

# LEGISLATIVE ADVOCACY ON BEHALF OF TIMESHARE OWNERS

What has  
ARDA-ROC  
done for  
you lately?

1997-2005 State Updates

ARDA's Resort Owners Coalition (ARDA-ROC) is a legislative advocacy group working to protect and support the economic and consumer interests of hundreds of thousands of timeshare owners around the United States. Since its inception in 1989, ARDA-ROC has championed owners' causes on every regulatory and legislative level, from local to state to Capitol Hill, including a monumental victory in 1997's Taxpayer Relief Act estimated by experts to have saved owners more than \$100 million in taxes.

ARDA-ROC's steady and strategic owner advocacy has generated an impressive list of legislative and regulatory triumphs (inventoried below). But new issues appear every day, including many "tax the visitor, not the voter" bills that target timeshare owners for revenue. For ARDA-ROC to continue its success, owners must maintain their strong support, and the vacation ownership industry must continue to encourage owners to join the ranks of the coalition.

To begin your participation in ARDA-ROC, or to find out more about owner advocacy, call (800) 374-0494 today, or visit [www.arda-roc.org](http://www.arda-roc.org).

## 2005

State	Legislative or Regulatory Change Supported by ROC	Benefit to Timeshare Owners
Arizona	Drafted and supported enactment of the Timeshare Owners Association & Management Act of 2005 to protect timeshare associations from damaging amendments suitable only for primary residential associations.	Sets basic standards for timeshare associations and consolidates applicable provisions of Arizona law in one place. Keeps timeshare associations out of other whole ownership association laws.
Colorado	Included additional prohibitions on false and misleading advertising and marketing practices.	Saved \$90 for every \$1000 of imputed rental income for owners and exchangers.
	Worked to have several exemptions for timeshare associations inserted into an omnibus HOA bill, S.B. 100.	More ethical sales and marketing practices during the sales process.
Florida	Fought to obtain Governor Bush's veto of S.B. 1520.	If enacted, S.B. 1520 would have removed many key consumer protections (such as full disclosure) from many forms of timesharing and would have permitted timeshare travel clubs in most residential subdivisions.
Hawaii	Worked to minimize increased property taxes for timeshare owners on Maui.	Kept proposed tax increase of \$16/thousand to \$14/thousand.

State/Year	Legislative or regulatory change achieved with ARDA-ROC support	General description of benefit or savings
Nevada	Fought to enact S.B. 84, to clarify state law that transient occupancy taxes (TOT) could not be applied to timeshare exchangers; however, Assembly refused to hear the bill.	Had it been enacted, bill would have established once and for all a TOT did not apply to timeshare exchangers.
	Provided litigation support to assist a resort seeking a refund of all TOT incorrectly collected on exchangers under current Nevada law.	The Nevada Tax Commission voted unanimously that the TOT could not apply to exchanges because there were no "gross receipts" to tax. The case may be appealed by the taxing authorities.
South Carolina	Worked diligently to delay and prevent application of an ordinance imposing \$5 per night fee/tax on exchange occupancy of timeshare units in Horry County (Myrtle Beach area). Efforts continued in 2005 at the local and state level.	Saved timeshare owners exchanging into the Myrtle Beach area \$35 per week.
Texas	Supported extensive updated amendments to the Texas Timeshare Act, including many new definitions.	Will assure that all types of timesharing are regulated appropriately in Texas when law takes effect on 1/15/2006.
	Exempted timeshare resorts from Chapter 209, the states' owners association law, which had many provisions harmful or confusing to timeshare associations.	Protects Texas timeshare associations from burdensome, expensive and unsuitable primary residential provisions.
	Provided additional disclosures in the timeshare purchase contract regarding annual assessments.	Gives timeshare buyers important information about the resort's assessments at time of purchase.
	Provides that all timeshare associations must have an annual independent audit of their financial statements completed no later than five months after their fiscal year ends, beginning in 2006.	Assures that timeshare owners are protected from financial mismanagement by the developer, manager or association board.

# 2004

State/Year	Legislative or regulatory change achieved with ARDA-ROC support	General description of benefit or savings
Arizona	Defeated or exempted timeshare associations from unfavorable home owners association legislation.	Prevents unfavorable laws from being applied to timeshare associations.
California	Increased buyers' cancellation period from three to seven days.	Allows timeshare buyers four additional days to reconsider their purchase.
	Added specific timeshare disclosures in the public report.	Provides more useful and targeted information for timeshare purchasers.
	Defeated "Measure L" in South Lake Tahoe—a ballot measure, which would have applied a \$60 parcel tax to every timeshare week for a period of six years.	Saved each timeshare owner in all the S. Lake Tahoe, California resorts a total of \$360 over the six-year period.
Florida	Extended consumer protections in the Florida Vacation Club & Timesharing Act to include timeshares in personal property, such as RVs and cruise ships.	Consumers now receive detailed information about the purchase of personal property timeshares and have a 10-day cancellation period from date of purchase.

# 2003

State	Legislative or regulatory change achieved with ARDA-ROC support	General description of benefit or savings
Louisiana	Within certain limitations, allows a current timeshare owner to be paid a finder's fee for referrals.	Owners may be rewarded for referring potential timeshare owners.
	Removed existing prohibition on modification of association documents after seven years.	Owner-controlled associations are now able to modify and amend their documents.
	Clarified that the assessed value of a timeshare unit cannot exceed the value of a similar accommodation owned by a single owner.	Kept owners real property taxes at a reasonable level.
	Clarified that timeshare owners and exchangers shall not be subject to occupancy taxes.	Prevented new taxes from being imposed on timeshare owners.
	Clarified the developers duties to supervise, operate, and manage the timeshare plan.	Provides clarification and protection for associations in their relationship with developer management.

State	Legislative or regulatory change achieved with ARDA-ROC support	General description of benefit or savings
Louisiana	Clarified how proceeds are to be distributed to owners in the event a timeshare plan is terminated.	Provides protection to homeowners in the event a resort is destroyed.
	Revised the provisions relating to the management of the timeshare plan and clarified the manner in which common expenses are allocated.	Provides clarification and protection for associations in their relationship with developer management.
	Strengthened existing escrow requirements for purchase, and required developers to provide for financial assurances to the consumer that the timeshare resort and promised amenities will be completed or all that all purchase monies will be refunded in the event of developer default.	Provides protection for associations and for homeowners who purchase their timeshare interest before the entire project is complete.
Massachusetts	Prevented enactment of a bill this year to expand occupancy taxes to timeshares.	Prevented extension of occupancy taxes to timeshare owners.
Nevada	Worked to introduce legislation to prevent application of any transient occupancy tax (TOT) to timeshare exchangers and to assist a resort in the Reno-Sparks area in their litigation with the county over application of their TOT to timeshare exchangers.	Prevents a new tax from being assessed against timeshare associations with exchange use.
South Carolina	Extended the period in which a timeshare purchaser may cancel the contract without penalty from four to five days.	Increased time for purchasers/owners to change their purchase decision.
	Adjusts and expands the content of the disclosure statement given to timeshare purchasers.	More information on the product given to purchasers at time of sale.
	Within certain limitations, allows a current timeshare owner to be paid a finder's fee for referrals.	Owners may be rewarded for referring potential timeshare owners.

## 2002

State	Legislative or regulatory change achieved with ARDA-ROC support	General description of benefit or savings
Arizona	Supported enactment of SB 1224, which classified timeshares as primarily residential and allows a 65 percent deduction from the sum of the sales prices or use of resale prices for valuation purposes.	Clarified real property taxation methods statewide and set reasonable valuation of timeshares; allowed the reduced residential tax rate.
Colorado	Supported HB 1265, which clarified that all resort properties (condominiums, timeshares, etc.) are residential for real property tax purposes.	Saved 50 percent on tax rates from commercial classification.
	At no cost to timeshare owners, supported legislation that classified timeshares as residential.	Prevented an increase in the real property taxes paid by timeshare owners.
Florida	Worked with Department of Revenue to clarify applicability of sales taxes to timeshares.	No new sales taxes were applied to timeshare owners.
Nevada	Ongoing legislative and court work to prevent extension of transient occupancy taxes to timeshare owners.	Preserved current timeshare property tax methods and avoided large tax increases to owners.
Rhode Island	Assisted in the defeat of proposed burdensome timeshare taxation bills.	Prevented extension of occupancy taxes to timeshare owners.
	Defeated legislation to increase real property taxes on timeshares	Kept owners real property taxes at a reasonable level.
Wyoming	Helped convince local tax assessor that the county's valuation of timeshares was inappropriate.	Prevented an increase in timeshare owners' real property taxes.

## 2001

State	Legislative or regulatory change achieved with ARDA-ROC support	General description of benefit or savings
Nevada	Clarified nature of management company regulation.	Eliminates confusion, conflict and duplication
	Required reserve studies for timeshare associations at least every five years.	Improved management and funding of capital reserves.
South Carolina	Successfully defended the first constitutional challenge to state's favorable law on real property taxation of timeshares.	Prevented a major increase in real property taxes for timeshares.

## 2000

State	Legislative or regulatory change achieved with ARDA-ROC support	General description of benefit or savings
California	Allowed a mandatory reservation system to be automatically renewed (every five years or less) unless owners voted to terminate the reservation system.	Simplified procedures for management company to continue operating if owners are satisfied.
	Allowed a timeshare project to increase the costs of the mandatory reservation system by up to 10 percent annually without a vote of the owners.	Gave owners associations greater discretion and ability to operate efficiently.
	Permitted the association bylaws to reduce a voting quorum from 15 to 10 percent of non-developer members.	Enabled timeshare association to operate more efficiently and take action when necessary.
Florida	Increased from 20 to 50 the number of association-acquired interests that may be resold by the association without having to register as a developer.	Helped associations and owners dispose of foreclosed weeks cost effectively.
	While the general prohibition against commingling is maintained, allowed multi-condominium reserve and operating funds to be commingled for investment purposes.	Allowed for potentially higher investment returns to benefit association operations.
	Permitted a managing entity that is not otherwise a developer to sell timeshare interests for existing owners utilizing a resale purchase agreement.	Helped associations and owners dispose of foreclosed weeks and still provided consumer protection.
South Carolina	Enacted legislation to allow non-judicial foreclosures.	Estimated savings of \$750 - \$1000 per week foreclosed. Time to foreclose significantly reduced.

## 1999

State	Legislative or regulatory change achieved with ARDA-ROC support	General description of benefit or savings
California	Supported members in defeating Palm Springs' attempt at collecting a 9 percent timeshare occupancy tax (TSOT).	Saved \$90 for every \$1000 of imputed rental income for owners and exchangers.
Illinois	Exempted owners associations selling their own foreclosed timeshare interests from the registration requirements.	Reduced costs to associations in disposing of foreclosed interests.

State	Legislative or regulatory change achieved with ARDA-ROC support	General description of benefit or savings
Illinois	Permitted multiple defendants in foreclosure proceedings of timeshare interests.	Reduced court costs to associations in doing foreclosures.
Maine	Enacted legislation to limit adding up timeshare week sales prices as the taxable real property value.	Reduced real property taxes depending on week and resort
Nevada	Required registration and licensing of person listing, advertising, soliciting or promoting sale of 12 or more previously sold time shares.	Provided consumer protection in resales.
	Required timeshare resellers to comply with the same requirements relating to approval of advertising as developers.	Provided consumer protection.
	Required the reseller of a timeshare to disclose certain basic information about the timeshare to the buyer.	Provided consumer protection.
	Required the timeshare resale broker who charges or collects an advance fee to place 80 percent of the fee into a trust account, and to return such money within 10 days of expiration of the listing.	Provided consumer protection.
	Defeated requirement for homeowners association board members to live at Nevada resort 275 days per year.	Enabled timeshare associations to operate.
	Defeated prohibition on use of proxies for voting for boards of directors.	Enabled timeshare associations to operate.
Utah	Required tax assessors to determine valuation for real property taxes based on formula taking into account value of real estate, rather than aggregate of week sale prices.	Reduced tax burden on owners, developers, and associations. Saved one association \$300,000 in first year.
Wisconsin	Defeated proposed 5 percent sales tax on all forms of timeshare purchases and maintenance fees.	Saved \$500 on every \$10,000 timeshare purchase; \$15 on every \$300 maintenance fee.
	Repealed 5 percent sales tax on flex-time timeshares in effect since 1989.	Saved \$500 on every \$10,000 timeshare purchase; \$15 on every \$300 maintenance fee.

## 1998

State	Legislative or Regulatory Change Supported by ROC	Benefit to Timeshare Owners
Florida	Streamlined foreclosure to allow associations and lenders to consolidate multiple defendants and junior interest holders into one action.	Significantly lowered the cost of such proceedings to the association.
	Significantly streamlined the complicated foreclosure notice process through use of appointed registered agents.	Ensures adequate notice while allowing associations to foreclose delinquent unit weeks quickly and return them to assessment-paying status.
Hawaii 1992-1998	Held back proposed Hawaii Transient Accommodations Tax for six years, and limited amount when finally enacted from about \$24 per day to about \$6 per day.	Reduced tax burden by approximately \$18 per day per unit on owners, exchangers, developers, and associations.
Missouri	Clarified provisions of Branson Municipal Tourism Tax to make a clear distinction between timeshare owners, exchangers, and persons renting timeshare units.	Prevented imposition of rental tax on timeshare owners and exchangers.
South Carolina	Prevented application of 7 percent sales tax on fair market rental value of timeshare exchanges by exacting a tax exemption.	Saved \$35 for every \$500 of imputed rental value and stopped a terrible precedent.

## 1997

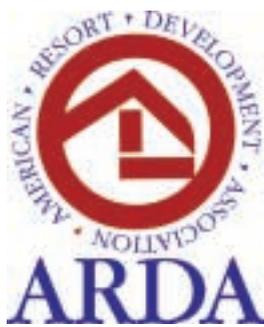
State	Legislative or regulatory change achieved with ARDA-ROC support	General description of benefit or savings
New Hampshire	Defeated the governor's attempt to impose the 8 percent "rooms and meals" tax on maintenance fees of timeshare owners.	Saved approximately \$28 on each \$350 maintenance fee.

Prepared by the ARDA State Affairs office in Orlando, Florida in conjunction with ARDA-ROC staff. For more information on ARDA-ROC, write the ARDA-ROC director at [arda-rocinfo@arda.org](mailto:arda-rocinfo@arda.org).

For more information on the American Resort Development Association or its legislative affairs efforts, please visit [www.arda.org](http://www.arda.org) or call its Washington, D.C. headquarters at (202) 371-6700.

For up-to-date information on ARDA-ROC's current issues, or to explore other ways to protect your vacation ownership, visit [www.arda-roc.org](http://www.arda-roc.org).





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