

MAINE STATE LEGISLATURE

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128th MAINE LEGISLATURE

FIRST REGULAR SESSION-2017

Legislative Document

No. 348

S.P. 114

In Senate, February 2, 2017

An Act To Increase Consumer Protection for Time-share Owners

Reference to the Committee on Judiciary suggested and ordered printed.

A handwritten signature in cursive script, reading "Heather J.R. Priest".

HEATHER J.R. PRIEST
Secretary of the Senate

Presented by Senator CHENETTE of York. (BY REQUEST)

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

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

4 B. The following pages ~~shall~~ must contain, in the following order:

5 (1) A general description of the time-share property and the time-share units,
6 including, without limitation, the number and types of units in the time-share
7 property and in any project of which it is a part and the schedule of
8 commencement and completion of construction of all buildings, units, amenities
9 and improvements;

10 (2) The maximum number of units that may become part of the time-share
11 property, a statement of the maximum number of time shares that may be created
12 or that there is no maximum, and the proportion of units the developer intends to
13 rent or market in blocks of units to investors;

14 (3) Copies and a brief narrative description of the significant features of the
15 project instrument and time-share instrument and any documents referred to
16 therein, other than the survey and floor plans; the bylaws; rules; copies of any
17 contracts and leases to be signed by purchasers at closing; and a brief narrative
18 description of any contracts or leases, the term of which will or may extend
19 beyond the period of developer control of the association;

20 (4) Any current balance sheet and a projected budget for the association, if there
21 is an association, for one year after the date of the first transfer to a purchaser,
22 and thereafter the current budget, a statement of who prepared the budget and a
23 statement of the budgetary assumptions concerning occupancy and inflation
24 factors. The budget ~~shall~~ must include, without limitation:

25 (a) A statement of the amount, or a statement that there is no amount,
26 included in the budget as a reserve for repairs and replacement;

27 (b) A statement of any other reserves;

28 (c) The projected common expense assessment by category of expenditures
29 for the association; and

30 (d) The projected monthly common expense assessment for each type of unit;

31 (5) Any services not reflected in the budget that the developer provides, or
32 expenses that ~~he~~ the developer pays, and that ~~he~~ the developer expects may
33 become at any subsequent time a common expense of the association and the
34 projected common expense assessment attributable to each of those services or
35 expenses for the association and for each type of unit and each time-share estate;

36 (6) Any initial or special fee due from the purchaser at or before closing, together
37 with a description of the purpose of the fee and method of its calculation;

38 (7) A description and a statement of the effect on the time-share owners of any
39 liens, defects or encumbrances on or affecting the title to the project and each
40 time-share unit;

- 1 (8) A description of any financing offered by the developer;
- 2 (9) The terms and significant limitations of any warranties provided by the
3 developer, including statutory warranties and limitations on the enforcement
4 thereof or on damages;
- 5 (10) A statement that:
- 6 (a) Within 10 calendar days after receipt of the current written statement or
7 execution of a contract, whichever is later, a purchaser may cancel any
8 conveyance or contract for purchase of a unit from the developer; and
- 9 (b) If the purchaser elects to cancel, the purchaser may do so by hand
10 delivering a notice of cancellation or by mailing the notice by prepaid United
11 States mail to the developer. The cancellation must be without penalty and
12 any deposit made by the purchaser must be promptly refunded in its entirety;
- 13 (10-A) A statement that, following the expiration of the cancellation period set
14 out in subparagraph (10), the purchaser may sell the unit back to the developer
15 for the fair market value of the unit;
- 16 (11) A statement of any unsatisfied judgments against the association, developer
17 or managing entity, the status of any pending suits to which the association,
18 developer or managing entity is a party and the status of any pending suits
19 material to the property of which the developer has actual knowledge;
- 20 (12) A statement that any deposit made in connection with the purchase of a unit
21 will be returned to the purchaser if the purchaser cancels the contract within 10
22 calendar days after receipt of the written statement or contract;
- 23 (13) Any restraints on transfer of time shares or portions thereof;
- 24 (14) A description of the insurance coverage provided for the benefit of the time-
25 share owners;
- 26 (15) Any current or expected fees or charges to be paid by time-share owners for
27 the use of the common elements and other facilities related to the project;
- 28 (16) All unusual and material circumstances, features and characteristics of the
29 project and the units;
- 30 (17) The projected common expense assessment for each time share and whether
31 those assessments may vary seasonally;
- 32 (18) The extent to which the time-share owners of a unit are jointly and severally
33 liable for the payment of real estate taxes and all assessments and other charges
34 levied against that unit; and
- 35 (19) The extent to which a time-share unit may become subject to a tax or other
36 lien arising out of claims against other time-share owners of the same time-share
37 unit.

38 **Sec. 2. 33 MRSA §592, sub-§8** is enacted to read:

