

By Senator Stargel

15-00546C-15

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1 A bill to be entitled
2 An act relating to timeshares; amending s. 721.05,
3 F.S.; revising the term "timeshare estate"; amending
4 s. 721.07, F.S.; revising provisions pertaining to
5 multisite timeshare plans and clarifying single-site
6 timeshare plan developer liability for nonmaterial
7 errors or omissions; amending s. 721.08, F.S.;
8 providing that leasehold accommodations or facilities
9 may be added to a timeshare trust; providing that a
10 vote of the voting interests of a timeshare plan is
11 not required for substitution or automatic deletion of
12 multisite timeshare trust property; removing the
13 requirement for court approval of trustee dispositions
14 of timeshare trust property; creating s. 721.125,
15 F.S.; providing for extension or termination of
16 timeshare plans; amending s. 721.14, F.S.; providing
17 for the transfer of reservation system data upon
18 termination of managing entity; amending s. 721.27,
19 F.S.; clarifying the annual fees due from managing
20 entities of all timeshare plans; amending s. 721.52,
21 F.S.; revising the definitions of the terms
22 "nonspecific multisite timeshare plan" and "specific
23 multisite timeshare plan"; amending s. 721.53, F.S.;
24 providing that leasehold accommodations or facilities
25 may be added to a multisite timeshare trust; providing
26 that a vote of the voting interests of a multisite
27 timeshare plan is not required for substitution or
28 automatic deletion of multisite timeshare trust
29 property; removing the requirement for court approval

15-00546C-15

2015932__

30 of trustee dispositions of multisite timeshare trust
31 property; amending s. 721.54, F.S.; eliminating the
32 term restrictions for nonspecific multisite timeshare
33 plans; amending s. 721.55, F.S.; requiring the
34 conspicuous disclosure of the term of each component
35 site in a multisite timeshare plan; modifying the cap
36 on common expense assessment increases for multisite
37 timeshare; clarifying multisite timeshare plan
38 developer liability for nonmaterial errors or
39 omissions; amending s. 721.551, F.S.; clarifying the
40 obligation to deliver component site documents to
41 purchasers; amending s. 721.552, F.S.; providing
42 procedures for substitutions and automatic deletions
43 of multisite timeshare plan accommodations and
44 facilities; amending s. 721.56, F.S.; relocating data
45 transfer obligations upon termination of managing
46 entity to s. 721.14, F.S.; amending s. 721.57, F.S.;
47 providing for the offering of timeshare estates in a
48 specific multistate timeshare plan; amending s.
49 721.58, F.S.; transferring the requirement to pay
50 annual fees by managing entities of multisite
51 timeshare plans to s. 721.27; providing an effective
52 date.

53
54 Be It Enacted by the Legislature of the State of Florida:

55
56 Section 1. Subsection (34) of section 721.05, Florida
57 Statutes, is amended to read:

58 721.05 Definitions.—As used in this chapter, the term:

15-00546C-15

2015932__

59 (34) "Timeshare estate" means a right to occupy a timeshare
60 unit, coupled with a freehold estate or an estate for years with
61 a future interest in a timeshare property or a specified portion
62 thereof, or coupled with. ~~The term includes~~ an ownership
63 interest in a condominium unit pursuant to s. 718.103, an
64 ownership interest in a cooperative unit pursuant to s. 719.103,
65 or a direct or indirect beneficial interest in a trust that
66 complies in all respects with ~~the provisions of s.~~
67 721.08(2)(c)4. or s. 721.53(1)(e), provided that the trust does
68 not contain any personal property timeshare interests. A
69 timeshare estate is a parcel of real property under the laws of
70 this state.

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

74 721.07 Public offering statement.—Prior to offering any
75 timeshare plan, the developer must submit a filed public
76 offering statement to the division for approval as prescribed by
77 s. 721.03, s. 721.55, or this section. Until the division
78 approves such filing, any contract regarding the sale of that
79 timeshare plan is subject to cancellation by the purchaser
80 pursuant to s. 721.10.

81 (3)(a)1. Any change to an approved public offering
82 statement filing must ~~shall~~ be filed with the division for
83 approval as an amendment prior to becoming effective. The
84 division shall have 20 days after receipt of a proposed
85 amendment to approve or cite deficiencies in the proposed
86 amendment. If the division fails to act within 20 days, the
87 amendment will be deemed approved. If the proposed amendment

15-00546C-15

2015932__

88 adds a new component site to an approved multisite timeshare
89 plan, the division's initial period in which to approve or cite
90 deficiencies is 45 days. If the developer fails to adequately
91 respond to any deficiency notice within 30 days, the division
92 may reject the amendment. Subsequent to such rejection, a new
93 filing fee pursuant to subsection (4) and a new division initial
94 review period pursuant to this paragraph ~~shall~~ apply to any
95 refiling or further review of the rejected amendment.

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

114 3. For filing only subject to part II, amendments made to a
115 timeshare instrument for a component site located in this state
116 are only ~~not~~ required to be delivered to purchasers who ~~do not~~

15-00546C-15

2015932__

117 receive a ~~timeshare estate or~~ an interest in a specific
 118 multisite timeshare plan in that component site. Amendments made
 119 to a timeshare instrument for a component site not located in
 120 this state are not required to be delivered to purchasers.

121 (5) Every filed public offering statement for a timeshare
 122 plan which is not a multisite timeshare plan shall contain the
 123 information required by this subsection. The division is
 124 authorized to provide by rule the method by which a developer
 125 must provide such information to the division.

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

130 2. If a developer has, in good faith, attempted to comply
 131 with the requirements of this chapter section, and if the
 132 developer, in fact, he or she has substantially complied with
 133 the ~~disclosure~~ requirements of this chapter, nonmaterial errors
 134 or omissions are shall not be actionable, are not violations of
 135 this chapter, and do not give rise to any purchaser cancellation
 136 right.

137 Section 3. Paragraph (c) of subsection (2) of section
 138 721.08, Florida Statutes, is amended to read:

139 721.08 Escrow accounts; nondisturbance instruments;
 140 alternate security arrangements; transfer of legal title.-

141 (2) One hundred percent of all funds or other property
 142 which is received from or on behalf of purchasers of the
 143 timeshare plan or timeshare interest prior to the occurrence of
 144 events required in this subsection shall be deposited pursuant
 145 to an escrow agreement approved by the division. The funds or

15-00546C-15

2015932__

146 other property may be released from escrow only as follows:

147 (c) *Compliance with conditions.*—

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

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

155 (I) Expiration of the cancellation period.

156 (II) Completion of construction.

157 (III) Closing.

158 (IV) Either:

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

162 (B) Transfer by the developer of legal title to the subject
163 accommodations and facilities, or all use rights therein, into a
164 trust satisfying the requirements of subparagraph 4. and the
165 execution, delivery, and recordation by each other
166 interestholder of the nondisturbance and notice to creditors
167 instrument, as described in this section.

168 b. A certified copy of each recorded nondisturbance and
169 notice to creditors instrument.

170 c. One of the following:

171 (I) A copy of a memorandum of agreement, as defined in s.
172 721.05, together with satisfactory evidence that the original
173 memorandum of agreement has been irretrievably delivered for
174 recording to the appropriate official responsible for

15-00546C-15

2015932__

175 maintaining the public records in the county in which the
176 subject accommodations and facilities are located. The original
177 memorandum of agreement must be recorded within 180 days after
178 the date on which the purchaser executed her or his purchase
179 agreement.

180 (II) A notice delivered for recording to the appropriate
181 official responsible for maintaining the public records in each
182 county in which the subject accommodations and facilities are
183 located notifying all persons of the identity of an independent
184 escrow agent or trustee satisfying the requirements of
185 subparagraph 4. that shall maintain separate books and records,
186 in accordance with good accounting practices, for the timeshare
187 plan in which timeshare licenses are to be sold. The books and
188 records shall indicate each accommodation and facility that is
189 subject to such a timeshare plan and each purchaser of a
190 timeshare license in the timeshare plan.

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

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

198 (I) Expiration of the cancellation period.

199 (II) Completion of construction.

200 (III) Closing.

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

15-00546C-15

2015932__

204 c. Evidence that each accommodation and facility:

205 (I) Is free and clear of the claims of any interestholders,
206 other than the claims of interestholders that, through a
207 recorded instrument, are irrevocably made subject to the
208 timeshare instrument and the use rights of purchasers made
209 available through the timeshare instrument;

210 (II) Is the subject of a recorded nondisturbance and notice
211 to creditors instrument that complies with subsection (3) and s.
212 721.17; or

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

215 d. Evidence that the timeshare estate:

216 (I) Is free and clear of the claims of any interestholders,
217 other than the claims of interestholders that, through a
218 recorded instrument, are irrevocably made subject to the
219 timeshare instrument and the use rights of purchasers made
220 available through the timeshare instrument; or

221 (II) Is the subject of a recorded nondisturbance and notice
222 to creditors instrument that complies with subsection (3) and s.
223 721.17.

224 3. Personal property timeshare interests.—If the timeshare
225 plan is one in which personal property timeshare interests are
226 to be sold and no cancellation or default has occurred, the
227 escrow agent may release the escrowed funds or other property to
228 or on the order of the developer upon presentation of:

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

231 (I) Expiration of the cancellation period.

232 (II) Completion of construction.

15-00546C-15

2015932__

233 (III) Closing.

234 b. If the personal property timeshare interest is sold by
235 agreement for transfer, evidence that the agreement for transfer
236 complies fully with s. 721.06 and this section.

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

238 (I) Transfer by the owner of the underlying personal
239 property of legal title to the subject accommodations and
240 facilities or all use rights therein into a trust satisfying the
241 requirements of subparagraph 4.; or

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

246 d. Evidence of compliance with ~~the provisions of~~
247 subparagraph 6., if required.

248 e. If a personal property timeshare plan is created with
249 respect to accommodations and facilities that are located on or
250 in an oceangoing vessel, including a "documented vessel" or a
251 "foreign vessel," as defined and governed by 46 U.S.C., chapter
252 301:

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

258 (II) The transfer instrument must ~~shall~~ comply fully with
259 ~~the provisions of~~ this chapter, must ~~shall~~ be part of the
260 timeshare instrument, and must ~~shall~~ contain specific provisions
261 that:

15-00546C-15

2015932__

262 (A) Prohibit the vessel owner, the developer, any manager
263 or operator of the vessel, the owners' association or the
264 trustee, the managing entity, or any other person from incurring
265 any liens against the vessel except for liens that are required
266 for the operation and upkeep of the vessel, including liens for
267 fuel expenditures, repairs, crews' wages, and salvage, and
268 except as provided in sub-sub-subparagraphs 4.b.(III) and
269 5.b.(III). All expenses, fees, and taxes properly incurred in
270 connection with the creation, satisfaction, and discharge of any
271 such permitted lien, or a prorated portion thereof if less than
272 all of the accommodations on the vessel are subject to the
273 timeshare plan, shall be common expenses of the timeshare plan.

274 (B) Grant a lien against the vessel in favor of the owners'
275 association or trustee to secure the full and faithful
276 performance of the vessel owner and developer of all of their
277 obligations to the purchasers.

278 (C) Establish governing law in a jurisdiction that
279 recognizes and will enforce the timeshare instrument and the
280 laws of the jurisdiction of registry of the vessel.

281 (D) Require that a description of the use rights of
282 purchasers be posted and displayed on the vessel in a manner
283 that will give notice of such rights to any party examining the
284 vessel. This notice must identify the owners' association or
285 trustee and include a statement disclosing the limitation on
286 incurring liens against the vessel described in sub-sub-sub-
287 subparagraph (A).

288 (E) Include the nondisturbance and notice to creditors
289 instrument for the vessel owner and any other interestholders.

290 (F) The owners' association created under subparagraph 5.

15-00546C-15

2015932__

291 or trustee created under subparagraph 4. shall have access to
292 any certificates of classification in accordance with the
293 timeshare instrument.

294 (III) If the vessel is a foreign vessel, the vessel must be
295 registered in a jurisdiction that permits a filing evidencing
296 the use rights of purchasers in the subject accommodations and
297 facilities, offers protection for such use rights against
298 unfiled and inferior claims, and recognizes the document or
299 instrument creating such use rights as a lien against the
300 vessel.

301 (IV) In addition to the disclosures required by s.
302 721.07(5), the public offering statement and purchase contract
303 must contain a disclosure in conspicuous type in substantially
304 the following form:

305

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

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15-00546C-15

2015932__

320 4. Trust.—

321 a. If the subject accommodations or facilities, or all use
322 rights therein, are to be transferred into a trust in order to
323 comply with this paragraph, the ~~such~~ transfer must ~~shall~~ take
324 place pursuant to this subparagraph. If the accommodations or
325 facilities included in such transfer are subject to a lease, the
326 unexpired term of the lease must be disclosed as the term of the
327 timeshare plan pursuant to s. 721.07(5)(f)4.

328 b. Before ~~Prior to~~ the transfer ~~by each interestholder~~ of
329 the subject accommodations and facilities, or all use rights
330 therein, to a trust, any lien or other encumbrance against such
331 accommodations and facilities, or use rights therein, must ~~shall~~
332 be made subject to a nondisturbance and notice to creditors
333 instrument pursuant to subsection (3). A ~~No~~ transfer pursuant to
334 this subparagraph does not ~~shall~~ become effective until the
335 trustee accepts the ~~such~~ transfer and the responsibilities set
336 forth herein. A trust established pursuant to this subparagraph
337 must ~~shall~~ comply with the following provisions:

338 (I) The trustee must ~~shall~~ be an individual or a business
339 entity authorized and qualified to conduct trust business in
340 this state. Any corporation authorized to do business in this
341 state may act as trustee in connection with a timeshare plan
342 pursuant to this chapter. The trustee must be independent from
343 any developer or managing entity of the timeshare plan or any
344 interestholder of any accommodation or facility of such plan.

345 (II) The trust must ~~shall~~ be irrevocable so long as any
346 purchaser has a right to occupy any portion of the timeshare
347 property pursuant to the timeshare plan.

348 (III) The trustee may ~~shall~~ not convey, hypothecate,

15-00546C-15

2015932__

349 mortgage, assign, lease, or otherwise transfer or encumber in
350 any fashion any interest in or portion of the timeshare property
351 with respect to which any purchaser has a right of use or
352 occupancy unless the timeshare plan is terminated pursuant to
353 the timeshare instrument, or such conveyance, hypothecation,
354 mortgage, assignment, lease, transfer, or encumbrance is
355 approved by a vote of two-thirds of all voting interests of the
356 timeshare plan. Subject to s. 721.552, a vote of the voting
357 interests of the timeshare plan is not required for substitution
358 or for automatic deletion of accommodations or facilities and
359 such decision is declared by a court of competent jurisdiction
360 to be in the best interests of the purchasers of the timeshare
361 plan. The trustee shall notify the division in writing within 10
362 days after receiving notice of the filing of any petition
363 relating to obtaining such a court order. The division shall
364 have standing to advise the court of the division's
365 interpretation of the statute as it relates to the petition.

366 (IV) All purchasers of the timeshare plan or the owners'
367 association of the timeshare plan must ~~shall~~ be the express
368 beneficiaries of the trust. The trustee must ~~shall~~ act as a
369 fiduciary to the beneficiaries of the trust. The personal
370 liability of the trustee must ~~shall~~ be governed by ss.
371 736.08125, 736.08163, 736.1013, and 736.1015. The agreement
372 establishing the trust must ~~shall~~ set forth the duties of the
373 trustee. The trustee must ~~shall~~ be required to furnish promptly
374 to the division upon request a copy of the complete list of the
375 names and addresses of the owners in the timeshare plan and a
376 copy of any other books and records of the timeshare plan
377 required to be maintained pursuant to s. 721.13 that are in the

15-00546C-15

2015932__

378 possession, custody, or control of the trustee. All expenses
379 reasonably incurred by the trustee in the performance of its
380 duties, together with any reasonable compensation of the
381 trustee, must ~~shall~~ be common expenses of the timeshare plan.

382 (V) The trustee may ~~shall~~ not resign upon less than 90
383 days' prior written notice to the managing entity and the
384 division. A ~~No~~ resignation does not ~~shall~~ become effective until
385 a substitute trustee, approved by the division, is appointed by
386 the managing entity and accepts the appointment.

387 (VI) The documents establishing the trust arrangement must
388 ~~shall~~ constitute a part of the timeshare instrument.

389 (VII) For trusts holding property in a timeshare plan
390 located outside this state, the trust and trustee holding such
391 property are ~~shall be~~ deemed in compliance with the requirements
392 of this subparagraph if the ~~such~~ trust and trustee are
393 authorized and qualified to conduct trust business under the
394 laws of the ~~such~~ jurisdiction and the agreement or law governing
395 the ~~such~~ trust arrangement provides substantially similar
396 protections for the purchaser as are required in this
397 subparagraph for trusts holding property in a timeshare plan in
398 this state.

399 (VIII) The trustee must ~~shall~~ have appointed a registered
400 agent in this state for service of process. In the event such a
401 registered agent is not appointed, service of process may be
402 served pursuant to s. 721.265.

403 5. Owners' association.—

404 a. If the subject accommodations or facilities, or all use
405 rights therein, are to be transferred into an owners'
406 association in order to comply with this paragraph, such

15-00546C-15

2015932__

407 transfer must ~~shall~~ take place pursuant to this subparagraph.

408 b. Prior to the transfer ~~by each interestholder~~ of the
409 subject accommodations and facilities, or all use rights
410 therein, to an owners' association, any lien or other
411 encumbrance against such accommodations and facilities, or use
412 rights therein, must ~~shall~~ be made subject to a nondisturbance
413 and notice to creditors instrument pursuant to subsection (3). A
414 ~~No~~ transfer pursuant to this subparagraph does not ~~shall~~ become
415 effective until the owners' association accepts the ~~such~~
416 transfer and the responsibilities set forth herein. An owners'
417 association established pursuant to this subparagraph must ~~shall~~
418 comply with the following provisions:

419 (I) The owners' association must ~~shall~~ be a business entity
420 authorized and qualified to conduct business in this state.
421 Control of the board of directors of the owners' association
422 must be independent from any developer or managing entity of the
423 timeshare plan or any interestholder.

424 (II) The bylaws of the owners' association must ~~shall~~
425 provide that the corporation may not be voluntarily dissolved
426 without the unanimous vote of all owners of personal property
427 timeshare interests so long as any purchaser has a right to
428 occupy any portion of the timeshare property pursuant to the
429 timeshare plan.

430 (III) The owners' association may ~~shall~~ not convey,
431 hypothecate, mortgage, assign, lease, or otherwise transfer or
432 encumber in any fashion any interest in or portion of the
433 timeshare property with respect to which any purchaser has a
434 right of use or occupancy, unless the timeshare plan is
435 terminated pursuant to the timeshare instrument, or unless such

15-00546C-15

2015932__

436 conveyance, hypothecation, mortgage, assignment, lease,
437 transfer, or encumbrance is approved by a vote of two-thirds of
438 all voting interests of the association and the ~~such~~ decision is
439 declared by a court of competent jurisdiction to be in the best
440 interests of the purchasers of the timeshare plan. The owners'
441 association must ~~shall~~ notify the division in writing within 10
442 days after receiving notice of the filing of any petition
443 relating to obtaining such a court order. The division has ~~shall~~
444 ~~have~~ standing to advise the court of the division's
445 interpretation of the statute as it relates to the petition.

446 (IV) All purchasers of the timeshare plan must ~~shall~~ be
447 members of the owners' association and must ~~shall~~ be entitled to
448 vote on matters requiring a vote of the owners' association as
449 provided in this chapter or the timeshare instrument. The
450 owners' association must ~~shall~~ act as a fiduciary to the
451 purchasers of the timeshare plan. The articles of incorporation
452 establishing the owners' association must ~~shall~~ set forth the
453 duties of the owners' association. All expenses reasonably
454 incurred by the owners' association in the performance of its
455 duties, together with any reasonable compensation of the
456 officers or directors of the owners' association, must ~~shall~~ be
457 common expenses of the timeshare plan.

458 (V) The documents establishing the owners' association must
459 ~~shall~~ constitute a part of the timeshare instrument.

460 (VI) For owners' associations holding property in a
461 timeshare plan located outside this state, the owners'
462 association holding the ~~such~~ property is ~~shall be~~ deemed in
463 compliance with the requirements of this subparagraph if such
464 owners' association is authorized and qualified to conduct

15-00546C-15

2015932__

465 owners' association business under the laws of such jurisdiction
466 and the agreement or law governing such arrangement provides
467 substantially similar protections for the purchaser as are
468 required in this subparagraph for owners' associations holding
469 property in a timeshare plan in this state.

470 (VII) The owners' association must ~~shall~~ have appointed a
471 registered agent in this state for service of process. In the
472 event such a registered agent cannot be located, service of
473 process may be made pursuant to s. 721.265.

474 6. Personal property subject to certificate of title.—If
475 any personal property that is an accommodation or facility of a
476 timeshare plan is subject to a certificate of title in this
477 state pursuant to chapter 319 or chapter 328, the following
478 notation must be made on such certificate of title pursuant to
479 s. 319.27(1) or s. 328.15(1):

480
481 *The further transfer or encumbrance of the property subject to*
482 *this certificate of title, or any lien or encumbrance thereon,*
483 *is subject to the requirements of section 721.17, Florida*
484 *Statutes, and the transferee or lienor agrees to be bound by all*
485 *of the obligations set forth therein.*

486
487 7. Certified document copies.—If the developer has
488 previously provided a certified copy of any document required by
489 this paragraph, she or he may for all subsequent disbursements
490 substitute a true and correct copy of the certified copy,
491 provided no changes to the document have been made or are
492 required to be made.

493 8. Rights transferred into trust or owners' association.—In

15-00546C-15

2015932__

494 the event that use rights relating to an accommodation or
495 facility are transferred into a trust pursuant to subparagraph
496 4. or into an owners' association pursuant to subparagraph 5.,
497 all other interestholders, including the owner of the underlying
498 fee or underlying personal property, must execute a
499 nondisturbance and notice to creditors instrument pursuant to
500 subsection (3).

501 Section 4. Section 721.125, Florida Statutes, is created to
502 read:

503 721.125 Extension or termination of timeshare plans.-

504 (1) Unless the timeshare instrument provides otherwise, the
505 vote or written consent, or both, of at least 60 percent of all
506 of the voting interests in the timeshare plan may extend or
507 terminate the term of a timeshare plan at any time. If the term
508 of a timeshare plan is extended pursuant to this section, all
509 rights, privileges, duties, and obligations created under
510 applicable law or the timeshare instrument continue in full
511 force to the same extent as if the extended termination date of
512 the timeshare plan were the original termination date of the
513 timeshare plan. If a timeshare plan terminates pursuant to this
514 section, the termination has immediate effect pursuant to
515 applicable law and the timeshare instrument as if the effective
516 date of the termination were the original date of termination.

517 (2) If a termination or extension vote or consent pursuant
518 to subsection (1) is proposed for a component site of a
519 multisite timeshare plan located in this state, the proposed
520 termination or extension is effective only if the person
521 authorized to make additions or substitutions of accommodations
522 and facilities pursuant to the timeshare instrument also

15-00546C-15

2015932__

523 approves the termination or extension.

524 (3) This section applies only to a timeshare plan that has
525 been in existence for at least 25 years as of the effective date
526 of the termination or extension vote or consent required by
527 subsection (1).

528 Section 5. Subsection (4) of section 721.14, Florida
529 Statutes, is amended to read:

530 721.14 Discharge of managing entity.—

531 (4) (a) An owners' association and a manager or management
532 firm may, in the management contract or other written document,
533 agree to the transition procedures and related time periods to
534 be followed in the event the manager or management firm is
535 discharged pursuant to this section. If there is no written
536 agreement between the parties which covers the matters set forth
537 in paragraphs (b) and (c), the provisions of paragraphs (b) and
538 (c) shall apply.

539 (b) Within 90 days after the date on which the manager or
540 management firm is notified by the owners' association of the
541 successful termination vote pursuant to subsection (1), the
542 terminated managing entity shall transfer to the owners'
543 association or the new manager or management firm all relevant
544 data held by the managing entity and related to any reservation
545 system for the timeshare plan, including, but not limited to:

546 1. The names, addresses, and reservation status of all
547 accommodations.

548 2. The names and addresses of all purchasers of timeshare
549 interests.

550 3. All outstanding confirmed reservations and reservation
551 requests.

15-00546C-15

2015932__

552 4. Such other records and information as are necessary to
553 permit the uninterrupted operation and administration of the
554 timeshare plan. However, the information required to be
555 transferred does not include private information of the
556 terminated managing entity which is not directly related to
557 operation and management of the timeshare plan.

558 (c) All reasonable costs incurred by the terminated
559 managing entity in carrying out the transfer of information
560 required by this subsection shall be reimbursed to the
561 terminated managing entity as a common expense of the timeshare
562 plan within 10 days after the completed transfer of the data
563 described in paragraph (b) ~~This section shall not apply to~~
564 personal property timeshare plans.

565 Section 6. Section 721.27, Florida Statutes, is amended to
566 read:

567 721.27 Annual managing entity fee ~~for each timeshare unit~~
568 ~~in plan.~~ For each timeshare unit ~~On January 1 of each year, each~~
569 ~~managing entity of a timeshare plan~~ located in this state, the
570 managing entity must ~~shall~~ collect as a common expense and pay
571 to the division on January 1 of each year an annual fee of \$2
572 for each 7 days of annual use availability that exist within the
573 timeshare plan at that time. Only one fee is due and payable for
574 any 7 days of annual use availability that is included within
575 both a single-site timeshare plan under this part and a
576 multisite timeshare plan under part II, ~~subject to any~~
577 ~~limitations on the amount of such annual fee pursuant to s.~~
578 ~~721.58.~~ If any portion of the annual fee is not paid by March 1,
579 the managing entity may be assessed a penalty pursuant to s.
580 721.26.

15-00546C-15

2015932__

581 Section 7. Subsections (5) and (7) of section 721.52,
582 Florida Statutes, are amended to read:

583 721.52 Definitions.—As used in this chapter, the term:

584 (5) "Nonspecific multisite timeshare plan" means a
585 multisite timeshare plan ~~containing timeshare licenses or~~
586 ~~personal property timeshare interests,~~ with respect to which a
587 purchaser receives a right to use all of the accommodations and
588 facilities, if any, of the multisite timeshare plan through the
589 reservation system, but no specific right to use any particular
590 accommodations and facilities for the remaining term of the
591 multisite timeshare plan in the event that the reservation
592 system is terminated for any reason prior to the expiration of
593 the term of the multisite timeshare plan.

594 (7) "Specific multisite timeshare plan" means a multisite
595 timeshare plan ~~containing timeshare licenses or personal~~
596 ~~property timeshare interests,~~ with respect to which a purchaser
597 receives a specific right to use accommodations and facilities,
598 if any, at one component site of a multisite timeshare plan,
599 together with use rights in the other accommodations and
600 facilities of the multisite timeshare plan created by or
601 acquired through the reservation system.

602 Section 8. Paragraph (e) of subsection (1) of section
603 721.53, Florida Statutes, is amended to read:

604 721.53 Subordination instruments; alternate security
605 arrangements.—

606 (1) With respect to each accommodation or facility of a
607 multisite timeshare plan, the developer shall provide the
608 division with satisfactory evidence that one of the following
609 has occurred with respect to each interestholder prior to

15-00546C-15

2015932__

610 offering the accommodation or facility as a part of the
611 multisite timeshare plan:

612 (e) The interestholder has transferred the subject
613 accommodation or facility or all use rights therein to a trust
614 that complies with this paragraph. If the accommodation or
615 facility included in such transfer is subject to a lease, the
616 unexpired term of the lease must be disclosed as the term of
617 that component site pursuant to s. 721.55(4)(a). Prior to the
618 ~~such~~ transfer, any lien or other encumbrance against the ~~such~~
619 accommodation or facility must ~~shall~~ be made subject to a
620 nondisturbance and notice to creditors instrument pursuant to
621 paragraph (a) or a subordination and notice to creditors
622 instrument pursuant to paragraph (b). A ~~No~~ transfer pursuant to
623 this paragraph does not ~~shall~~ become effective until the trust
624 accepts the ~~such~~ transfer and the responsibilities set forth
625 herein. A trust established pursuant to this paragraph must
626 ~~shall~~ comply with the following provisions:

627 1. The trustee must ~~shall~~ be an individual or a business
628 entity authorized and qualified to conduct trust business in
629 this state. Any corporation authorized to do business in this
630 state may act as trustee in connection with a timeshare plan
631 pursuant to this chapter. The trustee must be independent from
632 any developer or managing entity of the timeshare plan or any
633 interestholder of any accommodation or facility of such plan.
634 The same trustee may hold the accommodations and facilities, or
635 use rights therein, for one or more of the component sites of
636 the timeshare plan.

637 2. The trust must ~~shall~~ be irrevocable so long as any
638 purchaser has a right to occupy any portion of the timeshare

15-00546C-15

2015932__

639 property pursuant to the timeshare plan.

640 3. The trustee may ~~shall~~ not convey, hypothecate, mortgage,
641 assign, lease, or otherwise transfer or encumber in any fashion
642 any interests in or portion of the timeshare property with
643 respect to which any purchaser has a right of use or occupancy
644 unless the timeshare plan is terminated pursuant to the
645 timeshare instrument, or the timeshare property held in trust is
646 deleted from a multisite timeshare plan pursuant to s.
647 721.552(3), or such conveyance, hypothecation, mortgage,
648 assignment, lease, transfer, or encumbrance is approved by vote
649 of two-thirds of all voting interests of the timeshare plan.
650 Subject to s. 721.552, a vote of the voting interests of the
651 timeshare plan is not required for substitution or for automatic
652 deletion of accommodations or facilities ~~and such decision is~~
653 ~~declared by a court of competent jurisdiction to be in the best~~
654 ~~interests of the purchasers of the timeshare plan.~~

655 4. All purchasers of the timeshare plan or the owners'
656 association of the timeshare plan must ~~shall~~ be express
657 beneficiaries of the trust. The trustee must ~~shall~~ act as a
658 fiduciary to the beneficiaries of the trust. The personal
659 liability of the trustee must ~~shall~~ be governed by ss.
660 736.08125, 736.08163, 736.1013, and 736.1015. The agreement
661 establishing the trust must ~~shall~~ set forth the duties of the
662 trustee. The trustee must ~~shall~~ be required to furnish promptly
663 to the division upon request a copy of the complete list of the
664 names and addresses of the owners in the timeshare plan and a
665 copy of any other books and records of the timeshare plan
666 required to be maintained pursuant to s. 721.13 which ~~that~~ are
667 in the possession of the trustee. All expenses reasonably

15-00546C-15

2015932__

668 incurred by the trustee in the performance of its duties,
669 together with any reasonable compensation of the trustee, must
670 ~~shall~~ be common expenses of the timeshare plan.

671 5. The trustee may ~~shall~~ not resign upon less than 90 days'
672 prior written notice to the managing entity and the division. A
673 ~~No~~ resignation is not ~~shall become~~ effective until a substitute
674 trustee, approved by the division, is appointed by the managing
675 entity and accepts the appointment.

676 6. The documents establishing the trust arrangement must
677 ~~shall~~ constitute a part of the timeshare instrument.

678 7. For trusts holding property in component sites located
679 outside this state, the trust holding such property is ~~shall be~~
680 deemed in compliance with the requirements of this paragraph, if
681 the ~~such~~ trust is authorized and qualified to conduct trust
682 business under the laws of the ~~such~~ jurisdiction and the
683 agreement or law governing the ~~such~~ trust arrangement provides
684 substantially similar protections for the purchaser as are
685 required in this paragraph for trusts holding property in a
686 component site located in this state.

687 8. The trustee must appoint ~~shall have appointed~~ a
688 registered agent in this state for service of process. In the
689 event ~~such~~ a registered agent is not appointed, service of
690 process may be served pursuant to s. 721.265.

691 Section 9. Section 721.54, Florida Statutes, is amended to
692 read:

693 ~~721.54 Term of nonspecific multisite timeshare plans. It~~
694 ~~shall be a violation of this part to represent to a purchaser of~~
695 ~~a nonspecific multisite timeshare plan as defined in s.~~
696 ~~721.52(5) that the term of the plan for that purchaser is longer~~

15-00546C-15

2015932__

697 ~~than the shortest term of availability of any of the~~
698 ~~accommodations included within the plan at the time of purchase.~~

699 Section 10. Paragraphs (a) and (h) of subsection (4),
700 subsection (5), and paragraph (1) of subsection (7) of section
701 721.55, Florida Statutes, are amended to read:

702 721.55 Multisite timeshare plan public offering statement.—
703 Each filed public offering statement for a multisite timeshare
704 plan shall contain the information required by this section and
705 shall comply with the provisions of s. 721.07, except as
706 otherwise provided therein. The division is authorized to
707 provide by rule the method by which a developer must provide
708 such information to the division. Each multisite timeshare plan
709 filed public offering statement shall contain the following
710 information and disclosures:

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

713 (a) A description of the multisite timeshare plan,
714 including its term, legal structure, ~~and~~ form of ownership, and.
715 ~~For multisite timeshare plans in which the purchaser will~~
716 ~~receive a timeshare estate pursuant to s. 721.57 and for~~
717 ~~specific multisite timeshare plans, the description must also~~
718 ~~include~~ the term of each component site within the multisite
719 timeshare plan. The term of each component site which is shorter
720 than the term of the multisite timeshare plan must be disclosed
721 in conspicuous type.

722 (h) A description of the purchaser's liability for common
723 expenses of the multisite timeshare plan, including the
724 following:

725 1. A description of the common expenses of the plan,

15-00546C-15

2015932__

726 including the method of allocation and assessment of such common
727 expenses, whether component site common expenses and real estate
728 taxes are included within the total common expense assessment of
729 the multisite timeshare plan, and, if not, the manner in which
730 timely payment of component site common expenses and real estate
731 taxes will ~~shall~~ be accomplished.

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

734 a. ~~In no event shall~~ The total common expense assessment
735 for the multisite timeshare plan in a given calendar year may
736 not exceed 125 percent of the total common expense assessment
737 for the plan in the previous calendar year.

738 b. Component site common expenses and ad valorem taxes may
739 not be included in calculating the total common expense
740 assessment under sub-subparagraph a.

741 3. A description of the entity responsible for the
742 determination of the common expenses of the multisite timeshare
743 plan, as well as any entity which may increase the level of
744 common expenses assessed against the purchaser at the multisite
745 timeshare plan level.

746 4. A description of the method used to collect common
747 expenses, including the entity responsible for such collections,
748 and the lien rights of any entity for nonpayment of common
749 expenses. If the common expenses of any component site are
750 collected by the managing entity of the multisite timeshare
751 plan, a statement to that effect together with the identity and
752 address of the escrow agent required by s. 721.56(3).

753 5. If the purchaser will receive an interest in a
754 nonspecific multisite timeshare plan, a statement that a

15-00546C-15

2015932__

755 multisite timeshare plan budget is attached to the public
756 offering statement as an exhibit pursuant to paragraph (7)(c).
757 The multisite timeshare plan budget must ~~shall~~ comply with ~~the~~
758 ~~provisions of~~ s. 721.07(5)(t).

759 6. If the developer intends to guarantee the level of
760 assessments for the multisite timeshare plan, the ~~such~~ guarantee
761 must be based upon a good faith estimate of the revenues and
762 expenses of the multisite timeshare plan. The guarantee must
763 include a description of the following:

764 a. The specific time period, measured in one or more
765 calendar or fiscal years, during which the guarantee will be in
766 effect.

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

771 c. The level, expressed in total dollars, at which the
772 developer guarantees the assessments. If the developer has
773 reserved the right to extend or increase the guarantee level, a
774 disclosure must be included to that effect.

775 7. If required under applicable law, the developer must
776 ~~shall~~ also disclose the following matters for each component
777 site:

778 a. Any limitation upon annual increases in common expenses;

779 b. The existence of any bad debt or working capital
780 reserve; and

781 c. The existence of any replacement or deferred maintenance
782 reserve.

783 (5) (a) ~~Such~~ Other information as the division determines is

15-00546C-15

2015932__

784 necessary to fairly, meaningfully, and effectively disclose all
785 aspects of the multisite timeshare plan, including, but not
786 limited to, any disclosures made necessary by the operation of
787 s. 721.03(8).

788 (b) ~~However,~~ If a developer has, in good faith, attempted
789 to comply with the requirements of this chapter section, and if
790 ~~in fact,~~ the developer has substantially complied with the
791 ~~disclosure~~ requirements of this chapter, nonmaterial errors or
792 omissions are shall not be actionable, are not violations of
793 this chapter, and do not give rise to any purchaser cancellation
794 right.

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

797 (1)1. If the multisite timeshare plan contains any
798 component sites located in this state, the information required
799 by s. 721.07(5) pertaining to each such component site unless
800 exempt pursuant to s. 721.03.

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

811 Section 11. Paragraph (c) of subsection (2) of section
812 721.551, Florida Statutes, is amended to read:

15-00546C-15

2015932__

813 721.551 Delivery of multisite timeshare plan purchaser
814 public offering statement.—

815 (2) The developer shall furnish each purchaser with the
816 following:

817 (c) If the purchaser receives ~~will receive a timeshare~~
818 ~~estate pursuant to s. 721.57, or~~ an interest in a specific
819 multisite timeshare plan, ~~in a~~ component site located in this
820 state, the developer must ~~shall~~ also furnish the purchaser with
821 the information required to be delivered pursuant to s.
822 721.07(6) (a) and (b) for that ~~the~~ component site ~~in which the~~
823 ~~purchaser will receive an estate or interest in a specific~~
824 ~~multisite timeshare plan.~~

825 Section 12. Subsection (2) and paragraph (c) of subsection
826 (3) of section 721.552, Florida Statutes, are amended to read:

827 721.552 Additions, substitutions, or deletions of component
828 site accommodations or facilities; purchaser remedies for
829 violations.—Additions, substitutions, or deletions of component
830 site accommodations or facilities may be made only in accordance
831 with the following:

832 (2) SUBSTITUTIONS.—

833 (a) Substitutions are available only for nonspecific
834 multisite timeshare plans. Specific multisite timeshare plans ~~or~~
835 ~~plans offering timeshare estates pursuant to s. 721.57~~ may not
836 contain an accommodation substitution right.

837 (b) The timeshare instrument must ~~shall~~ provide for the
838 following:

839 1. The basis upon which new accommodations and facilities
840 may be substituted for existing accommodations and facilities of
841 the multisite timeshare plan; by whom substitutions may be made;

15-00546C-15

2015932__

842 and the basis upon which the determination may be made to cause
843 the ~~such~~ substitutions to occur.

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

855 3. The extent, if any, to which purchasers will have the
856 right to consent to any proposed substitutions.

857 (c) ~~No~~ Substitutions may not be made during the first year
858 after the developer begins to offer the multisite timeshare
859 plan.

860 (d) 1. If the timeshare instrument provides that the
861 developer, acting unilaterally, is the person authorized to make
862 substitutions, the developer may not substitute ~~No more than 25~~
863 ~~percent of the~~ available accommodations in the multisite
864 timeshare plan at a given component site may undergo
865 substitution in a given calendar year pursuant to paragraph (e)
866 if the number of such substituted accommodations provides more
867 than 10 percent of the total annual use availability in the
868 multisite timeshare plan calculated in 7-day increments ~~in which~~
869 ~~substitution is permitted. This paragraph shall be interpreted~~
870 ~~to permit the substitution of an entire component site over a 4-~~

15-00546C-15

2015932__

871 ~~year period.~~

872 2. If the timeshare instrument provides that the managing
873 entity is the person authorized to make substitutions and if the
874 managing entity is under common ownership or control with the
875 developer, the managing entity may not substitute available
876 accommodations in the multisite timeshare plan in a given
877 calendar year pursuant to paragraph (e) if the number of the
878 substituted accommodations provides more than 10 percent of the
879 total annual use availability in the multisite timeshare plan
880 calculated in 7-day increments.

881 3. If the timeshare instrument provides that the managing
882 entity is the person authorized to make substitutions and if the
883 managing entity is not under common ownership or control with
884 the 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 number of the
887 substituted accommodations provides more than 25 percent of the
888 total annual use availability in the multisite timeshare plan
889 calculated in 7-day increments.

890 4. If the person authorized to make substitutions receives,
891 within 21 days after the date of the notice of substitution
892 required by paragraph (e), a written objection to the proposed
893 substitution from at least 10 percent of all purchasers in the
894 multisite timeshare plan, the managing entity must conduct a
895 meeting of the purchasers within 30 days after the end of the
896 21-day period. The proposed substitution is deemed ratified
897 unless a majority of purchasers voting in person or by proxy at
898 the meeting reject the proposed substitution, provided that at
899 least 25 percent of all purchasers cast votes. This subparagraph

15-00546C-15

2015932__

900 does not apply if the timeshare instrument provides that
901 purchasers will have no right to consent to any proposed
902 substitution.

903 5. This paragraph does not apply if the proposed
904 substitution has been approved in advance pursuant to paragraph
905 (f).

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

926 (f) The person authorized to make substitutions may make
927 unlimited substitutions ~~If the managing entity of a multisite~~
928 ~~timeshare plan includes an owners' association composed of all~~

15-00546C-15

2015932__

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

- 945 1. ~~Specifically identify the component site being replaced~~
946 ~~and the proposed substitute component site.~~
- 947 2. ~~Contain information regarding prior demand for purchaser~~
948 ~~use of the component site being replaced.~~
- 949 3. ~~Provide the results of a survey of purchaser attitudes~~
950 ~~regarding the component site being replaced and the proposed~~
951 ~~substitute component site.~~
- 952 4. ~~Explain the practical and business reasons for effecting~~
953 ~~a total substitution within the given calendar year.~~
- 954 5. ~~Provide a plan for handling reservation requests during~~
955 ~~the substitution period for both the component site being~~
956 ~~replaced and the proposed substitute component site.~~

957

15-00546C-15

2015932__

958 Substitutions made pursuant to this paragraph are ~~shall~~ not be
959 subject to ~~the provisions of~~ subparagraph (b)2.

960 (g) If the person authorized to make substitutions has
961 complied with this subsection and the timeshare instrument, the
962 trustee of a timeshare trust qualified under s. 721.53(1)(e) may
963 convey title to any accommodation and facility that has been
964 designated or approved for substitution when directed by the
965 person authorized to make substitutions without any further vote
966 or other authorization of the purchasers of the multisite
967 timeshare plan.

968 (h) The person who is authorized by the timeshare
969 instrument to make substitutions to the multisite timeshare plan
970 pursuant to this subsection must ~~shall~~ act as a fiduciary ~~in~~
971 ~~such capacity~~ in the best interests of the purchasers of the
972 plan as a whole and must ~~shall~~ adhere to the demand balancing
973 standard set forth in s. 721.56(6) in connection with the ~~such~~
974 substitutions. Substitutions that are otherwise permitted may be
975 made only so long as a one-to-one use right to use night
976 requirement ratio is maintained at all times.

977 (3) DELETIONS.—

978 (c) *Automatic deletion.*—The timeshare instrument may
979 provide that a component site will be automatically deleted upon
980 the expiration of its term ~~in a timeshare plan other than a~~
981 ~~nonspecific multisite timeshare plan~~ or as otherwise provided in
982 the timeshare instrument. However, the timeshare instrument must
983 also provide that in the event a component site is deleted from
984 the plan in this manner, either a sufficient number of
985 purchasers of the plan will also be deleted, or a sufficient
986 number of replacement accommodations and facilities that comply

15-00546C-15

2015932__

987 with subparagraph (2)(b)2. will be substituted for the deleted
988 accommodations and facilities, so as to maintain no greater than
989 a one-to-one use right to use night requirement ratio.

990 Section 13. Subsection (5) of section 721.56, Florida
991 Statutes, is amended to read:

992 721.56 Management of multisite timeshare plans; reservation
993 systems; demand balancing.—

994 ~~(5)(a)1. The reservation system is a facility of any~~
995 ~~nonspecific multisite timeshare plan. The reservation system is~~
996 ~~not a facility of any specific multisite timeshare plan, nor is~~
997 ~~it a facility of any multisite timeshare plan in which timeshare~~
998 ~~estates are offered pursuant to s. 721.57.~~

999 ~~2. The reservation system of any multisite timeshare plan~~
1000 ~~shall include any computer software and hardware employed for~~
1001 ~~the purpose of enabling or facilitating the operation of the~~
1002 ~~reservation system. Nothing contained in this part precludes~~
1003 ~~shall preclude~~ a manager or management firm that is serving as
1004 managing entity of a multisite timeshare plan from providing in
1005 its contract with the purchasers or owners' association of the
1006 multisite timeshare plan or in the timeshare instrument that the
1007 manager or management firm owns the reservation system and that
1008 the managing entity will ~~shall~~ continue to own the reservation
1009 system in the event the purchasers discharge the managing entity
1010 pursuant to s. 721.14.

1011 ~~(b) In the event of a termination of a managing entity of a~~
1012 ~~nonspecific multisite timeshare plan, which managing entity owns~~
1013 ~~the reservation system, irrespective of whether the termination~~
1014 ~~is voluntary or involuntary and irrespective of the cause of~~
1015 ~~such termination, in addition to any other remedies available to~~

15-00546C-15

2015932__

1016 ~~purchasers in this part, the terminated managing entity shall,~~
1017 ~~prior to such termination, establish a trust meeting the~~
1018 ~~criteria set forth in this paragraph. It is the intent of the~~
1019 ~~Legislature that this trust arrangement provide for an adequate~~
1020 ~~period of continued operation of the reservation system of the~~
1021 ~~multisite timeshare plan, during which period the new managing~~
1022 ~~entity shall make provision for the acquisition of a substitute~~
1023 ~~reservation system.~~

1024 ~~1. The trust shall be established with an independent~~
1025 ~~trustee. Both the terminated managing entity and the new~~
1026 ~~managing entity shall attempt to agree on an acceptable trustee.~~
1027 ~~In the event they cannot agree on an acceptable trustee, they~~
1028 ~~shall each designate a nominee, and the two nominees shall~~
1029 ~~select the trustee.~~

1030 ~~2. The terminated managing entity shall take all steps~~
1031 ~~necessary to enable the trustee or the trustee's designee to~~
1032 ~~operate the reservation system in the same manner as provided in~~
1033 ~~the timeshare instrument and the public offering statement. The~~
1034 ~~trustee may, but shall not be required to, contract with the~~
1035 ~~terminated managing entity for the continued operation of the~~
1036 ~~reservation system. In the event the trustee elects to contract~~
1037 ~~with the terminated managing entity, that managing entity shall~~
1038 ~~be required to operate the reservation system and shall be~~
1039 ~~entitled to payment for that service. The payment shall in no~~
1040 ~~event exceed the amount previously paid to the terminated~~
1041 ~~managing entity for operation of the reservation system.~~

1042 ~~3. The trust shall remain in effect for a period of no~~
1043 ~~longer than 1 year following the date of termination of the~~
1044 ~~managing entity.~~

15-00546C-15

2015932__

1045 ~~4. Nothing contained in this subsection shall abrogate or~~
1046 ~~otherwise interfere with any proprietary rights in the~~
1047 ~~reservation system that have been reserved by the discharged~~
1048 ~~managing entity, in its management contract or otherwise, so~~
1049 ~~long as such proprietary rights are not asserted in a manner~~
1050 ~~that would prevent the continued operation of the reservation~~
1051 ~~system as contemplated in this subsection.~~

1052 ~~(c) In the event of a termination of a managing entity of a~~
1053 ~~timeshare estate or specific multisite timeshare plan, which~~
1054 ~~managing entity owns the reservation system, irrespective of~~
1055 ~~whether the termination is voluntary or involuntary and~~
1056 ~~irrespective of the cause of such termination, in addition to~~
1057 ~~any other remedies available to purchasers in this part, the~~
1058 ~~terminated managing entity shall, prior to such termination,~~
1059 ~~promptly transfer to each component site managing entity all~~
1060 ~~relevant data contained in the reservation system with respect~~
1061 ~~to that component site, including, but not limited to:~~

1062 ~~1. The names, addresses, and reservation status of~~
1063 ~~component site accommodations.~~

1064 ~~2. The names and addresses of all purchasers of timeshare~~
1065 ~~interests at that component site.~~

1066 ~~3. All outstanding confirmed reservations and reservation~~
1067 ~~requests for that component site.~~

1068 ~~4. Such other component site records and information as are~~
1069 ~~necessary, in the reasonable discretion of the component site~~
1070 ~~managing entity, to permit the uninterrupted operation and~~
1071 ~~administration of the component site, provided that a given~~
1072 ~~component site managing entity shall not be entitled to any~~
1073 ~~information regarding other component sites or regarding the~~

15-00546C-15

2015932__

1074 ~~terminated multisite timeshare plan managing entity.~~

1075

1076 ~~All reasonable costs incurred by the terminated managing entity~~
1077 ~~in effecting the transfer of information required by this~~
1078 ~~paragraph shall be reimbursed to the terminated managing entity~~
1079 ~~on a pro rata basis by each component site, and the amount of~~
1080 ~~such reimbursement shall constitute a common expense of each~~
1081 ~~component site.~~

1082 Section 14. Section 721.57, Florida Statutes, is amended to
1083 read:

1084 721.57 Offering of timeshare estates in specific multisite
1085 timeshare plans; required provisions in the timeshare
1086 instrument.—

1087 (1) In addition to meeting all the requirements of part I,
1088 timeshare estates offered in a specific multisite timeshare plan
1089 must meet the requirements of subsection (2). Any offering of
1090 timeshare estates in a specific multisite timeshare plan that
1091 does not comply with these requirements shall be deemed to be an
1092 offering of a timeshare license.

1093 (2) The timeshare instrument of a specific multisite
1094 timeshare plan in which timeshare estates are offered, ~~other~~
1095 ~~than a trust meeting the requirements of s. 721.08,~~ must contain
1096 or provide for all of the following matters:

1097 (a) The purchaser will receive a timeshare estate as
1098 defined in s. 721.05 in one of the component sites of the
1099 specific multisite timeshare plan. The use rights in the other
1100 component sites of the multisite timeshare plan must ~~shall~~ be
1101 made available to the purchaser through the reservation system
1102 pursuant to the timeshare instrument.

15-00546C-15

2015932__

1103 (b) In the event that the reservation system is terminated
1104 or otherwise becomes unavailable for any reason prior to the
1105 expiration of the term of the specific multisite timeshare plan:

1106 1. The purchaser will be able to continue to use the
1107 accommodations and facilities of the component site in which she
1108 or he has been conveyed a timeshare estate in the manner
1109 described in the timeshare instrument for that component site
1110 for the remaining term of the timeshare estate; and

1111 2. Any use rights in that component site which had
1112 previously been made available through the reservation system to
1113 purchasers of the specific multisite timeshare plan who were not
1114 offered a timeshare estate at that component site will terminate
1115 when the reservation system is terminated or otherwise becomes
1116 unavailable for any reason.

1117 Section 15. Section 721.58, Florida Statutes, is amended to
1118 read:

1119 721.58 Filing fee; ~~annual fee.~~

1120 ~~(1)~~ The developer of the multisite timeshare plan must
1121 ~~shall~~ pay the filing fee required by s. 721.07(4) (a); however,
1122 the maximum amount of such filing fee is ~~shall be~~ \$25,000 or the
1123 total filing fee due with respect to the timeshare units in the
1124 multisite timeshare plan that are located in this state pursuant
1125 to s. 721.07(4) (a), whichever is greater.

1126 ~~(2) The managing entity of the multisite timeshare plan~~
1127 ~~shall pay the annual fee required by s. 721.27; provided,~~
1128 ~~however, that the maximum amount of such annual fee shall be~~
1129 ~~\$25,000 or the total annual fee due with respect to the~~
1130 ~~timeshare units in the multisite timeshare plan that are located~~
1131 ~~in this state calculated pursuant to s. 721.07(4) (a), whichever~~

15-00546C-15

2015932__

1132 ~~is greater.~~

1133 Section 16. This act shall take effect July 1, 2015.