

1                   A bill to be entitled  
2           An act relating to timeshares; amending s. 721.05,  
3           F.S.; revising a definition; amending s. 721.07, F.S.;  
4           revising requirements for amendments made to a  
5           timeshare instrument; revising requirements for public  
6           offering statements; amending s. 721.08, F.S.;  
7           revising compliance requirements for the release of  
8           certain escrow funds; amending s. 721.11, F.S.;  
9           revising disclosure requirements for certain written  
10          advertising materials; creating s. 721.125, F.S.;  
11          providing for the extension or termination of  
12          timeshare plans under certain conditions; providing  
13          applicability; amending s. 721.14, F.S.; providing for  
14          the transfer of specified reservation system data upon  
15          the termination of the managing entity; providing that  
16          reasonable costs incurred by the terminated managing  
17          entity in effecting the transfer of certain  
18          information shall be reimbursed as a common expense;  
19          amending s. 721.27, F.S.; revising timeshare unit  
20          annual fee requirements; amending s. 721.52, F.S.;  
21          revising definitions; amending s. 721.53, F.S.;  
22          revising requirements with respect to subordination  
23          instruments; deleting a requirement relating to court  
24          approval of trustee dispositions of multisite  
25          timeshare trust property; providing that a vote of the  
26          voting interests of a multisite timeshare plan is not

27 required for substitution or automatic deletion of  
 28 multisite timeshare trust property; repealing s.  
 29 721.54, F.S., relating to terms of nonspecific  
 30 multisite timeshare plans; amending s. 721.55, F.S.;  
 31 revising disclosure requirements for a multisite  
 32 timeshare plan public offering statement; amending s.  
 33 721.551, F.S.; revising disclosure requirements for  
 34 multisite timeshare plan purchaser public offering  
 35 statements; amending s. 721.552, F.S.; revising  
 36 requirements relating to substitutions and deletions  
 37 of component site accommodations or facilities;  
 38 amending s. 721.56, F.S.; deleting provisions relating  
 39 to the transfer of specified reservation system data  
 40 upon the termination of managing entity and costs  
 41 incurred by the terminated managing entity; amending  
 42 s. 721.57, F.S.; revising language with respect to  
 43 timeshare estates in multisite timeshare plans;  
 44 amending s. 721.58, F.S.; deleting certain annual fee  
 45 requirements for managing entities of multisite  
 46 timeshare plans; providing an effective date.

47  
 48 Be It Enacted by the Legislature of the State of Florida:

49  
 50 Section 1. Subsection (34) of section 721.05, Florida  
 51 Statutes, is amended to read:

52 721.05 Definitions.—As used in this chapter, the term:

53 (34) "Timeshare estate" means a right to occupy a  
 54 timeshare unit, coupled with a freehold estate or an estate for  
 55 years with a future interest in a timeshare property or a  
 56 specified portion thereof, or coupled with. ~~The term includes an~~  
 57 ownership interest in a condominium unit pursuant to s. 718.103,  
 58 an ownership interest in a cooperative unit pursuant to s.  
 59 719.103, or a direct or indirect beneficial interest in a trust  
 60 that complies in all respects with the provisions of s.  
 61 721.08(2)(c)4. or s. 721.53(1)(e), provided that the trust does  
 62 not contain any personal property timeshare interests. A  
 63 timeshare estate is a parcel of real property under the laws of  
 64 this state.

65 Section 2. Paragraph (a) of subsection (3) and paragraph  
 66 (gg) of subsection (5) of section 721.07, Florida Statutes, are  
 67 amended to read:

68 721.07 Public offering statement.—Prior to offering any  
 69 timeshare plan, the developer must submit a filed public  
 70 offering statement to the division for approval as prescribed by  
 71 s. 721.03, s. 721.55, or this section. Until the division  
 72 approves such filing, any contract regarding the sale of that  
 73 timeshare plan is subject to cancellation by the purchaser  
 74 pursuant to s. 721.10.

75 (3)(a)1. Any change to an approved public offering  
 76 statement filing shall be filed with the division for approval  
 77 as an amendment prior to becoming effective. The division shall  
 78 have 20 days after receipt of a proposed amendment to approve or

79 cite deficiencies in the proposed amendment. If the division  
80 fails to act within 20 days, the amendment will be deemed  
81 approved. If the proposed amendment adds a new component site to  
82 an approved multisite timeshare plan, the division's initial  
83 period in which to approve or cite deficiencies is 45 days. If  
84 the developer fails to adequately respond to any deficiency  
85 notice within 30 days, the division may reject the amendment.  
86 Subsequent to such rejection, a new filing fee pursuant to  
87 subsection (4) and a new division initial review period pursuant  
88 to this paragraph shall apply to any refiling or further review  
89 of the rejected amendment.

90 2. For filings only subject to this part, each approved  
91 amendment to the approved purchaser public offering statement,  
92 other than an amendment made only for the purpose of the  
93 addition of a phase or phases to the timeshare plan in the  
94 manner described in the timeshare instrument or any amendment  
95 that does not materially alter or modify the offering in a  
96 manner that is adverse to a purchaser, shall be delivered to a  
97 purchaser no later than 10 days prior to closing. For filings  
98 made under part II, each approved amendment to the multisite  
99 timeshare plan purchaser public offering statement, other than  
100 an amendment made only for the purpose of the addition,  
101 substitution, or deletion of a component site pursuant to part  
102 II or the addition of a phase or phases to a component site of a  
103 multisite timeshare plan in the manner described in the  
104 timeshare instrument or any amendment that does not materially

105 alter or modify the offering in a manner that is adverse to a  
 106 purchaser, shall be delivered to a purchaser no later than 10  
 107 days prior to closing.

108 3. Amendments made to a timeshare instrument for a  
 109 component site located in this state are not required to be  
 110 delivered to purchasers who do not receive a timeshare estate ~~or~~  
 111 ~~an interest in a specific multisite timeshare plan~~ in that  
 112 component site. Amendments made to a timeshare instrument for a  
 113 component site not located in this state, or for a component  
 114 site of a nonspecific timeshare plan, are not required to be  
 115 delivered to purchasers.

116 (5) Every filed public offering statement for a timeshare  
 117 plan which is not a multisite timeshare plan shall contain the  
 118 information required by this subsection. The division is  
 119 authorized to provide by rule the method by which a developer  
 120 must provide such information to the division.

121 (gg)1. Such other information as is necessary to fairly,  
 122 meaningfully, and effectively disclose all aspects of the  
 123 timeshare plan, including, but not limited to, any disclosures  
 124 made necessary by the operation of s. 721.03(8). ~~However,~~

125 2. If a developer has, in good faith, attempted to comply  
 126 with the requirements of this chapter section, and if, in fact,  
 127 he or she has substantially complied with the ~~disclosure~~  
 128 requirements of this chapter, nonmaterial errors or omissions  
 129 and violations of this chapter shall not be actionable and do  
 130 not give rise to any purchaser cancellation right.

131 Section 3. Paragraph (c) of subsection (2) of section  
 132 721.08, Florida Statutes, is amended to read:

133 721.08 Escrow accounts; nondisturbance instruments;  
 134 alternate security arrangements; transfer of legal title.—

135 (2) One hundred percent of all funds or other property  
 136 which is received from or on behalf of purchasers of the  
 137 timeshare plan or timeshare interest prior to the occurrence of  
 138 events required in this subsection shall be deposited pursuant  
 139 to an escrow agreement approved by the division. The funds or  
 140 other property may be released from escrow only as follows:

141 (c) Compliance with conditions.—

142 1. Timeshare licenses.—If the timeshare plan is one in  
 143 which timeshare licenses are to be sold and no cancellation or  
 144 default has occurred, the escrow agent may release the escrowed  
 145 funds or other property to or on the order of the developer upon  
 146 presentation of:

147 a. An affidavit by the developer that all of the following  
 148 conditions have been met:

149 (I) Expiration of the cancellation period.

150 (II) Completion of construction.

151 (III) Closing.

152 (IV) Either:

153 (A) Execution, delivery, and recordation by each  
 154 interestholder of the nondisturbance and notice to creditors  
 155 instrument, as described in this section; or

156 (B) Transfer by the developer of legal title to the

157 subject accommodations and facilities, or all use rights  
158 therein, into a trust satisfying the requirements of  
159 subparagraph 4. and the execution, delivery, and recordation by  
160 each other interestholder of the nondisturbance and notice to  
161 creditors instrument, as described in this section.

162 b. A certified copy of each recorded nondisturbance and  
163 notice to creditors instrument.

164 c. One of the following:

165 (I) A copy of a memorandum of agreement, as defined in s.  
166 721.05, together with satisfactory evidence that the original  
167 memorandum of agreement has been irretrievably delivered for  
168 recording to the appropriate official responsible for  
169 maintaining the public records in the county in which the  
170 subject accommodations and facilities are located. The original  
171 memorandum of agreement must be recorded within 180 days after  
172 the date on which the purchaser executed her or his purchase  
173 agreement.

174 (II) A notice delivered for recording to the appropriate  
175 official responsible for maintaining the public records in each  
176 county in which the subject accommodations and facilities are  
177 located notifying all persons of the identity of an independent  
178 escrow agent or trustee satisfying the requirements of  
179 subparagraph 4. that shall maintain separate books and records,  
180 in accordance with good accounting practices, for the timeshare  
181 plan in which timeshare licenses are to be sold. The books and  
182 records shall indicate each accommodation and facility that is

183 subject to such a timeshare plan and each purchaser of a  
184 timeshare license in the timeshare plan.

185 2. Timeshare estates.—If the timeshare plan is one in  
186 which timeshare estates are to be sold and no cancellation or  
187 default has occurred, the escrow agent may release the escrowed  
188 funds or other property to or on the order of the developer upon  
189 presentation of:

190 a. An affidavit by the developer that all of the following  
191 conditions have been met:

192 (I) Expiration of the cancellation period.

193 (II) Completion of construction.

194 (III) Closing.

195 b. If the timeshare estate is sold by agreement for deed,  
196 a certified copy of the recorded nondisturbance and notice to  
197 creditors instrument, as described in this section.

198 c. Evidence that each accommodation and facility:

199 (I) Is free and clear of the claims of any  
200 interestholders, other than the claims of interestholders that,  
201 through a recorded instrument, are irrevocably made subject to  
202 the timeshare instrument and the use rights of purchasers made  
203 available through the timeshare instrument;

204 (II) Is the subject of a recorded nondisturbance and  
205 notice to creditors instrument that complies with subsection (3)  
206 and s. 721.17; or

207 (III) Has been transferred into a trust satisfying the  
208 requirements of subparagraph 4.



209           d. Evidence that the timeshare estate:

210           (I) Is free and clear of the claims of any

211 interestholders, other than the claims of interestholders that,

212 through a recorded instrument, are irrevocably made subject to

213 the timeshare instrument and the use rights of purchasers made

214 available through the timeshare instrument; or

215           (II) Is the subject of a recorded nondisturbance and

216 notice to creditors instrument that complies with subsection (3)

217 and s. 721.17.

218           3. Personal property timeshare interests.—If the timeshare

219 plan is one in which personal property timeshare interests are

220 to be sold and no cancellation or default has occurred, the

221 escrow agent may release the escrowed funds or other property to

222 or on the order of the developer upon presentation of:

223           a. An affidavit by the developer that all of the following

224 conditions have been met:

225           (I) Expiration of the cancellation period.

226           (II) Completion of construction.

227           (III) Closing.

228           b. If the personal property timeshare interest is sold by

229 agreement for transfer, evidence that the agreement for transfer

230 complies fully with s. 721.06 and this section.

231           c. Evidence that one of the following has occurred:

232           (I) Transfer by the owner of the underlying personal

233 property of legal title to the subject accommodations and

234 facilities or all use rights therein into a trust satisfying the

235 requirements of subparagraph 4.; or

236 (II) Transfer by the owner of the underlying personal  
 237 property of legal title to the subject accommodations and  
 238 facilities or all use rights therein into an owners' association  
 239 satisfying the requirements of subparagraph 5.

240 d. Evidence of compliance with the provisions of  
 241 subparagraph 6., if required.

242 e. If a personal property timeshare plan is created with  
 243 respect to accommodations and facilities that are located on or  
 244 in an oceangoing vessel, including a "documented vessel" or a  
 245 "foreign vessel," as defined and governed by 46 U.S.C., chapter  
 246 301:

247 (I) In making the transfer required in sub-subparagraph  
 248 c., the developer shall use as its transfer instrument a  
 249 document that establishes and protects the continuance of the  
 250 use rights in the subject accommodations and facilities in a  
 251 manner that is enforceable by the trust or owners' association.

252 (II) The transfer instrument shall comply fully with the  
 253 provisions of this chapter, shall be part of the timeshare  
 254 instrument, and shall contain specific provisions that:

255 (A) Prohibit the vessel owner, the developer, any manager  
 256 or operator of the vessel, the owners' association or the  
 257 trustee, the managing entity, or any other person from incurring  
 258 any liens against the vessel except for liens that are required  
 259 for the operation and upkeep of the vessel, including liens for  
 260 fuel expenditures, repairs, crews' wages, and salvage, and

261 | except as provided in sub-sub-subparagraphs 4.b.(III) and  
262 | 5.b.(III). All expenses, fees, and taxes properly incurred in  
263 | connection with the creation, satisfaction, and discharge of any  
264 | such permitted lien, or a prorated portion thereof if less than  
265 | all of the accommodations on the vessel are subject to the  
266 | timeshare plan, shall be common expenses of the timeshare plan.

267 |       (B) Grant a lien against the vessel in favor of the  
268 | owners' association or trustee to secure the full and faithful  
269 | performance of the vessel owner and developer of all of their  
270 | obligations to the purchasers.

271 |       (C) Establish governing law in a jurisdiction that  
272 | recognizes and will enforce the timeshare instrument and the  
273 | laws of the jurisdiction of registry of the vessel.

274 |       (D) Require that a description of the use rights of  
275 | purchasers be posted and displayed on the vessel in a manner  
276 | that will give notice of such rights to any party examining the  
277 | vessel. This notice must identify the owners' association or  
278 | trustee and include a statement disclosing the limitation on  
279 | incurring liens against the vessel described in sub-sub-sub-  
280 | subparagraph (A).

281 |       (E) Include the nondisturbance and notice to creditors  
282 | instrument for the vessel owner and any other interestholders.

283 |       (F) The owners' association created under subparagraph 5.  
284 | or trustee created under subparagraph 4. shall have access to  
285 | any certificates of classification in accordance with the  
286 | timeshare instrument.

287 (III) If the vessel is a foreign vessel, the vessel must  
 288 be registered in a jurisdiction that permits a filing evidencing  
 289 the use rights of purchasers in the subject accommodations and  
 290 facilities, offers protection for such use rights against  
 291 unfiled and inferior claims, and recognizes the document or  
 292 instrument creating such use rights as a lien against the  
 293 vessel.

294 (IV) In addition to the disclosures required by s.  
 295 721.07(5), the public offering statement and purchase contract  
 296 must contain a disclosure in conspicuous type in substantially  
 297 the following form:

298 The laws of the State of Florida govern the offering of this  
 299 timeshare plan in this state. There are inherent risks in  
 300 purchasing a timeshare interest in this timeshare plan because  
 301 the accommodations and facilities of the timeshare plan are  
 302 located on a vessel that will sail into international waters and  
 303 into waters governed by many different jurisdictions. Therefore,  
 304 the laws of the State of Florida cannot fully protect your  
 305 purchase of an interest in this timeshare plan. Specifically,  
 306 management and operational issues may need to be addressed in  
 307 the jurisdiction in which the vessel is registered, which is  
 308 (insert jurisdiction in which vessel is registered). Concerns of  
 309 purchasers may be sent to (insert name of applicable regulatory  
 310 agency and address).

311 4. Trust.—

312 a. If the subject accommodations or facilities, or all use

313 rights therein, are to be transferred into a trust in order to  
314 comply with this paragraph, such transfer shall take place  
315 pursuant to this subparagraph.

316 b. Prior to the transfer by each interestholder of the  
317 subject accommodations and facilities, or all use rights  
318 therein, to a trust, any lien or other encumbrance against such  
319 accommodations and facilities, or use rights therein, shall be  
320 made subject to a nondisturbance and notice to creditors  
321 instrument pursuant to subsection (3). No transfer pursuant to  
322 this subparagraph shall become effective until the trustee  
323 accepts such transfer and the responsibilities set forth herein.  
324 A trust established pursuant to this subparagraph shall comply  
325 with the following provisions:

326 (I) The trustee shall be an individual or a business  
327 entity authorized and qualified to conduct trust business in  
328 this state. Any corporation authorized to do business in this  
329 state may act as trustee in connection with a timeshare plan  
330 pursuant to this chapter. The trustee must be independent from  
331 any developer or managing entity of the timeshare plan or any  
332 interestholder of any accommodation or facility of such plan.

333 (II) The trust shall be irrevocable so long as any  
334 purchaser has a right to occupy any portion of the timeshare  
335 property pursuant to the timeshare plan.

336 (III) The trustee shall not convey, hypothecate, mortgage,  
337 assign, lease, or otherwise transfer or encumber in any fashion  
338 any interest in or portion of the timeshare property with

339 | respect to which any purchaser has a right of use or occupancy  
340 | unless the timeshare plan is terminated pursuant to the  
341 | timeshare instrument, or such conveyance, hypothecation,  
342 | mortgage, assignment, lease, transfer, or encumbrance is  
343 | approved by a vote of two-thirds of all voting interests of the  
344 | timeshare plan and such decision is declared by a court of  
345 | competent jurisdiction to be in the best interests of the  
346 | purchasers of the timeshare plan. The trustee shall notify the  
347 | division in writing within 10 days after receiving notice of the  
348 | filing of any petition relating to obtaining such a court order.  
349 | The division shall have standing to advise the court of the  
350 | division's interpretation of the statute as it relates to the  
351 | petition.

352 |       (IV) All purchasers of the timeshare plan or the owners'  
353 | association of the timeshare plan shall be the express  
354 | beneficiaries of the trust. The trustee shall act as a fiduciary  
355 | to the beneficiaries of the trust. The personal liability of the  
356 | trustee shall be governed by ss. 736.08125, 736.08163, 736.1013,  
357 | and 736.1015. The agreement establishing the trust shall set  
358 | forth the duties of the trustee. The trustee shall be required  
359 | to furnish promptly to the division upon request a copy of the  
360 | complete list of the names and addresses of the owners in the  
361 | timeshare plan and a copy of any other books and records of the  
362 | timeshare plan required to be maintained pursuant to s. 721.13  
363 | that are in the possession, custody, or control of the trustee.  
364 | All expenses reasonably incurred by the trustee in the

365 performance of its duties, together with any reasonable  
366 compensation of the trustee, shall be common expenses of the  
367 timeshare plan.

368 (V) The trustee shall not resign upon less than 90 days'  
369 prior written notice to the managing entity and the division. No  
370 resignation shall become effective until a substitute trustee,  
371 approved by the division, is appointed by the managing entity  
372 and accepts the appointment.

373 (VI) The documents establishing the trust arrangement  
374 shall constitute a part of the timeshare instrument.

375 (VII) For trusts holding property in a timeshare plan  
376 located outside this state, the trust and trustee holding such  
377 property shall be deemed in compliance with the requirements of  
378 this subparagraph if such trust and trustee are authorized and  
379 qualified to conduct trust business under the laws of such  
380 jurisdiction and the agreement or law governing such trust  
381 arrangement provides substantially similar protections for the  
382 purchaser as are required in this subparagraph for trusts  
383 holding property in a timeshare plan in this state.

384 (VIII) The trustee shall have appointed a registered agent  
385 in this state for service of process. In the event such a  
386 registered agent is not appointed, service of process may be  
387 served pursuant to s. 721.265.

388 5. Owners' association.—

389 a. If the subject accommodations or facilities, or all use  
390 rights therein, are to be transferred into an owners'

391 association in order to comply with this paragraph, such  
392 transfer shall take place pursuant to this subparagraph. If the  
393 accommodations or facilities of a single-site timeshare trust  
394 plan are subject to a lease, the unexpired term of the lease  
395 must be disclosed as the term of the timeshare plan pursuant to  
396 s. 721.07(5)(f)4.

397 b. Prior to the transfer by each interestholder of the  
398 subject accommodations and facilities, or all use rights  
399 therein, to an owners' association, any lien or other  
400 encumbrance against such accommodations and facilities, or use  
401 rights therein, shall be made subject to a nondisturbance and  
402 notice to creditors instrument pursuant to subsection (3). No  
403 transfer pursuant to this subparagraph shall become effective  
404 until the owners' association accepts such transfer and the  
405 responsibilities set forth herein. An owners' association  
406 established pursuant to this subparagraph shall comply with the  
407 following provisions:

408 (I) The owners' association shall be a business entity  
409 authorized and qualified to conduct business in this state.  
410 Control of the board of directors of the owners' association  
411 must be independent from any developer or managing entity of the  
412 timeshare plan or any interestholder.

413 (II) The bylaws of the owners' association shall provide  
414 that the corporation may not be voluntarily dissolved without  
415 the unanimous vote of all owners of personal property timeshare  
416 interests so long as any purchaser has a right to occupy any



417 | portion of the timeshare property pursuant to the timeshare  
418 | plan.

419 |       (III) The owners' association shall not convey,  
420 | hypothecate, mortgage, assign, lease, or otherwise transfer or  
421 | encumber in any fashion any interest in or portion of the  
422 | timeshare property with respect to which any purchaser has a  
423 | right of use or occupancy, unless the timeshare plan is  
424 | terminated pursuant to the timeshare instrument, or unless such  
425 | conveyance, hypothecation, mortgage, assignment, lease,  
426 | transfer, or encumbrance is approved by a vote of two-thirds of  
427 | all voting interests of the association. Subject to s. 721.552,  
428 | a vote of the voting interests of the timeshare plan is not  
429 | required either for substitution or for automatic deletion of  
430 | accommodations or facilities and such decision is declared by a  
431 | court of competent jurisdiction to be in the best interests of  
432 | the purchasers of the timeshare plan. The owners' association  
433 | shall notify the division in writing within 10 days after  
434 | receiving notice of the filing of any petition relating to  
435 | obtaining such a court order. The division shall have standing  
436 | to advise the court of the division's interpretation of the  
437 | statute as it relates to the petition.

438 |       (IV) All purchasers of the timeshare plan shall be members  
439 | of the owners' association and shall be entitled to vote on  
440 | matters requiring a vote of the owners' association as provided  
441 | in this chapter or the timeshare instrument. The owners'  
442 | association shall act as a fiduciary to the purchasers of the

443 timeshare plan. The articles of incorporation establishing the  
444 owners' association shall set forth the duties of the owners'  
445 association. All expenses reasonably incurred by the owners'  
446 association in the performance of its duties, together with any  
447 reasonable compensation of the officers or directors of the  
448 owners' association, shall be common expenses of the timeshare  
449 plan.

450 (V) The documents establishing the owners' association  
451 shall constitute a part of the timeshare instrument.

452 (VI) For owners' associations holding property in a  
453 timeshare plan located outside this state, the owners'  
454 association holding such property shall be deemed in compliance  
455 with the requirements of this subparagraph if such owners'  
456 association is authorized and qualified to conduct owners'  
457 association business under the laws of such jurisdiction and the  
458 agreement or law governing such arrangement provides  
459 substantially similar protections for the purchaser as are  
460 required in this subparagraph for owners' associations holding  
461 property in a timeshare plan in this state.

462 (VII) The owners' association shall have appointed a  
463 registered agent in this state for service of process. In the  
464 event such a registered agent cannot be located, service of  
465 process may be made pursuant to s. 721.265.

466 6. Personal property subject to certificate of title.—If  
467 any personal property that is an accommodation or facility of a  
468 timeshare plan is subject to a certificate of title in this

469 state pursuant to chapter 319 or chapter 328, the following  
470 notation must be made on such certificate of title pursuant to  
471 s. 319.27(1) or s. 328.15(1):

472 The further transfer or encumbrance of the property subject to  
473 this certificate of title, or any lien or encumbrance thereon,  
474 is subject to the requirements of section 721.17, Florida  
475 Statutes, and the transferee or lienor agrees to be bound by all  
476 of the obligations set forth therein.

477 7. If the developer has previously provided a certified  
478 copy of any document required by this paragraph, she or he may  
479 for all subsequent disbursements substitute a true and correct  
480 copy of the certified copy, provided no changes to the document  
481 have been made or are required to be made.

482 8. In the event that use rights relating to an  
483 accommodation or facility are transferred into a trust pursuant  
484 to subparagraph 4. or into an owners' association pursuant to  
485 subparagraph 5., all other interestholders, including the owner  
486 of the underlying fee or underlying personal property, must  
487 execute a nondisturbance and notice to creditors instrument  
488 pursuant to subsection (3).

489 Section 4. Paragraph (a) of subsection (5) of section  
490 721.11, Florida Statutes, is amended to read:

491 721.11 Advertising materials; oral statements.—

492 (5) (a) Any ~~No~~ written advertising material, including any  
493 lodging certificate, gift award, premium, discount, or display  
494 booth, that contains a requirement of a mandatory tour of a

495 timeshare plan or attendance at a mandatory sales presentation,  
 496 may only be used ~~utilized~~ if the advertising material contains  
 497 ~~without each prospective purchaser being provided~~ a disclosure  
 498 in conspicuous type in substantially the following form: This  
 499 advertising material is being used for the purpose of soliciting  
 500 sales of timeshare interests; or This advertising material is  
 501 being used for the purpose of soliciting sales of a vacation (or  
 502 vacation membership or vacation ownership) plan. The division  
 503 shall have the discretion to approve the use of an alternate  
 504 disclosure. The conspicuous disclosure required in this  
 505 subsection shall only be required to be given to each  
 506 prospective purchaser on one piece of advertising for each  
 507 advertising promotion or marketing campaign, provided that if  
 508 the promotion or campaign contains terms and conditions, the  
 509 conspicuous disclosure required in this subsection shall be  
 510 included on any piece containing such terms and conditions. The  
 511 conspicuous disclosure required in this subsection shall be  
 512 provided before the purchaser is required to take any  
 513 affirmative action pursuant to the promotion. If the advertising  
 514 material containing the conspicuous disclosure is a display  
 515 booth, the disclosure required by this subsection must be  
 516 conspicuously displayed on or within the display booth.

517 Section 5. Section 721.125, Florida Statutes, is created  
 518 to read:

519 721.125 Extension or termination of timeshare plans.—

520 (1) Unless the timeshare instrument provides otherwise,

521 the term of a timeshare plan may be extended or terminated at  
522 any time by a vote or written consent, or combination thereof,  
523 of a majority of all of the voting interests in the timeshare  
524 plan. If the term of a timeshare plan is extended pursuant to  
525 this section, all rights, privileges, duties, and obligations  
526 created under applicable law or the timeshare instrument  
527 continue in full force and effect to the same extent as if the  
528 extended termination date of the timeshare plan had been the  
529 original termination date of the timeshare plan. If the term of  
530 a timeshare plan is extended and terminated pursuant to this  
531 section, the termination has immediate effect pursuant to  
532 applicable law and the timeshare instrument has effect as if the  
533 effective date of such termination were the original date of  
534 termination.

535 (2) If a termination or extension vote or consent pursuant  
536 to subsection (1) is proposed for a component site of a  
537 multisite timeshare plan in this state, the proposed termination  
538 or extension is effective only if it is approved by the person  
539 authorized to make additions or substitutions of accommodations  
540 and facilities pursuant to the timeshare instrument.

541 (3) This section applies only to a timeshare plan that has  
542 been in existence for a period of at least 20 years as of the  
543 effective date of the termination or extension vote or consent  
544 required by subsection (1).

545 Section 6. Subsection (4) of section 721.14, Florida  
546 Statutes, is amended to read:

547 721.14 Discharge of managing entity.—

548 (4) (a) In the event of termination of the managing entity,  
549 irrespective of whether the termination is voluntary or  
550 involuntary and irrespective of the cause of such termination or  
551 any claims against the timeshare plan by the terminated managing  
552 entity, the terminated managing entity shall, before the  
553 effective date of the termination, promptly transfer to the new  
554 managing entity or such other person designated by the owners'  
555 association for such purpose, all relevant data held by the  
556 managing entity and related to any reservation system for the  
557 timeshare plan, including, but not limited to:

558 1. The names, addresses, and reservation status of all  
559 accommodations.

560 2. The names and addresses of all purchasers of timeshare  
561 interests.

562 3. All outstanding confirmed reservations and reservation  
563 requests.

564 4. Such other records and information as is necessary to  
565 permit the uninterrupted operation and administration of the  
566 timeshare plan. However, the information required to be  
567 transferred does not include private information of the  
568 terminated managing entity that is not directly related to  
569 operation and management of the timeshare plan.

570 (b) The effective date of any termination pursuant to this  
571 section must be at least 90 days after the date on which the  
572 manager or management firm is notified by the owners'

573 association of a successful termination vote pursuant to  
 574 subsection (1).

575 (c) All reasonable costs incurred by the terminated  
 576 managing entity in effecting the transfer of information  
 577 required by this subsection shall be reimbursed to the  
 578 terminated managing entity as a common expense of the timeshare  
 579 plan before the effective date of termination. This section  
 580 ~~shall not apply to personal property timeshare plans.~~

581 Section 7. Section 721.27, Florida Statutes, is amended to  
 582 read:

583 721.27 Annual fee for each timeshare unit in plan.—On  
 584 January 1 of each year, the each managing entity of a timeshare  
 585 plan located in this state shall collect as a common expense and  
 586 pay to the division an annual fee of \$2 for each 7 days of  
 587 annual use availability in timeshare units existing ~~that exist~~  
 588 within the timeshare plan at that time, ~~subject to any~~  
 589 ~~limitations on the amount of such annual fee pursuant to s.~~  
 590 721.58. Only one fee shall be due and payable for any 7 days of  
 591 annual use availability that is included within both a single  
 592 site timeshare plan under this part and a multisite timeshare  
 593 plan under part II. If any portion of the annual fee is not paid  
 594 by March 1, the managing entity may be assessed a penalty  
 595 pursuant to s. 721.26.

596 Section 8. Subsections (5) and (7) of section 721.52,  
 597 Florida Statutes, are amended to read:

598 721.52 Definitions.—As used in this chapter, the term:

599 (5) "Nonspecific multisite timeshare plan" means a  
600 multisite timeshare plan ~~containing timeshare licenses or~~  
601 ~~personal property timeshare interests,~~ with respect to which a  
602 purchaser receives a right to use all of the accommodations and  
603 facilities, if any, of the multisite timeshare plan through the  
604 reservation system, but no specific right to use any particular  
605 accommodations and facilities for the remaining term of the  
606 multisite timeshare plan in the event that the reservation  
607 system is terminated for any reason prior to the expiration of  
608 the term of the multisite timeshare plan.

609 (7) "Specific multisite timeshare plan" means a multisite  
610 timeshare plan ~~containing timeshare licenses or personal~~  
611 ~~property timeshare interests,~~ with respect to which a purchaser  
612 receives a specific right to use accommodations and facilities,  
613 if any, at one component site of a multisite timeshare plan,  
614 together with use rights in the other accommodations and  
615 facilities of the multisite timeshare plan created by or  
616 acquired through the reservation system.

617 Section 9. Paragraph (e) of subsection (1) of section  
618 721.53, Florida Statutes, is amended to read:

619 721.53 Subordination instruments; alternate security  
620 arrangements.—

621 (1) With respect to each accommodation or facility of a  
622 multisite timeshare plan, the developer shall provide the  
623 division with satisfactory evidence that one of the following  
624 has occurred with respect to each interestholder prior to



625 offering the accommodation or facility as a part of the  
626 multisite timeshare plan:

627 (e) The interestholder has transferred the subject  
628 accommodation or facility or all use rights therein to a trust  
629 that complies with this paragraph. If the accommodations or  
630 facilities of a component site are subject to a lease, the  
631 unexpired term of the lease must be disclosed as the term of  
632 that component site pursuant to s. 721.55(4) (a). Prior to such  
633 transfer, any lien or other encumbrance against such  
634 accommodation or facility shall be made subject to a  
635 nondisturbance and notice to creditors instrument pursuant to  
636 paragraph (a) or a subordination and notice to creditors  
637 instrument pursuant to paragraph (b). No transfer pursuant to  
638 this paragraph shall become effective until the trust accepts  
639 such transfer and the responsibilities set forth herein. A trust  
640 established pursuant to this paragraph shall comply with the  
641 following provisions:

642 1. The trustee shall be an individual or a business entity  
643 authorized and qualified to conduct trust business in this  
644 state. Any corporation authorized to do business in this state  
645 may act as trustee in connection with a timeshare plan pursuant  
646 to this chapter. The trustee must be independent from any  
647 developer or managing entity of the timeshare plan or any  
648 interestholder of any accommodation or facility of such plan.  
649 The same trustee may hold the accommodations and facilities, or  
650 use rights therein, for one or more of the component sites of

651 the timeshare plan.

652 2. The trust shall be irrevocable so long as any purchaser  
653 has a right to occupy any portion of the timeshare property  
654 pursuant to the timeshare plan.

655 3. The trustee shall not convey, hypothecate, mortgage,  
656 assign, lease, or otherwise transfer or encumber in any fashion  
657 any interests in or portion of the timeshare property with  
658 respect to which any purchaser has a right of use or occupancy  
659 unless the timeshare plan is terminated pursuant to the  
660 timeshare instrument, or the timeshare property held in trust is  
661 deleted from a multisite timeshare plan pursuant to s.  
662 721.552(3), or such conveyance, hypothecation, mortgage,  
663 assignment, lease, transfer, or encumbrance is approved by vote  
664 of two-thirds of all voting interests of the timeshare plan.  
665 Subject to s. 721.552, a vote of the voting interests of the  
666 timeshare plan is not required for substitution or automatic  
667 deletion of accommodations or facilities ~~and such decision is~~  
668 ~~declared by a court of competent jurisdiction to be in the best~~  
669 ~~interests of the purchasers of the timeshare plan.~~

670 4. All purchasers of the timeshare plan or the owners'  
671 association of the timeshare plan shall be express beneficiaries  
672 of the trust. The trustee shall act as a fiduciary to the  
673 beneficiaries of the trust. The personal liability of the  
674 trustee shall be governed by ss. 736.08125, 736.08163, 736.1013,  
675 and 736.1015. The agreement establishing the trust shall set  
676 forth the duties of the trustee. The trustee shall be required

677 to furnish promptly to the division upon request a copy of the  
678 complete list of the names and addresses of the owners in the  
679 timeshare plan and a copy of any other books and records of the  
680 timeshare plan required to be maintained pursuant to s. 721.13  
681 that are in the possession of the trustee. All expenses  
682 reasonably incurred by the trustee in the performance of its  
683 duties, together with any reasonable compensation of the  
684 trustee, shall be common expenses of the timeshare plan.

685 5. The trustee shall not resign upon less than 90 days'  
686 prior written notice to the managing entity and the division. No  
687 resignation shall become effective until a substitute trustee,  
688 approved by the division, is appointed by the managing entity  
689 and accepts the appointment.

690 6. The documents establishing the trust arrangement shall  
691 constitute a part of the timeshare instrument.

692 7. For trusts holding property in component sites located  
693 outside this state, the trust holding such property shall be  
694 deemed in compliance with the requirements of this paragraph, if  
695 such trust is authorized and qualified to conduct trust business  
696 under the laws of such jurisdiction and the agreement or law  
697 governing such trust arrangement provides substantially similar  
698 protections for the purchaser as are required in this paragraph  
699 for trusts holding property in a component site located in this  
700 state.

701 8. The trustee shall have appointed a registered agent in  
702 this state for service of process. In the event such a

703 registered agent is not appointed, service of process may be  
 704 served pursuant to s. 721.265.

705 Section 10. Section 721.54, Florida Statutes, is repealed.

706 Section 11. Paragraphs (a) and (h) of subsection (4),  
 707 subsection (5), and paragraph (1) of subsection (7) of section  
 708 721.55, Florida Statutes, are amended to read:

709 721.55 Multisite timeshare plan public offering  
 710 statement.—Each filed public offering statement for a multisite  
 711 timeshare plan shall contain the information required by this  
 712 section and shall comply with the provisions of s. 721.07,  
 713 except as otherwise provided therein. The division is authorized  
 714 to provide by rule the method by which a developer must provide  
 715 such information to the division. Each multisite timeshare plan  
 716 filed public offering statement shall contain the following  
 717 information and disclosures:

718 (4) A text, which shall include, where applicable, the  
 719 information and disclosures set forth in paragraphs (a)-(1).

720 (a) A description of the multisite timeshare plan,  
 721 including its term, legal structure, ~~and form of ownership, and~~  
 722 ~~For multisite timeshare plans in which the purchaser will~~  
 723 ~~receive a timeshare estate pursuant to s. 721.57 and for~~  
 724 ~~specific multisite timeshare plans, the description must also~~  
 725 ~~include~~ the term of each component site within the multisite  
 726 timeshare plan. The term of each component site that is shorter  
 727 than the term of the multisite timeshare plan must be disclosed  
 728 in conspicuous type.

729 (h) A description of the purchaser's liability for common  
730 expenses of the multisite timeshare plan, including the  
731 following:

732 1. A description of the common expenses of the plan,  
733 including the method of allocation and assessment of such common  
734 expenses, whether component site common expenses and real estate  
735 taxes are included within the total common expense assessment of  
736 the multisite timeshare plan, and, if not, the manner in which  
737 timely payment of component site common expenses and real estate  
738 taxes shall be accomplished.

739 2. A description of any cap imposed upon the level of  
740 common expenses payable by the purchaser.

741 a. In no event shall the total common expense assessment  
742 for the multisite timeshare plan in a given calendar year exceed  
743 125 percent of the total common expense assessment for the plan  
744 in the previous calendar year.

745 b. Component site common expenses and ad valorem taxes  
746 shall not be included in calculating the total common expense  
747 assessment under sub-subparagraph a.

748 3. A description of the entity responsible for the  
749 determination of the common expenses of the multisite timeshare  
750 plan, as well as any entity which may increase the level of  
751 common expenses assessed against the purchaser at the multisite  
752 timeshare plan level.

753 4. A description of the method used to collect common  
754 expenses, including the entity responsible for such collections,

755 and the lien rights of any entity for nonpayment of common  
756 expenses. If the common expenses of any component site are  
757 collected by the managing entity of the multisite timeshare  
758 plan, a statement to that effect together with the identity and  
759 address of the escrow agent required by s. 721.56(3).

760 5. If the purchaser will receive an interest in a  
761 nonspecific multisite timeshare plan, a statement that a  
762 multisite timeshare plan budget is attached to the public  
763 offering statement as an exhibit pursuant to paragraph (7)(c).  
764 The multisite timeshare plan budget shall comply with the  
765 provisions of s. 721.07(5)(t).

766 6. If the developer intends to guarantee the level of  
767 assessments for the multisite timeshare plan, such guarantee  
768 must be based upon a good faith estimate of the revenues and  
769 expenses of the multisite timeshare plan. The guarantee must  
770 include a description of the following:

771 a. The specific time period, measured in one or more  
772 calendar or fiscal years, during which the guarantee will be in  
773 effect.

774 b. A statement that the developer will pay all common  
775 expenses incurred in excess of the total revenues of the  
776 multisite timeshare plan, if the developer is to be excused from  
777 the payment of assessments during the guarantee period.

778 c. The level, expressed in total dollars, at which the  
779 developer guarantees the assessments. If the developer has  
780 reserved the right to extend or increase the guarantee level, a

781 disclosure must be included to that effect.

782 7. If required under applicable law, the developer shall  
783 also disclose the following matters for each component site:

784 a. Any limitation upon annual increases in common  
785 expenses;

786 b. The existence of any bad debt or working capital  
787 reserve; and

788 c. The existence of any replacement or deferred  
789 maintenance reserve.

790 (5) (a) Such other information as the division determines  
791 is necessary to fairly, meaningfully, and effectively disclose  
792 all aspects of the multisite timeshare plan, including, but not  
793 limited to, any disclosures made necessary by the operation of  
794 s. 721.03(8). ~~However,~~

795 (b) If a developer has, in good faith, attempted to comply  
796 with the requirements of this chapter section, and if, in fact,  
797 the developer has substantially complied with the ~~disclosure~~  
798 requirements of this chapter, nonmaterial errors or omissions  
799 and violations of this chapter shall not be actionable and do  
800 not give rise to any purchaser cancellation right.

801 (7) The following documents shall be included as exhibits  
802 to the filed public offering statement, if applicable:

803 (1)1. If the multisite timeshare plan contains any  
804 component sites located in this state, the information required  
805 by s. 721.07(5) pertaining to each such component site unless  
806 exempt pursuant to s. 721.03.

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807           2. If the purchaser will receive a ~~timeshare estate~~  
 808 ~~pursuant to s. 721.57,~~ or an interest in a specific multisite  
 809 timeshare plan, ~~in a~~ component site located outside of this  
 810 state but which is offered in this state, the information  
 811 required by s. 721.07(5) pertaining to that component site,  
 812 provided, however, that the provisions of s. 721.07(5)(t) shall  
 813 only require disclosure of information related to the estimated  
 814 budget for the timeshare plan and purchaser's expenses as  
 815 required by the jurisdiction in which the component site is  
 816 located.

817           Section 12. Paragraph (c) of subsection (2) of section  
 818 721.551, Florida Statutes, is amended to read:

819           721.551 Delivery of multisite timeshare plan purchaser  
 820 public offering statement.—

821           (2) The developer shall furnish each purchaser with the  
 822 following:

823           (c) If the purchaser will receive a ~~timeshare estate~~  
 824 ~~pursuant to s. 721.57,~~ or an interest in a specific multisite  
 825 timeshare plan, ~~in a~~ component site located in this state, the  
 826 developer shall also furnish the purchaser with the information  
 827 required to be delivered pursuant to s. 721.07(6)(a) and (b) for  
 828 that ~~the~~ component site ~~in which the purchaser will receive an~~  
 829 ~~estate or interest in a specific multisite timeshare plan.~~

830           Section 13. Subsection (2) and paragraph (c) of subsection  
 831 (3) of section 721.552, Florida Statutes, are amended to read:

832           721.552 Additions, substitutions, or deletions of



833 component site accommodations or facilities; purchaser remedies  
 834 for violations.—Additions, substitutions, or deletions of  
 835 component site accommodations or facilities may be made only in  
 836 accordance with the following:

837 (2) SUBSTITUTIONS.—

838 (a) Substitutions are available only for nonspecific  
 839 multisite timeshare plans. Specific multisite timeshare plans ~~or~~  
 840 ~~plans offering timeshare estates pursuant to s. 721.57~~ may not  
 841 contain an accommodation substitution right.

842 (b) The timeshare instrument shall provide for the  
 843 following:

844 1. The basis upon which new accommodations and facilities  
 845 may be substituted for existing accommodations and facilities of  
 846 the multisite timeshare plan; by whom substitutions may be made;  
 847 and the basis upon which the determination may be made to cause  
 848 such substitutions to occur.

849 2. The replacement accommodations and facilities must  
 850 provide purchasers with an opportunity to enjoy a substantially  
 851 similar or improved vacation experience as compared to ~~as was~~  
 852 the experience available at ~~with~~ the replaced accommodation or  
 853 facility. In determining whether the replacement accommodations  
 854 and facilities will provide a substantially similar or improved  
 855 vacation experience, all relevant factors must be considered,  
 856 including, but not limited to, some or all of the following:  
 857 size, capacity, furnishings, maintenance, location (geographic,  
 858 topographic, and scenic), demand, and availability for purchaser

859 use, and recreational capabilities.

860 3. The extent, if any, to which purchasers will have the  
861 right to consent to any proposed substitutions. If the timeshare  
862 instrument provides that purchasers will have the right to  
863 consent to any proposed substitutions, the provisions of the  
864 timeshare instrument shall control over the provisions of  
865 paragraphs (d)-(f).

866 (c) No substitutions may be made during the first year  
867 after the developer begins to offer the multisite timeshare  
868 plan.

869 (d)1. If the timeshare instrument provides that the  
870 developer, acting unilaterally, is the person authorized to make  
871 substitutions, the developer may not substitute ~~No more than 25~~  
872 ~~percent of the~~ available accommodations in the multisite  
873 timeshare plan at a given component site may undergo  
874 substitution in a given calendar year pursuant to paragraph (e)  
875 if the amount of such substituted accommodations provides more  
876 than 10 percent of the total annual use availability in the  
877 multisite timeshare plan calculated in 7-day increments in which  
878 ~~substitution is permitted. This paragraph shall be interpreted~~  
879 ~~to permit the substitution of an entire component site over a 4-~~  
880 ~~year period.~~

881 2. If the timeshare instrument provides that the managing  
882 entity is the person authorized to make substitutions, and the  
883 managing entity is under common ownership or control with the  
884 developer, the managing entity may not substitute available

885 accommodations in the multisite timeshare plan in a given  
886 calendar year pursuant to paragraph (e) if the amount of such  
887 substituted accommodations provides more than 10 percent of the  
888 total annual use availability in the multisite timeshare plan  
889 calculated in 7-day increments.

890 3. If the timeshare instrument provides that the managing  
891 entity is the person authorized to make substitutions, and the  
892 managing entity is not under common ownership or control with  
893 the developer, the managing entity may not substitute available  
894 accommodations in the multisite timeshare plan in a given  
895 calendar year pursuant to paragraph (e) if the amount of such  
896 substituted accommodations provides more than 25 percent of the  
897 total annual use availability in the multisite timeshare plan  
898 calculated in 7-day increments.

899 4. If the person authorized to make substitutions  
900 receives, within 21 days after the date of the notice of  
901 substitution required by paragraph (e), a written objection to  
902 the proposed substitution from at least 10 percent of all  
903 purchasers in the multisite timeshare plan, a meeting of the  
904 purchasers must be conducted by the managing entity within 30  
905 days after the end of such 21-day period. The proposed  
906 substitution is ratified unless it is rejected by a majority of  
907 purchasers voting in person or by proxy at the meeting, provided  
908 that at least 25 percent of all purchasers cast votes. This  
909 subparagraph does not apply if the timeshare instrument provides  
910 that purchasers do not have the right to consent to any proposed

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911 substitutions.

912 5. This paragraph does not apply if the proposed  
913 substitution is approved in advance pursuant to paragraph (f).

914 (e) The person authorized to make substitutions shall  
915 notify all purchasers of the multisite timeshare plan in writing  
916 of her or his intention to delete accommodations or facilities  
917 ~~at a given component site~~ and to substitute them with other  
918 specified accommodations or facilities pursuant to this  
919 subsection. This notice must be given at least 6 months in  
920 advance of the date that the proposed substitution will occur;  
921 must state the last day after the end of the 6-month period on  
922 which reservations will be accepted from purchasers for use of  
923 the accommodations to be deleted; and must state that purchasers  
924 shall have 21 days after the date of the notice of substitution  
925 to file a written objection with the person authorized to make  
926 substitutions, ~~and the notice must inform the purchasers that~~  
927 ~~they may reserve the use of the accommodations to be deleted~~  
928 ~~during this 6-month period. At the end of the 6-month period,~~  
929 The person authorized to make substitutions may delete  
930 accommodations for substitution only after such accommodations  
931 have no pending purchaser use reservations ~~to the extent that~~  
932 ~~they were not reserved during the 6-month period.~~

933 (f) The person authorized to make substitutions may make  
934 unlimited substitutions ~~If the managing entity of a multisite~~  
935 ~~timeshare plan includes an owners' association composed of all~~  
936 ~~purchasers or a corporation which owns or controls the~~

937 ~~accommodations and facilities of the plan, the board of~~  
938 ~~administration of either of which is comprised of a majority of~~  
939 ~~board members elected by purchasers other than the developer,~~  
940 ~~and if such managing entity has the right to make substitutions~~  
941 ~~pursuant to the timeshare instrument, all of the available~~  
942 ~~accommodations at a given component site may undergo~~  
943 ~~substitution in a given year without compliance with paragraphs~~  
944 ~~(d) and (e) if a proposed a written plan of substitution is~~  
945 ~~provided to each purchaser has been approved in advance by a~~  
946 ~~majority of purchasers of the multisite timeshare plan voting in~~  
947 ~~person or by proxy at a meeting called for that purpose,~~  
948 ~~provided that at least 25 percent of the total number of~~  
949 ~~purchasers cast votes of the board of administration and by a~~  
950 ~~majority of all purchasers in the plan. The plan of substitution~~  
951 ~~must:~~

952 1. ~~Specifically identify the component site being replaced~~  
953 ~~and the proposed substitute component site.~~

954 2. ~~Contain information regarding prior demand for~~  
955 ~~purchaser use of the component site being replaced.~~

956 3. ~~Provide the results of a survey of purchaser attitudes~~  
957 ~~regarding the component site being replaced and the proposed~~  
958 ~~substitute component site.~~

959 4. ~~Explain the practical and business reasons for~~  
960 ~~effecting a total substitution within the given calendar year.~~

961 5. ~~Provide a plan for handling reservation requests during~~  
962 ~~the substitution period for both the component site being~~

963 ~~replaced and the proposed substitute component site.~~

964

965 Substitutions made pursuant to this paragraph shall not be  
 966 subject to the provisions of subparagraph (b)2.

967 (g) If the person authorized to make substitutions has  
 968 fully complied with the applicable provisions of this subsection  
 969 and the timeshare instrument, the trustee of a timeshare trust  
 970 qualified under s. 721.53(1)(e) may convey title to any  
 971 accommodations and facilities that have been designated or  
 972 approved for substitution as and when directed by the person  
 973 authorized to make substitutions without any further vote or  
 974 other authorization of the purchasers of the multisite timeshare  
 975 plan.

976 (h)~~(g)~~ The person who is authorized by the timeshare  
 977 instrument to make substitutions to the multisite timeshare plan  
 978 pursuant to this subsection shall act as a fiduciary in such  
 979 capacity in the best interests of the purchasers of the plan as  
 980 a whole and shall adhere to the demand balancing standard set  
 981 forth in s. 721.56(6) in connection with such substitutions.  
 982 Substitutions that are otherwise permitted may be made only so  
 983 long as a one-to-one useright to use night requirement ratio is  
 984 maintained at all times.

985 (3) DELETIONS.—

986 (c) Automatic deletion.—The timeshare instrument may  
 987 provide that a component site will be automatically deleted upon  
 988 the expiration of its term ~~in a timeshare plan other than a~~

989 ~~nonspecific multisite timeshare plan~~ or as otherwise provided in  
 990 the timeshare instrument. However, the timeshare instrument must  
 991 also provide that in the event a component site is deleted from  
 992 the plan in this manner, a sufficient number of purchasers of  
 993 the plan will also be deleted, or a sufficient number of  
 994 replacement accommodations and facilities that comply with  
 995 subparagraph (2)(b)2. will be substituted for the deleted  
 996 accommodations and facilities, so as to maintain no greater than  
 997 a one-to-one use right to use night requirement ratio.

998 Section 14. Subsection (5) of section 721.56, Florida  
 999 Statutes, is amended to read:

1000 721.56 Management of multisite timeshare plans;  
 1001 reservation systems; demand balancing.—

1002 (5)(a)1. ~~The reservation system is a facility of any~~  
 1003 ~~nonspecific multisite timeshare plan. The reservation system is~~  
 1004 ~~not a facility of any specific multisite timeshare plan, nor is~~  
 1005 ~~it a facility of any multisite timeshare plan in which timeshare~~  
 1006 ~~estates are offered pursuant to s. 721.57.~~

1007 ~~2. The reservation system of any multisite timeshare plan~~  
 1008 ~~shall include any computer software and hardware employed for~~  
 1009 ~~the purpose of enabling or facilitating the operation of the~~  
 1010 ~~reservation system.~~ Nothing contained in this part shall  
 1011 preclude a manager or management firm that is serving as  
 1012 managing entity of a multisite timeshare plan from providing in  
 1013 its contract with the purchasers or owners' association of the  
 1014 multisite timeshare plan or in the timeshare instrument that the

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1015 manager or management firm owns the reservation system and that  
1016 the managing entity shall continue to own the reservation system  
1017 in the event the purchasers discharge the managing entity  
1018 pursuant to s. 721.14.

1019 ~~(b) In the event of a termination of a managing entity of~~  
1020 ~~a nonspecific multisite timeshare plan, which managing entity~~  
1021 ~~owns the reservation system, irrespective of whether the~~  
1022 ~~termination is voluntary or involuntary and irrespective of the~~  
1023 ~~cause of such termination, in addition to any other remedies~~  
1024 ~~available to purchasers in this part, the terminated managing~~  
1025 ~~entity shall, prior to such termination, establish a trust~~  
1026 ~~meeting the criteria set forth in this paragraph. It is the~~  
1027 ~~intent of the Legislature that this trust arrangement provide~~  
1028 ~~for an adequate period of continued operation of the reservation~~  
1029 ~~system of the multisite timeshare plan, during which period the~~  
1030 ~~new managing entity shall make provision for the acquisition of~~  
1031 ~~a substitute reservation system.~~

1032 ~~1. The trust shall be established with an independent~~  
1033 ~~trustee. Both the terminated managing entity and the new~~  
1034 ~~managing entity shall attempt to agree on an acceptable trustee.~~  
1035 ~~In the event they cannot agree on an acceptable trustee, they~~  
1036 ~~shall each designate a nominee, and the two nominees shall~~  
1037 ~~select the trustee.~~

1038 ~~2. The terminated managing entity shall take all steps~~  
1039 ~~necessary to enable the trustee or the trustee's designee to~~  
1040 ~~operate the reservation system in the same manner as provided in~~



1041 ~~the timeshare instrument and the public offering statement. The~~  
1042 ~~trustee may, but shall not be required to, contract with the~~  
1043 ~~terminated managing entity for the continued operation of the~~  
1044 ~~reservation system. In the event the trustee elects to contract~~  
1045 ~~with the terminated managing entity, that managing entity shall~~  
1046 ~~be required to operate the reservation system and shall be~~  
1047 ~~entitled to payment for that service. The payment shall in no~~  
1048 ~~event exceed the amount previously paid to the terminated~~  
1049 ~~managing entity for operation of the reservation system.~~

1050 ~~3. The trust shall remain in effect for a period of no~~  
1051 ~~longer than 1 year following the date of termination of the~~  
1052 ~~managing entity.~~

1053 ~~4. Nothing contained in this subsection shall abrogate or~~  
1054 ~~otherwise interfere with any proprietary rights in the~~  
1055 ~~reservation system that have been reserved by the discharged~~  
1056 ~~managing entity, in its management contract or otherwise, so~~  
1057 ~~long as such proprietary rights are not asserted in a manner~~  
1058 ~~that would prevent the continued operation of the reservation~~  
1059 ~~system as contemplated in this subsection.~~

1060 ~~(c) In the event of a termination of a managing entity of~~  
1061 ~~a timeshare estate or specific multisite timeshare plan, which~~  
1062 ~~managing entity owns the reservation system, irrespective of~~  
1063 ~~whether the termination is voluntary or involuntary and~~  
1064 ~~irrespective of the cause of such termination, in addition to~~  
1065 ~~any other remedies available to purchasers in this part, the~~  
1066 ~~terminated managing entity shall, prior to such termination,~~

1067 ~~promptly transfer to each component site managing entity all~~  
 1068 ~~relevant data contained in the reservation system with respect~~  
 1069 ~~to that component site, including, but not limited to:~~

1070 ~~1. The names, addresses, and reservation status of~~  
 1071 ~~component site accommodations.~~

1072 ~~2. The names and addresses of all purchasers of timeshare~~  
 1073 ~~interests at that component site.~~

1074 ~~3. All outstanding confirmed reservations and reservation~~  
 1075 ~~requests for that component site.~~

1076 ~~4. Such other component site records and information as~~  
 1077 ~~are necessary, in the reasonable discretion of the component~~  
 1078 ~~site managing entity, to permit the uninterrupted operation and~~  
 1079 ~~administration of the component site, provided that a given~~  
 1080 ~~component site managing entity shall not be entitled to any~~  
 1081 ~~information regarding other component sites or regarding the~~  
 1082 ~~terminated multisite timeshare plan managing entity.~~

1083  
 1084 ~~All reasonable costs incurred by the terminated managing entity~~  
 1085 ~~in effecting the transfer of information required by this~~  
 1086 ~~paragraph shall be reimbursed to the terminated managing entity~~  
 1087 ~~on a pro rata basis by each component site, and the amount of~~  
 1088 ~~such reimbursement shall constitute a common expense of each~~  
 1089 ~~component site.~~

1090 Section 15. Section 721.57, Florida Statutes, is amended  
 1091 to read:

1092 721.57 Offering of timeshare estates in specific multisite

1093 timeshare plans; required provisions in the timeshare  
 1094 instrument.—

1095 (1) In addition to meeting all the requirements of part I,  
 1096 timeshare estates offered in a specific multisite timeshare plan  
 1097 must meet the requirements of subsection (2). ~~Any offering of~~  
 1098 ~~timeshare estates in a multisite timeshare plan that does not~~  
 1099 ~~comply with these requirements shall be deemed to be an offering~~  
 1100 ~~of a timeshare license.~~

1101 (2) The timeshare instrument of a specific multisite  
 1102 timeshare plan in which timeshare estates are offered, ~~other~~  
 1103 ~~than a trust meeting the requirements of s. 721.08,~~ must contain  
 1104 or provide for all of the following matters:

1105 (a) The purchaser will receive a timeshare estate as  
 1106 defined in s. 721.05 in one of the component sites of the  
 1107 specific multisite timeshare plan. The use rights in the other  
 1108 component sites of the multisite timeshare plan shall be made  
 1109 available to the purchaser through the reservation system  
 1110 pursuant to the timeshare instrument.

1111 (b) In the event that the reservation system is terminated  
 1112 or otherwise becomes unavailable for any reason prior to the  
 1113 expiration of the term of the specific multisite timeshare plan:

1114 1. The purchaser will be able to continue to use the  
 1115 accommodations and facilities of the component site in which she  
 1116 or he has been conveyed a timeshare estate in the manner  
 1117 described in the timeshare instrument for that component site  
 1118 for the remaining term of the timeshare estate; and

1119           2. Any use rights in that component site which had  
 1120 previously been made available through the reservation system to  
 1121 purchasers of the specific multisite timeshare plan who were not  
 1122 offered a timeshare estate at that component site will terminate  
 1123 when the reservation system is terminated or otherwise becomes  
 1124 unavailable for any reason.

1125           Section 16. Section 721.58, Florida Statutes, is amended  
 1126 to read:

1127           721.58 Filing fee; ~~annual fee.~~—

1128           ~~(1)~~ The developer of the multisite timeshare plan shall  
 1129 pay the filing fee required by s. 721.07(4)(a); however, the  
 1130 maximum amount of such filing fee shall be \$25,000 or the total  
 1131 filing fee due with respect to the timeshare units in the  
 1132 multisite timeshare plan that are located in this state pursuant  
 1133 to s. 721.07(4)(a), whichever is greater.

1134           ~~(2) The managing entity of the multisite timeshare plan~~  
 1135 ~~shall pay the annual fee required by s. 721.27; provided,~~  
 1136 ~~however, that the maximum amount of such annual fee shall be~~  
 1137 ~~\$25,000 or the total annual fee due with respect to the~~  
 1138 ~~timeshare units in the multisite timeshare plan that are located~~  
 1139 ~~in this state calculated pursuant to s. 721.07(4)(a), whichever~~  
 1140 ~~is greater.~~

1141           Section 17. This act shall take effect July 1, 2015.