pur-
26 chaser escrow funds shall be deposited in a licensed real estate
27 broker's trust account within the state.

28 Sec. 45.50.650. ENFORCEMENT. A violation of AS 45.50.630 -
29 45.50.660 is an unlawful act or practice prohibited by the Unfair
30

1 Trade Practices and Consumer Protection Act, AS 45.50.471 - 45.50.561.
2 The enforcement powers granted the attorney general in AS 45.50.495 -
3 45.50.561 apply to enforcement of AS 45.50.630 - 45.50.660.

4 Sec. 45.50.655. SALES REVOCABLE FOR VIOLATION OF AS 45.50.630 -
5 45.50.660; PRIVATE AND CLASS ACTIONS. (a) Every sale or transfer
6 made in violation of AS 45.50.630 - 45.50.660 may be revoked by the
7 purchaser. If the time share offeror or a director, officer, or agent
8 of or for the time share offeror has personally participated or aided
9 in any way in making the sale, transfer, or solicitation, the offeror
10 and other person are jointly and severally liable to the purchaser.
11 An action must be filed in the judicial district (1) in which the time
12 share project is located or was offered or sold, or (2) in which the
13 time share offeror or licensed real estate broker resides or is doing
14 business upon tender of the time share interest sold, or (3) in which
15 the contract was made. The purchaser is entitled to the full amount
16 paid by the purchaser, with prejudgment interest, less a portion of
17 the amount paid representing the portion of any benefits the purchaser
18 actually received or had the right to receive during the time preced-
19 ing the tender. In all cases, the court may provide equitable relief
20 it considers necessary or proper. This action does not limit any
21 other remedy of the purchaser.

22 (b) A person entitled to bring an action under this section may
23 bring an action on behalf of all similarly injured and situated per-
24 sons to recover damages and injunctive or other equitable relief in
25 addition to damages.

26 (c) In an action brought by a person under this section, the
27 court may award, in addition to the relief provided in this section,
28 reasonable attorney fees and costs.

29 (d) A permanent injunction or final judgment against a person in

1 an action initiated by the attorney general under AS 45.50.501 is
2 prima facie evidence in an action brought under this section that the
3 person used or employed an act or practice declared unlawful.

4 Sec. 45.50.657. STATUTORY OR COMMON LAW REMEDIES. Nothing in
5 AS 45.50.630 - 45.50.660 limits any statutory or common law right of a
6 person to bring an action in any court for an act involved in the
7 development, sale, exchange, or purchase of a time share interest, or
8 limits the right of the state to punish a person for a violation of
9 law.

10 Sec. 45.50.660. DEFINITIONS. In AS 45.50.630 - 45.50.660

11 (1) "offer" includes an inducement, solicitation, or
12 attempt by a time share offeror or an agent of the time share offeror
13 to encourage a person to acquire an interest in a time share;

14 (2) "purchaser" means a person, as defined in AS 01.10.-
15 060(7), who acquires or attempts to acquire or succeeds to an interest
16 in a time share, or who is solicited to acquire such an interest;

17 (3) "time share" means a time share estate or a time share
18 use;

19 (4) "time share estate" means an ownership interest in real
20 property devoted to a time share program;

21 (5) "time share instrument" means a document, by whatever
22 name, creating a purchaser's interest in a time share, and includes
23 a purchase contract, deed, lease, club membership agreement, vacation
24 license, right-to-use contract, or similar instrument;

25 (6) "time share offeror" or "offeror" means a person, as
26 defined in AS 01.10.060(7), as well as a joint venture or other enti-
27 ty, that creates a time sharing plan or is in the business of selling
28 time share units;

29 (7) "time share program" means an arrangement for time

1 shares in a time share project by which the use, occupancy, or
2 possession of real property has been made subject to a time share
3 under which use, occupancy, or possession circulates among purchasers
4 of the time shares according to a fixed or floating time schedule
5 occurring periodically over any period of time;

6 (8) "time share project" means any real property containing
7 one or more units that is the subject of a time share program;

8 (9) "time share use" means an arrangement, whether called a
9 leasehold, contractual right, or other right, for exclusive occupancy
10 of a specific or unspecified unit in a time share program, other than
11 a time share estate.

12 * Sec. 2. AS 08.88.111 is amended to read:

13 Sec. 08.88.111. COMMISSION REGULATIONS. (a) The commission
14 shall adopt procedural regulations describing

15 (1) how it conducts an examination;

16 (2) how a person applies to take an examination, applies
17 for a license, and registers that person's office;

18 (3) the procedure for registration of time shares, as
19 defined in AS 45.50.660, to be offered in the state.

20 (b) The commission shall adopt regulations regarding registra-
21 tion of time shares to be offered in the state, as required under
22 AS 45.50.630, including

23 (1) a reasonable fee for the registration that may include
24 either the supplemental payment by the time share offeror through its
25 licensed broker or salesperson to the real estate surety fund or
26 bonding in the name of the surety fund; the supplemental payment or
27 bond must be adequate to protect both the public and the real estate
28 surety fund;

29 (2) a requirement that a written disclosure statement, as

1 described in AS 45.50.635, be part of the registration;

2 (3) a requirement that the name of the real estate broker
3 licensed in this state through whom the time share will be offered be
4 part of the registration;

5 (4) forms necessary for administering AS 45.50.630; and

6 (5) other regulations necessary to carry out the provisions
7 of AS 45.50.630.

8 (c) In addition to regulations adopted under (a) or (b) of this
9 section, the commission may adopt regulations necessary to carry out
10 the purposes of AS 08.88.

11 * Sec. 3. AS 08.88.455 is amended to read:

12 Sec. 08.88.455. PAYMENTS BY REAL ESTATE BROKERS AND SALESPERSON
13 [SALESMEN]. (a) A licensed real estate broker or associate broker,
14 when obtaining or renewing a real estate license, in lieu of obtaining
15 a corporate surety bond, shall pay to the commission in addition to
16 the license fee, a bond fee not to exceed \$125, and a licensed sales-
17 person [SALESMAN], when obtaining or renewing a license, in lieu of
18 obtaining a corporate surety bond, shall pay to the commission in
19 addition to the license fee, a bond fee not to exceed \$40. After the
20 fund reaches \$250,000 the commission shall by regulation adjust the
21 bond fees so that, taking into account anticipated expenditures for
22 claims against the fund and real estate educational purposes, the fund
23 is maintained at a level not less than \$250,000.

24 (b) A licensed real estate broker, associate broker, or sales-
25 person who markets a time share offering for a time share offeror
26 under AS 45.50.630, shall annually pay to the commission a supplemen-
27 tal bond fee or post a supplemental bond payable to the real estate
28 surety fund, in accordance with regulations adopted by the commission
29 under AS 08.88.111(b).

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(c) All fees collected under this section shall be paid at least once a month by the commission into the general fund. These payments shall be credited to the real estate surety fund.

* Sec. 4. AS 00.88.475 is amended to read:

Sec. 08.88.475. MAXIMUM LIABILITY. (a) The maximum liability of the real estate surety fund does not exceed \$50,000 for any one broker or salesperson, except when the broker or salesperson has paid supplemental fees to the surety fund under AS 08.88.455(b), in which case the maximum liability is as determined under regulations adopted under AS 08.88.111(b) [SALESMAN].

(b) If the maximum [\$50,000] liability of the fund as provided in (a) of this section is insufficient to pay in full the valid claims of all persons who have filed claims against one broker or salesperson [SALESMAN], the maximum liability amount [\$50,000] shall be distributed among the claimants in the ratio that their individual claims bear to the aggregate of valid claims, or in another manner that the commission considers equitable. Distribution shall be among the persons entitled to share in the recovery, without regard to the order of priority in which their claims were filed.

* Sec. 5. This Act takes effect immediately in accordance with AS 01.-10.070(c).

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Explanations

Deletions and/or corrections

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE BILL NO.

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the sale of time share programs
7 for use, occupancy, or possession of residential
8 property; and providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 * Section 1. AS 45.50 is amended by adding new sections to read:

11 ARTICLE 7. TIME SHARE PROGRAMS FOR RESIDENTIAL PROPERTY.

12 Sec. 45.50.630. REAL ESTATE BROKER AND REGISTRATION. (a) It is
13 unlawful to offer a time share in the state regardless of where the
14 time share project is located unless the offer is made through a real
15 estate broker or associate broker, or real estate salesperson, li-
16 censed in the state under AS 08.88.161.

17 (b) It is unlawful to offer a time share in the state unless the
18 offeror has registered the offering with the Real Estate Commission,
19 and paid the registration fee, in accordance with regulations adopted
20 under AS 08.88.111. AS 08.88 applies to the sale of a time share.

21 Sec. 45.50.640. DISCLOSURE STATEMENT. It is unlawful to make
22 any offer of a time share including an offer made by telephone or mail
23 to a resident of the state regardless of where the time share project
24 is located unless the offeror discloses to the potential purchaser in
25 writing, before the purchaser signs any time share instrument,

- 26 (1) the current name and address of the time share offeror;
- 27 (2) the address and location of the time share units;
- 28 (3) a description of the time share units, including the

29 developer's schedule for completion of all buildings, units, and

amenities and dates of availability;

(4) if the time share program or project is located in part or in whole in a horizontal property regime, a description of the project and any pertinent provisions of the project instruments;

(5) any restraints on the transfer of the purchaser's time share interest in the time share;

(6) whether the time share is a time share ownership or a use plan, along with a description of the rights and responsibilities under that plan;

~~Delete in conjunction with Sec. 45.50.645~~
(7) a statement that the purchaser has 15 calendar days to cancel the time share instrument once the executed instrument has been delivered or received by the purchaser;

(8) a statement that, under AS 45.50.653, every sale or transfer made in violation of AS 45.50.630 -- 45.50.660 may be revoked at the election of the purchaser;

(9) notice of any liens, title defects, or encumbrances on or affecting the offeror's or purchaser's title to the time share project;

(10) notice of any pending or anticipated suits that are material to the time share, of which the time share offeror has, or should have, knowledge;

(11) the total financial obligation of the purchaser, which shall include the initial price and any additional charges to which the purchaser may be subject;

(12) a good-faith estimate of the dues, maintenance fees, real property taxes, and similar periodic expenses relating to the time share, and the method or formula by which they are derived and apportioned;

(13) a statement as to whether the time share project is

1 included in an exchange program, the present cost and a good faith
2 estimate of the future cost to the purchaser of the exchange program,
3 and whether the purchaser will or will not be required to become a
4 member of the exchange program.

5 Sec. 45.50.642. UNLAWFUL ACTS AND PRACTICES. (a) Unfair meth-
6 ods of competition, and deceptive or unfair acts or practices, in the
7 offer or sale of a time share are declared to be unlawful.

8 (b) The terms "unfair methods of competition" and "deceptive or
9 unfair acts or practices" include, but are not limited to, the follow-
10 ing unlawful acts:

11 (1) misrepresenting or failing to disclose any material
12 fact concerning a time share;

13 (2) failing to honor and comply with all provisions of a
14 time share instrument entered into with a purchaser;

15 (3) including in any time share instrument provisions
16 purporting to waive any right or benefit provided for purchasers under
17 AS 45.50.630 -- 45.50.660;

18 ~~Delete-Earnest money deposits are absolutely necessary tools~~
19 ~~in conducting professional real estate practices to the protection~~
20 (4) receiving from a prospective purchaser any money or
21 other valuable consideration before the purchaser signs a time share
22 instrument of both the purchaser and the seller.

23 (5) misrepresenting the amount of time or period of time
24 the time share unit will be available to a purchaser;

25 (6) misrepresenting the location or locations of the of-
26 fered time share unit;

27 (7) misrepresenting the size, nature, extent, qualities, or
28 characteristics of the offered time share unit;

29 (8) misrepresenting the nature or extent of any services
30 incident to the time share unit;

31 (9) misrepresenting the conditions under which a purchaser

1 may exchange occupancy rights to a time share unit in one location for
2 occupancy rights to a time share unit in another location;

3 ~~People of legal age are responsible enough to~~
4 (10) ~~failing to disclose during the initial contact with a~~
5 ~~determine whether or not the invitation to attend a presentation is~~
6 ~~prospective purchaser that any promised entertainment, food, or other~~
7 ~~worth their time.~~

8 inducements not prohibited by AS 45.50.630 -- 45.50.660 are being
9 offered for the purpose of soliciting sales of a time share;

10 ~~This clause is constitutionally questionable.~~
11 (11) ~~conducting or participating in any type of lottery or~~
12 ~~It attacks a client procurement method used by varied industries~~
13 ~~contest, or offering prizes or gifts for the purpose of inducing or~~
14 ~~including banking, real estate, travel, fast food, retailers,~~
15 ~~encouraging a person to visit a time share project, attend a meeting~~
16 ~~publishers, auto dealers, government (oil lotteries), etc. It~~
17 ~~at which a time share will be discussed, attend a time share presenta-~~
18 ~~conflicts with general principles of fair advertising. To adopt it~~
19 ~~tion, or purchase an interest in a time share;~~
20 ~~for timeshare would be most discriminatory.~~

21 (12) serving or giving alcoholic beverages, as defined in
22 AS 04.21.080(b)(1), in connection with the offer or disposition of a
23 time share at a meeting or presentation in which a time share will be
24 discussed;

25 (13) any act or practice considered an unfair method of
26 competition or an unfair or deceptive act or practice under AS 45.50.-

27 ~~(14) See suggested additions on page 8 (*)~~
28 471.

29 ~~Delete unless the same provision is to be~~
30 ~~Sec. 45.50.645. CANCELLATION RIGHTS. (a) A time share instru-~~
31 ~~applied uniformly throughout the real estate industry as well as all~~
32 ~~ment may be cancelled by the purchaser within 15 days after a fully~~
33 ~~other commercial enterprises. Just imagine the impact of giving voters~~
34 ~~executed time share instrument is delivered or mailed to the purchas-~~
35 ~~15 days to cancel their ballots. This section implies guilt by~~
36 ~~er. Cancellation under this section voids the instrument as of the~~
37 ~~association and is therefore most offensive.~~
38 ~~date the instrument was signed by the purchaser.~~

39 ~~Delete (Same condition as Sec. 45.50.645 above)~~

40 (b) If the purchaser elects to cancel a time share instrument
41 under this section, cancellation is effective when the purchaser
42 hand-delivers written notice of the cancellation to the time share
43 offeror or the offeror's real estate broker, or mails a certified
44 letter, marked "Deliver to Addressee Only, Return Receipt," of cancel-
45 lation to the time share offeror at the address listed in the

offeror's disclosure statement within the time period specified in
of this section.

~~Delete in conjunction with right to~~
Sec. 45.50.647. ESCROW OF DEPOSITS. A deposit or payment
~~cancel. This clause is very ill conceived and extremely harmful~~
by a purchaser of a time share shall be held in escrow for 25 days
~~to business operations. It violates acceptable accounting~~
allow time for the purchaser to cancel the time share instrument.
~~procedures and seems to be in violation of Alaska Real Estate~~
25-day period begins to run on the day after a fully executed t
~~trust account law with regard to commingling trust account funds.~~
share instrument is mailed or delivered to the purchaser. All p
chaser escrow funds shall be deposited in a licensed real est
broker's trust account within the state.

Sec. 45.50.650. ENFORCEMENT. A violation of AS 45.50.630
45.50.660 is an unlawful act or practice prohibited by the Unfa
Trade Practices and Consumer Protection Act, AS 45.50.471 -- 45.50
561. The enforcement powers granted the attorney general in AS 45
50.495 -- 45.50.561 apply to enforcement of AS 45.50.630 -- 45.50.660

Sec. 45.50.653. SALES REVOCABLE FOR VIOLATION OF AS 45.50.630
45.50.660; PRIVATE AND CLASS ACTIONS. (a) Every sale or transfe
made in violation of AS 45.50.630 -- 45.50.660 may be revoked by th
purchaser. If the time share offeror or a director, officer, or agen
of or for the time share offeror has personally participated or aide
in any way in making the sale, transfer, or solicitation, the offeror
and other person are jointly and severally liable to the purchaser.
An action must be filed in the judicial district (1) in which the time
share project is located or was offered or sold, or (2) in which the
time share offeror or licensed real estate broker resides or is doing
business upon tender of the time share interest sold, or (3) in which
the contract was made. The purchaser is entitled to the full amount
paid by the purchaser, with prejudgment interest, less a portion of
the amount paid representing the portion of any benefits the purchaser
actually received or had the right to receive during the time

1 preceding the tender. In all cases, the court may provide equitable
2 relief it considers necessary or proper. This action does not limit
3 any other remedy of the purchaser.

4 (b) A person entitled to bring an action under this section may
5 bring an action on behalf of all similarly injured and situated per-
6 sons to recover damages and injunctive or other equitable relief in
7 addition to damages.

8 (c) In an action brought by a person under this section, the
9 court may award, in addition to the relief provided in this section,
10 reasonable attorney fees and costs.

11 (d) A permanent injunction or final judgment against a person in
12 an action initiated by the attorney general under AS 45.50.501 is
13 prima facie evidence in an action brought under this section that the
14 person used or employed an act or practice declared unlawful.

15 Sec. 45.50.655. STATUTORY OR COMMON LAW REMEDIES. Nothing in
16 AS 45.50.630 -- 45.50.660 limits any statutory or common law right of
17 a person to bring an action in any court for an act involved in the
18 development, sale, exchange, or purchase of a time share interest, or
19 limits the right of the state to punish a person for a violation of
20 law.

21 Sec. 45.50.660. DEFINITIONS. In AS 45.50.630 -- 45.50.660,

22 (1) "offer" includes every inducement, solicitation, or
23 attempt by a time share offeror or his agent to encourage a person to
24 acquire an interest in a time share;

25 (2) "purchaser" means a person, as defined in AS 01.10
26 060(7), who acquires or attempts to acquire or succeeds to an interest
27 in a time share, or who is solicited to acquire such an interest;

28 (3) "time share" means a time share estate or a time share
29 use;

1 (4) "time share estate" means an ownership interest in real
2 property devoted to a time share program;

3 (5) "time share instrument" means a document, by whatever
4 name, creating a purchaser's interest in a time share, and includes
5 but is not limited to a purchase contract, deed, lease, club member-
6 ship agreement, vacation license, and right-to-use contract;

7 (6) "time share offeror" or "offeror" means a person, as
8 defined in AS 01.10.060(7), as well as a joint venture or other
9 entity, that creates a time sharing plan or is in the business of
0 selling time share units;

1 (7) "time share program" means an arrangement for time
2 shares in a time share project by which the use, occupancy, or posses-
3 sion of real property has been made subject to a time share under
4 which use, occupancy, or possession circulates among purchasers of the
5 time shares according to a fixed or floating time schedule occurring
6 periodically over any period of time;

7 (8) "time share project" means any real property containing
8 one or more units that is the subject of a time share program;

9 (9) "time share use" means an arrangement, whether called a
0 leasehold, contractual right, or other right, for exclusive occupancy
1 of a specific or unspecified unit in a time share program, other than
2 a time share estate.

3 * Sec. 2. AS 08.88.111 is amended to read:

4 Sec. 08.88.111. COMMISSION REGULATIONS. (a) The commission
5 shall adopt procedural regulations describing

6 ~~Why amend and duplicate efforts or systems. It seems~~
7 (1) how it conducts an examination;
8 ~~commission regulations as presently constituted~~
9 (2) how a person applies to take an examination, applies
0 ~~could satisfactorily administer exams, licensing~~
1 for a license, and registers that person's office;
2 ~~and office registrations. Why single out one segment of the real estate~~
3 ~~industry?~~ (3) the procedure for registration of time shares, as

defined in AS 45.50.660, to be offered in the state.

(b) The commission shall adopt regulations regarding registration of time shares to be offered in the state, as required under AS 45.50.630, including

~~Stress reasonable - not to include travel costs to~~
(1) a reasonable fee for the registration;
~~allow resort visits. Colorado charges \$100 for registration.~~
(2) a requirement that a written disclosure statement, as
~~includes this - marked by mistake.~~
described in AS 45.50.640, be part of the registration;

(3) a requirement that the name of the real estate broker licensed in this state through whom the time share will be offered be part of the registration;

(4) forms necessary for administering AS 45.50.630; and
~~Too broad. Real estate commission could potentially~~
(5) other regulations necessary to carry out the provisions
~~become a legislative body. Scope of authority must be reasonably~~
of AS 45.50.630. related to existing statutes.

* Sec. 3. This Act takes effect immediately in accordance with AS 01.10.070(c).

(*) Suggested additions:

* Sec. 4 GRANDFATHER CLAUSE

An offeror offering a timeshare program in Alaska prior to the time this act takes effect will be granted a reasonable period of time thereafter to come into full compliance with the requirements of this act.

* Add to sec. 45.50.642 (UNLAWFUL ACTS AND PRACTICES)

The offering of any time share interest that does not qualify as a timeshare estate; such as "right to use" and/or "club membership" programs but not limited to the same.