

CERTIFICATION OF ENROLLMENT

HOUSE {CONCURRENT; JOINT; MEMORIAL} BILL NO. ~~XXXX~~

57th Legislature
2002 Regular Session

Passed by the House January 15, 2002
Yeas 98 Nays 0

Speaker of the House of Representatives

Passed by the Senate March 5, 2002
Yeas 46 Nays 0

President of the Senate

Approved

Governor of the State of Washington

CERTIFICATE

I, Cynthia Zehnder, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **HOUSE BILL ~~XXXX~~** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

FILED

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2513

State of Washington 57th Legislature 2002 Regular Session

By House Committee on Commerce & Labor (originally sponsored by Representatives Wood, Clements and Conway)

Read first time 02/08/2002. Referred to Committee on .

1 AN ACT Relating to timeshare interest reservations; amending RCW
2 64.36.070; and adding a new section to chapter 64.36 RCW.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 64.36.070 and 1983 1st ex.s. c 22 s 8 are each
5 amended to read as follows:

6 Any individual offering timeshare units or timeshare interest
7 reservations for the individual's own account or for the account of
8 others shall be registered as a timeshare salesperson unless the
9 timeshare offering is exempt from registration under RCW 64.36.020.
10 Registration may be obtained by filing an application with the
11 department of licensing on a form prescribed by the director. The
12 director may require that the applicant demonstrate sufficient
13 knowledge of the timeshare industry and this chapter. A timeshare
14 salesperson who is licensed as a real estate broker or salesperson
15 under chapter 18.85 RCW is exempt from the registration requirement
16 of this section.

1 NEW SECTION. **Sec. 2.** A new section is added to chapter 64.36
2 RCW to read as follows:

3 (1) For the purpose of this section, "timeshare interest
4 reservation" means a revocable right to purchase an interest in a
5 timeshare project for which construction has not yet been completed
6 and an effective registration has been obtained under this chapter.

7 (2) An effective registration pursuant to this chapter is
8 required for any party to offer to sell a timeshare interest
9 reservation. Promoters offering a timeshare interest reservation
10 under this section must provide the registered disclosure document
11 required by RCW 64.36.140 to each prospective purchaser before he or
12 she enters into a timeshare interest reservation. Prior to the
13 signing of a purchase agreement, the subject property or properties
14 must be completed, the timeshare offering registration required by
15 RCW 64.36.020 must be amended to reflect any changes to the property
16 and must be reapproved by the department, the disclosure document
17 required by RCW 64.36.140 must be revised, and the new version of the
18 disclosure document must be provided to the prospective purchaser.

19 (3) Deposits accepted by promoters on a timeshare interest
20 reservation may be no more than twenty percent of the total purchase
21 price of the timeshare interest that is being purchased. Within one
22 business day after being accepted by the promoter, any deposit on a
23 timeshare interest reservation shall be deposited in an account in a
24 federally insured depository located in the state of Washington.
25 This account must be an escrow account wherein the deposited funds
26 are held for the benefit of the purchaser. The department may
27 request that deposits be placed in impoundment under RCW 64.36.130.

28 (4) In addition to the cancellation rights provided in RCW
29 64.36.150, the purchaser has the right to cancel the purchase at any
30 time before the signing of a purchase agreement. If the purchaser
31 notifies the promoter that he or she wishes to cancel the timeshare
32 interest reservation, the promoter must refund the full amount of the
33 deposit minus any account fees within ten days of the notice.

34 (5) If prior to signing a purchase agreement the purchaser learns
35 that the promoter proposes to raise the purchase price above the

1 price agreed to in the written reservation agreement for the
2 timeshare interest reservation, the written reservation agreement is
3 void and all deposit moneys including account fees shall be returned
4 to the purchaser within ten days after the purchaser learns of the
5 proposed price increase.

6 (6) If the promoter charges account fees to pay for
7 administrative costs of holding the purchaser's funds in escrow,
8 these fees may be no more than one percent of the total deposit paid
9 towards the timeshare interest reservation by the purchaser.

10 (7) The promoter shall provide instructions to the escrow company
11 for release of the funds to be held in escrow in compliance with this
12 section and rules of the department.

13 (8) The purchaser's right to cancel and the amount of the deposit
14 proposed to be retained for account fees in the event of cancellation
15 must be included in the contract for the sale of a timeshare interest
16 reservation and the contract must state:

17 PURCHASER CANCELLATION RIGHTS

18 As a purchaser of a timeshare interest reservation, you have the
19 right to cancel this timeshare interest reservation and receive a
20 refund of all consideration paid (less only those account fee
21 deductions which were fully disclosed at the time of the agreement)
22 by providing written notice of the cancellation to the promoter or
23 the promoter's agent at any time prior to signing a purchase
24 agreement. You also have a right to cancel your purchase within
25 seven days of signing a purchase agreement.

26 (9) If it appears that the timeshare project will become or does
27 become insolvent prior to completion, the promoter shall instruct the
28 escrow company to immediately return all deposits to purchasers of
29 timeshare interest reservations. If funds are returned under this
30 subsection, the promoter may not retain any portion of the deposits
31 for account fees.

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