

MAINE STATE LEGISLATURE

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120th MAINE LEGISLATURE

FIRST REGULAR SESSION-2001

Legislative Document

No. 324

S.P. 98

In Senate, January 30, 2001

An Act Regarding the Recission Period in the Purchase of Time Shares.

Reference to the Committee on Business and Economic Development suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator DAVIS of Piscataquis.
Cosponsored by Representative JONES of Greenville and
Senators: KILKELLY of Lincoln, SAWYER of Penobscot, WOODCOCK of Franklin,
YOUNGBLOOD of Penobscot, Representatives: ANNIS of Dover-Foxcroft, LESSARD of
Topsham, STANLEY of Medway.

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

2 **Sec. 1. 33 MRSA §592, sub-§1, ¶A**, as amended by PL 1997, c.
4 83, §1, is further amended to read:

6 A. The front cover or first page must contain only:

8 (1) The name and principal address of the developer and
10 of the project and the location of the time-share
property; and

12 (2) The following statements in conspicuous type.

14 (a) THIS CONTAINS IMPORTANT MATTERS TO BE
16 CONSIDERED IN ACQUIRING A TIME SHARE. STATE OF
MAINE LAW REQUIRES THAT THESE DISCLOSURES BE MADE
18 BUT NO STATE AGENCY OR OFFICIAL HAS REVIEWED THE
INFORMATION CONTAINED IN THIS BOOKLET.

20 (b) YOU MAY CANCEL THE PURCHASE TRANSACTION WITHIN
22 ~~TEN~~ THREE CALENDAR DAYS FOLLOWING THE DATE OF
EXECUTION OF THE CONTRACT OR THE RECEIPT OF A
CURRENT WRITTEN STATEMENT, WHICHEVER IS LATER.

24 (c) THE STATEMENTS CONTAINED INSIDE ARE ONLY
26 SUMMARY IN NATURE. IF YOU ARE THINKING OF BUYING A
UNIT, YOU SHOULD TALK TO YOUR ATTORNEY AND LOOK AT
28 ALL EXHIBITS, INCLUDING THE DECLARATION, PROJECT
INSTRUMENT FLOOR PLAN, PLOT PLAN, BYLAWS AND
30 CONTRACTS.

32 (d) YOU SHOULD ASK YOUR ATTORNEY AND THE DEVELOPER
34 TO TELL YOU WHAT WILL HAPPEN TO YOUR DEPOSIT,
INTEREST IN THE UNIT, OR COSTS AND EXPENSES IF THE
DEVELOPER OR OWNER IS DECLARED BANKRUPT. OBTAIN
36 THE ANSWER FROM THE DEVELOPER IN WRITING.

38 **Sec. 2. 33 MRSA §592, sub-§1, ¶B**, as amended by PL 1997, c.
40 83, §2, is further amended by amending subparagraphs (10) and
(12) to read:

42 (10) A statement that:

44 (a) Within ~~10~~ 3 calendar days after receipt of the
46 current written statement or execution of a
contract, whichever is later, a purchaser may
cancel any conveyance or contract for purchase of
48 a unit from the developer; and

2 (b) If the purchaser elects to cancel, the
purchaser may do so by hand delivering a notice of
4 cancellation or by mailing the notice by prepaid
United States mail to the developer. The
6 cancellation must be without penalty and any
deposit made by the purchaser must be promptly
refunded in its entirety;

8
10 (12) A statement that any deposit made in connection
with the purchase of a unit will be returned to the
purchaser if the purchaser cancels the contract within
12 ~~10~~ 3 calendar days after receipt of the written
statement or contract;

14
16 **Sec. 3. 33 MRSA §592, sub-§3**, as amended by PL 1997, c. 83,
§3, is further amended to read:

18 **3. Cancellation of contract.** Any purchaser or prospective
purchaser of a time share may cancel a contract or conveyance of
20 a time share by delivering or mailing a postage prepaid written
notice of the purchaser's intention to cancel within ~~10~~ 3
22 calendar days after the date of any contract or conveyance or
within ~~10~~ 3 calendar days after delivery of the current written
24 statement required by subsection 1, whichever is later.

26
28 **SUMMARY**

This bill reduces the time period in which the purchaser or
30 potential purchaser of a time-share unit from a developer may
cancel the contract or conveyance. Current law provides a 10-day
32 cancellation period from the date of execution of the contract or
from the provision of the required written statement, whichever
34 is later. This bill reduces that time period to 3 days. The
developer is not required to return the full amount of the
36 deposit if the purchaser or potential purchaser cancels after the
3-day period has expired.