

# MAINE STATE LEGISLATURE

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L.D. 1094

(Filing No. H- 356 )

STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
112TH LEGISLATURE  
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 773, L.D.  
1094, Bill, "AN ACT to Regulate Membership Camping."

Amend the bill by striking out everything after  
the title and inserting in its place the following:

'Emergency preamble. Whereas, Acts of the Legis-  
lature do not become effective until 90 days after  
adjournment unless enacted as emergencies; and

Whereas, sales of membership camping contracts  
have recently grown tremendously and are anticipated  
to expand even further with the addition of at least  
one new membership camping operator for this coming  
"summer season"; and

Whereas, currently there is no regulation to pro-  
tect consumers against the tremendous risk of abuse  
associated with the sales' practices used by this in-  
dustry which are similar to those used in the sale of  
condominiums and time-share units; and

Whereas, without the benefit of this legislation  
for the coming "summer season" many consumers may be-  
come victims of the high pressure sales' tactics and  
misrepresentations used by some elements of the mem-  
bership camping industry; and

Whereas, in the judgment of the Legislature,  
these facts create an emergency with the meaning of  
the Constitution of Maine and require the following  
legislation as immediately necessary for the preser-  
vation of the public peace, health and safety; now,  
therefore,

Be it enacted by the People of the State of Maine as  
follows:

1           33 MRSA c. 10, sub-c.I-A is enacted to read:

2                           SUBCHAPTER I-A

3                                   MEMBERSHIP CAMPING

4           §589. Definitions

5           As used in this subchapter, unless the context  
6 otherwise indicates, the following terms have the  
7 following meanings.

8           1. Blanket encumbrance. "Blanket encumbrance"  
9 means any mortgage, deed of trust, option to pur-  
10 chase, vendor's lien or interest under a contract or  
11 agreement of sale or other material financing lien or  
12 encumbrance granted by the membership camping oper-  
13 ator which secures or evidences the obligation to pay  
14 money or to sell or convey any campgrounds located in  
15 this State which are made available to purchasers by  
16 the membership camping operator, or any portion  
17 thereof, and which authorizes, permits or requires  
18 the foreclosure or other disposition of the camp-  
19 ground affected.

20           2. Campground. "Campground" means real property  
21 owned or operated by a membership camping operator  
22 which is available for camping by purchasers of mem-  
23 bership camping contracts.

24           3. Camping site. "Camping site" means a space  
25 designed and promoted for the purpose of locating a  
26 trailer, tent, tent trailer, pickup camper or other  
27 similar device used for camping.

28           4. Membership camping contract. "Membership  
29 camping contract" means an agreement offered or sold  
30 within the State evidencing a purchaser's right or  
31 license to use the camping or outdoor recreation fa-  
32 ilities of a membership camping operator in each of  
33 3 or more years, including renewal options.

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1           5. Membership camping contract broker. "Member-  
2 ship camping contract broker" means a person who re-  
3 sells a membership camping contract to a new purchas-  
4 er on behalf of the prior purchaser. "Membership  
5 camping contract broker" does not include a member-  
6 ship camping operator or his agent.

7           6. Membership camping operator. "Membership  
8 camping operator" means any person who offers camping  
9 or outdoor recreational opportunities through the use  
10 of camping sites and who solicits membership camping  
11 contracts paid for in cash, by installment or  
12 periodic payments, including annual fees, by which  
13 the purchasers of memberships obtain the right to use  
14 camping sites or other camping or recreational facil-  
15 ities of the membership camping operator. "Member-  
16 ship camping operator" does not include mobile home  
17 parks as defined in Title 22, section 2491.

18           7. Person. "Person" means any individual, cor-  
19 poration, partnership, trust, association or other  
20 organization.

21           8. Purchaser. "Purchaser" means a person who  
22 enters into a membership camping contract and obtains  
23 the right to use the facilities of a membership camp-  
24 ing operator.

25           9. Reciprocal program. "Reciprocal program"  
26 means any arrangement allowing purchasers to use  
27 camping sites, facilities or other properties owned  
28 or operated by any person other than the membership  
29 camping operator with whom the purchaser has entered  
30 into a membership camping contract.

31           10. Sale or sell. "Sale" or "sell" means enter-  
32 ing into, or other disposition, of a membership camp-  
33 ing contract for value, but the term of value does  
34 not include a fee to offset the reasonable costs of  
35 transfer of a membership camping contract.

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1           11. Seller. "Seller" means a membership camping  
2           operator.

3           §589-A. Requirements of membership camping

4           1. Specific disclosures. No membership camping  
5           contract may be offered or sold by a membership camp-  
6           ing operator unless, prior to the execution of the  
7           membership camping contract, the purchaser is pro-  
8           vided, at no cost to the purchaser, with a written  
9           statement containing the following information, all  
10          of which shall be current to a point not more than 60  
11          days prior to the date of delivery to the purchaser.

12          A. The front cover or first page shall contain  
13          only the following in the order stated:

14                 (1) The words "membership camping  
15                 operator's disclosure statement" printed in  
16                 bold-faced type of a minimum size of 10  
17                 points;

18                 (2) The name and principal business address  
19                 of the membership camping operator;

20                 (3) A statement that the membership camping  
21                 operator is in the business of offering for  
22                 sale membership camping contracts;

23                 (4) The following in printed bold-faced  
24                 type of a minimum size of 10 points:

25                         THIS DISCLOSURE STATEMENT CONTAINS IMPORTANT  
26                         MATTERS TO BE CONSIDERED IN PURCHASING A  
27                         MEMBERSHIP CAMPING CONTRACT. STATE LAW RE-  
28                         QUIRES THAT THESE DISCLOSURES BE MADE, BUT  
29                         NO STATE AGENCY OR OFFICIAL HAS REVIEWED THE  
30                         INFORMATION CONTAINED IN THIS BOOKLET. THE  
31                         STATEMENTS CONTAINED HEREIN ARE ONLY SUMMARY  
32                         IN NATURE. YOU SHOULD NOT RELY UPON ANY  
33                         ORAL REPRESENTATIONS AS BEING CORRECT. IF  
34                         YOU ARE THINKING OF PURCHASING A MEMBERSHIP

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1                    CAMPGROUND CONTRACT, YOU SHOULD REVIEW ALL  
2                    REFERENCES MADE IN THIS BOOKLET, EXHIBITS,  
3                    CONTRACT DOCUMENTS AND SALES MATERIALS. THE  
4                    MEMBERSHIP CAMPING OPERATOR IS PROHIBITED  
5                    FROM MAKING ANY REPRESENTATIONS WHICH CON-  
6                    FLICT WITH THOSE CONTAINED IN THE CONTRACT  
7                    OR THIS DISCLOSURE STATEMENT; and

8                    (5) The following language, printed in  
9                    bold-faced type of a minimum size of 10  
10                   points, shall also appear on the cover page  
11                   of the disclosure statement after the ap-  
12                   pearance of the items required in this para-  
13                   graph:

14                   SHOULD YOU EXECUTE A MEMBERSHIP CAMPING CON-  
15                   TRACT, YOU HAVE THE UNQUALIFIED RIGHT TO  
16                   CANCEL THAT CONTRACT. THIS RIGHT OF CANCEL-  
17                   LATION IS INCAPABLE OF WAIVER AND SHALL EX-  
18                   PIRE AT MIDNIGHT ON THE 7TH CALENDAR DAY  
19                   FOLLOWING THE DATE OF THE EXECUTED CONTRACT  
20                   OR WITHIN 7 CALENDAR DAYS OF THE RECEIPT OF  
21                   THIS STATEMENT, WHICHEVER OCCURS LATER. TO  
22                   CANCEL THE MEMBERSHIP CAMPING CONTRACT, YOU  
23                   MUST HAND DELIVER OR MAIL, POSTAGE PREPAID,  
24                   WRITTEN NOTICE OF YOUR INTENTION TO CANCEL  
25                   TO THE MEMBERSHIP CAMPING OPERATOR AT HIS  
26                   PRINCIPAL BUSINESS ADDRESS LISTED IN THE  
27                   MEMBERSHIP CAMPING CONTRACT. THE MEMBERSHIP  
28                   CAMPING OPERATOR IS REQUIRED BY LAW TO RE-  
29                   TURN ALL MONEY PAID BY YOU IN CONNECTION  
30                   WITH THE EXECUTION OF THE MEMBERSHIP CAMPING  
31                   CONTRACT WITHIN 20 CALENDAR DAYS FROM THE  
32                   PROPER AND TIMELY CANCELLATION OF THE CON-  
33                   TRACT.

34                   B. The following pages shall contain, in the  
35                   following order:

36                   (1) A brief description of the membership  
37                   camping operator's experience in the member-  
38                   ship camping business, including the number

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1                   of years the operator has been in the mem-  
2                   bership camping business;

3                   (2) A brief description of the nature of  
4                   the purchaser's right or license to use the  
5                   membership camping operator's property or  
6                   facilities;

7                   (3) The location of each of the membership  
8                   camping operator's parks and a brief de-  
9                   scription for each park of the significant  
10                   facilities then available for use by pur-  
11                   chasers and those which are represented to  
12                   purchasers as being planned, together with a  
13                   brief description of any significant facili-  
14                   ties that are or will be available to  
15                   nonpurchasers or nonmembers. Significant  
16                   facilities include, but are not limited to,  
17                   each of the following: The number of camp-  
18                   ing sites in each park, the number of camp-  
19                   ing sites in each park with full or partial  
20                   hookups, swimming pools, tennis courts,  
21                   recreation buildings, restrooms and showers,  
22                   laundry rooms, trading posts and grocery  
23                   stores. "Partial hookups" means those  
24                   hookups with at least one of the following  
25                   connections: Electricity; water and sewage  
26                   connections;

27                   (4) A brief description of the effect on  
28                   the purchaser's membership rights if a sub-  
29                   sequent holder, successor, assign or other  
30                   person later acquires the campground through  
31                   foreclosure, bankruptcy sale, deed or other  
32                   conveyance. This description shall include  
33                   a description of any nondisturbance agree-  
34                   ment or bond and its effects on the  
35                   purchaser's rights and a description of the  
36                   legal document that evidences the  
37                   purchaser's rights, followed by a statement  
38                   in capital letters as follows:

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1                    NOTICE: YOUR RIGHTS UNDER THIS CONTRACT MAY  
2                    BE AFFECTED BY A SUBSEQUENT HOLDER, SUCCESSOR,  
3                    ASSIGN OR PERSON WHO LATER ACQUIRES THE  
4                    CAMPGROUND. THIS STATEMENT IS ONLY SUMMARY  
5                    IN NATURE. YOU SHOULD ASK YOUR ATTORNEY TO  
6                    EXPLAIN IT TO YOU MORE FULLY;

7                    (5) A statement in capital letters as fol-  
8                    lows:

9                    NOTICE: PURCHASE A MEMBERSHIP CAMPING CON-  
10                    TRACT ONLY ON THE BASIS OF EXISTING FACILI-  
11                    TIES. CONSTRUCTION OF PLANNED FACILITIES IS  
12                    SOMETIMES DELAYED OR TERMINATED FOR A VARIE-  
13                    TY OF REASONS;

14                    (6) A brief description of the membership  
15                    camping operator's ownership of, or right to  
16                    use, the camping properties represented to  
17                    be available for use by purchasers, together  
18                    with the duration of any lease, license,  
19                    franchise or reciprocal agreement entitling  
20                    the membership camping operator to use the  
21                    property and any material provisions of any  
22                    agreements which restrict a purchaser's use  
23                    of the property;

24                    (7) A summary of, or notice that attached  
25                    to this disclosure is a copy of the rules,  
26                    restrictions or covenants regulating the  
27                    purchaser's use of the membership camping  
28                    operator's properties, including a statement  
29                    of whether and how the rules, restrictions  
30                    or covenants may be changed;

31                    (8) A brief description of all payments of  
32                    a purchaser under a membership camping con-  
33                    tract, including initial fees and any fur-  
34                    ther fees, charges or assessments, together  
35                    with any provisions for changing the pay-  
36                    ments;



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1                   (9) A description of any restraints on the  
2                   transfer of the membership camping contract  
3                   by the purchaser;

4                   (10) A brief description of the policies  
5                   relating to the availability of camping  
6                   sites and whether reservations are required;

7                   (11) A brief description of any grounds for  
8                   forfeiture of a purchaser's membership camp-  
9                   ing contract;

10                  (12) A copy of the membership camping con-  
11                  tract form; and

12                  (13) A statement describing all material  
13                  terms and conditions of any reciprocal pro-  
14                  gram represented to be available to purchas-  
15                  ers, including whether the purchaser's par-  
16                  ticipation in the reciprocal program is de-  
17                  pendent upon the continued affiliation of  
18                  the membership camping operator with the re-  
19                  ciprocal program and whether the membership  
20                  camping operator reserves the right to ter-  
21                  minate that affiliation.

22                  2. Contract provisions. The contract shall in-  
23                  clude provisions stating the manner in which the  
24                  rights of the purchaser may be affected if a subse-  
25                  quent holder, successor, assign or other person later  
26                  acquires the campground through foreclosure, bank-  
27                  ruptcy sale or other conveyance.

28                  Any holder, successor, assign or person who acquires  
29                  the campground through foreclosure or deed takes the  
30                  campground subject to the condition that he may not  
31                  materially diminish the purchaser's use of the camp-  
32                  ground as outlined in the contract between the pur-  
33                  chaser and seller.

34                  3. Signature and date. A membership camping  
35                  contract shall be dated and signed by the purchaser

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1 and the membership camping operator. The contract  
2 shall contain, in the immediate proximity of the  
3 space reserved for the signature of the purchaser, a  
4 conspicuous statement in a size equal to at least 10  
5 point bold type as follows:

6 YOU, THE PURCHASER, MAY CANCEL THIS CONTRACT AT ANY  
7 TIME WITHIN 7 DAYS FOLLOWING THE DATE OF EXECUTION OF  
8 THE CONTRACT OR THE RECEIPT OF A DISCLOSURE STATEMENT  
9 FROM THE MEMBERSHIP CAMPING OPERATOR, WHICHEVER EVENT  
10 OCCURS LATER. TO CANCEL THE CONTRACT, HAND DELIVER  
11 OR MAIL A POSTAGE PREPAID WRITTEN CANCELLATION TO THE  
12 MEMBERSHIP CAMPING OPERATOR AT THE ADDRESS LISTED IN  
13 THE DISCLOSURE STATEMENT OR ON THIS CONTRACT. THE  
14 MEMBERSHIP CAMPING CONTRACT SHALL CONTAIN THE NAME  
15 AND ADDRESS OF THE MEMBERSHIP CAMPING OPERATOR.

16 4. Cancellation of contract. Any purchaser or  
17 prospective purchaser of a membership camping con-  
18 tract may cancel a membership camping contract by de-  
19 livering in hand or mailing a postage prepaid written  
20 notice to the membership camping operator of the  
21 purchaser's cancellation of the contract within 7  
22 calendar days after the date any contract is executed  
23 or within 7 calendar days after the delivery of the  
24 current written disclosure statement required by sub-  
25 section 1, whichever event is later.

26 5. Membership camping operator's refund obliga-  
27 tion. If the membership camping operator is given  
28 written notice of cancellation of the membership con-  
29 tract pursuant to subsection 4, he must deliver or  
30 mail postage prepaid to the purchaser within 20 days  
31 of the effective date of the written notice of can-  
32 cancellation the full amount of any payment or down pay-  
33 ment made or consideration given under the membership  
34 camping contract.

35 6. Wrongful retention; damages; burden of proof.  
36 The following provisions apply when a membership  
37 camping operator fails to perform his refund obliga-  
38 tion under subsection 5:

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1        A. If the membership camping operator fails to  
2        return the full amount of any payment or  
3        downpayment made or consideration given within  
4        the 20-day period as described in subsection 5,  
5        it shall be presumed that he is willfully and  
6        wrongfully retaining the payment, down payment or  
7        other consideration;

8        B. The willful retention of a payment, down pay-  
9        ment or other consideration in violation of this  
10       subchapter shall render the membership camping  
11       operator liable for double the amount of that  
12       portion of the payment, downpayment or other con-  
13       sideration wrongfully withheld from the purchaser  
14       together with reasonable attorney's fees and  
15       court costs; and

16       C. In any court action brought by a purchaser  
17       under this section, the membership camping oper-  
18       ator shall bear the burden of proving that his  
19       withholding of the payment, downpayment or other  
20       consideration or any portion of it was not wrong-  
21       ful.

22       7. Membership camping operators located outside  
23       the State. This subchapter shall apply to offers or  
24       sale of membership camping contracts within this  
25       State, even if the membership camping operator or  
26       purchaser is located outside of this State.

27       §589-B. Membership camping contract brokers; fees;  
28       escrow accounts; disclosures to new purchas-  
29       er; notice of cancellation to purchaser

30       1. Fees; escrow accounts. A membership camping  
31       contract broker shall not receive any fee, including  
32       a listing fee, for selling a membership camping con-  
33       tract until a sale is completed. A fee may be paid  
34       into an escrow account at the time a purchaser is ob-  
35       tained.



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1 deliver or mail postage prepaid to the purchaser  
2 within 20 days of the effective date of the written  
3 notice of cancellation, the full amount of any pay-  
4 ment or down payment made or consideration given un-  
5 der the contract of purchase.

6 5. Wrongful retention; damages; burden of proof.  
7 The following provisions apply when a membership  
8 camping broker fails to perform his refund obligation  
9 under subsection 4.

10 A. If the broker fails to return the full amount  
11 of any payment or down payment made or considera-  
12 tion given within the 20-day period as described  
13 in subsection 4, it shall be presumed that the  
14 broker is willfully and wrongfully retaining the  
15 payment, down payment or other consideration.

16 B. The willful retention of a payment, down pay-  
17 ment or other consideration in violation of this  
18 subchapter shall render the broker liable for  
19 double the amount of that portion of the payment,  
20 down payment or other consideration wrongfully  
21 withheld from the purchaser, together with rea-  
22 sonable attorney's fees and court costs.

23 C. In any court action brought by a purchaser  
24 under this section, the broker shall bear the  
25 burden of proving that his withholding of the  
26 payment, down payment or other consideration, or  
27 any portion of it, was not wrongful.

28 §589-C. Violation

29 1. Any violation of this chapter is a violation  
30 of Title 5, chapter 10.

31 2. Any intentional violation of this subchapter  
32 is a Class E crime.

33 3. Any violation of this subchapter constitutes  
34 a civil violation for which a forfeiture not to ex-

