

P.L. 2006, CHAPTER 63, *approved August 2, 2006*  
Senate, No. 1321 (*Second Reprint*)

1   **AN ACT** concerning timeshare sales, supplementing chapter 15 of  
2       Title 45 of the Revised Statutes and amending P.L.1989, c.239  
3       and P.L.1977, c.419.

4  
5       **BE IT ENACTED** *by the Senate and General Assembly of the State*  
6       *of New Jersey:*

7  
8       1. (New section) Sections 1 through 36 of this act shall be  
9       known and may be cited as the "New Jersey Real Estate Timeshare  
10      Act."

11  
12      2. (New section) As used in sections 1 through 36 of this act:  
13      "Accommodation" means any apartment, condominium or  
14      cooperative unit, cabin, lodge, hotel or motel room, or other private  
15      or commercial structure containing toilet facilities therein that is  
16      designed and available, pursuant to applicable law, for use and  
17      occupancy as a residence by one or more individuals which is a part  
18      of the timeshare property.

19      "Advertisement" means any written, oral or electronic  
20      communication that is directed to or targeted to persons within the  
21      State and contains a promotion, inducement or offer to sell a  
22      timeshare plan, including but not limited to brochures, pamphlets,  
23      radio and television scripts, electronic media, telephone and direct  
24      mail solicitations and other means of promotion.

25      "Advertisement" does not mean:

26      (1) Any stockholder communication such as an annual report or  
27      interim financial report, proxy material, a registration statement, a  
28      securities prospectus, a registration, a property report or other  
29      material required to be delivered to a prospective purchaser by an  
30      agency of any state or federal government;

31      (2) Any oral or written statement disseminated by a developer to  
32      broadcast or print media, other than paid advertising or promotional  
33      material, regarding plans for the acquisition or development of  
34      timeshare property. However, any rebroadcast or any other  
35      dissemination of such oral statements to prospective purchasers by a  
36      seller in any manner, or any distribution of copies of newspaper  
37      magazine articles or press releases, or any other dissemination of  
38      such written statement to a prospective purchaser by a seller in any  
39      manner, shall constitute an advertisement; or

40      (3) Any communication addressed to and relating to the account

**EXPLANATION** – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted  
and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

<sup>1</sup>Senate SCM committee amendments adopted May 15, 2006.

<sup>2</sup>Senate floor amendments adopted June 22, 2006.

1 of any person who has previously executed a contract for the sale or  
2 purchase of a timeshare period in a timeshare plan to which the  
3 communication relates shall not be considered advertising under  
4 this act, provided they are delivered to any person who  
5 has previously executed a contract for the purchase of a timeshare  
6 interest or is an existing owner of a timeshare interest in a timeshare  
7 plan.

8 "Assessment" means the share of funds required for the payment  
9 of common expenses which is assessed from time to time against  
10 each timeshare interest by the association.

11 "Association" means the organized body consisting of the  
12 purchasers of interests in a timeshare property.

13 "Commission" means the New Jersey Real Estate Commission.

14 "Common expense" means casualty and liability insurance, and  
15 those expenses properly incurred for the maintenance, operation,  
16 and repair of all accommodations constituting the timeshare plan  
17 and any other expenses designated as common expenses by the  
18 timeshare instrument.

19 "Component site" means a specific geographic location where  
20 accommodations which are part of a multi-site timeshare plan are  
21 located. Separate phases of a single timeshare property in a specific  
22 geographic location and under common management shall be  
23 deemed a single component site.

24 "Department" means the Department of Banking and Insurance.

25 "Developer" means and includes any person or entity, who  
26 creates a timeshare plan or is in the business of selling timeshare  
27 interests, or employs agents or brokers to do the same, or any  
28 person or entity who succeeds to the interest of a developer by sale,  
29 lease, assignment, mortgage or other transfer, except that the term  
30 shall include only those persons who offer timeshare interests for  
31 disposition in the ordinary course of business.

32 "Dispose" or "disposition" means a voluntary transfer or  
33 assignment of any legal or equitable interest in a timeshare plan,  
34 other than the transfer, assignment or release of a security interest.

35 "Escrow agent" means an independent person, including an  
36 independent bonded escrow company, an independent financial  
37 institution whose accounts are insured by a governmental agency or  
38 instrumentality, or an independent licensed title insurance agent  
39 who is responsible for the receipt and disbursement of funds in  
40 accordance with this act. If the escrow agent is not located in the  
41 State of New Jersey, then this person shall subject themselves to the  
42 jurisdiction of the commission with respect to disputes that arise out  
43 of the provisions of this act.

44 "Incidental benefit" means an accommodation, product, service,  
45 discount, or other benefit which is offered to a prospective  
46 purchaser of a timeshare plan or to a purchaser of a timeshare plan  
47 prior to the expiration of his or her rescission period pursuant to  
48 section 18 of this act and which is not an exchange program,

1 provided that:

2 (1) use or participation in the incidental benefit is completely  
3 voluntary;

4 (2) no costs of the incidental benefit are included as common  
5 expenses of the timeshare plan;

6 (3) the good faith represented aggregate value of all incidental  
7 benefits offered by a developer to a purchaser may not exceed 20  
8 percent of the actual price paid by the purchaser for his or her  
9 timeshare interest; and

10 (4) the purchaser is provided a disclosure that fairly describes  
11 the material terms of the incidental benefit. The term shall not  
12 include an offer of the use of the accommodations of the timeshare  
13 plan on a free or discounted one-time basis.

14 "Managing entity" means the person who undertakes the duties,  
15 responsibilities and obligations of the management of the timeshare  
16 property.

17 "Offer" means any inducement, solicitation, or other attempt,  
18 whether by marketing, advertisement, oral or written presentation or  
19 any other means, to encourage a person to acquire a timeshare  
20 interest in a timeshare plan, for gain or profit.

21 "Person" means a natural person, corporation, limited liability  
22 company, partnership, joint venture, association, estate, trust,  
23 government, governmental subdivision or agency, or other legal  
24 entity or any combination thereof.

25 "Promotion" means a plan or device, including one involving the  
26 possibility of a prospective purchaser receiving a vacation, discount  
27 vacation, gift, or prize, used by a developer, or an agent,  
28 independent contractor, or employee of a developer, agent or  
29 independent contractor on behalf of the developer, in connection  
30 with the offering and sale of timeshare interests in a timeshare plan.

31 "Purchaser" means any person, other than a developer, who by  
32 means of a voluntary transfer acquires a legal or equitable interest  
33 in a timeshare plan other than as security for an obligation.

34 "Purchase contract" means a document pursuant to which a  
35 person becomes legally obligated to sell, and a purchaser becomes  
36 legally obligated to buy, a timeshare interest.

37 "Reservation system" means the method, arrangement or  
38 procedure by which a purchaser, in order to reserve the use or  
39 occupancy of any accommodation of a multi-site timeshare plan for  
40 one or more timeshare periods, is required to compete with other  
41 purchasers in the same multi-site timeshare plan, regardless of  
42 whether the reservation system is operated and maintained by the  
43 multi-site timeshare plan managing entity or any other person.

44 "Sales agent" means any person who performs within this State  
45 as an agent or employee of a developer any one or more of the  
46 services or acts as set forth in this act, and includes any real estate  
47 broker, broker salesperson or salesperson licensed pursuant to R.S.  
48 45:15-1 et seq., or any person who purports to act in any such

1 capacity.

2 "Timeshare instrument" means one or more documents, by  
3 whatever name denominated, creating or governing the operation of  
4 a timeshare plan.

5 "Timeshare interest" means and includes either:

6 (1) A "timeshare estate," which is the right to occupy a timeshare  
7 property, coupled with a freehold estate or an estate for years with a  
8 future interest in a timeshare property or a specified portion thereof;  
9 or

10 (2) A "timeshare use," which is the right to occupy a timeshare  
11 property, which right is neither coupled with a freehold interest, nor  
12 coupled with an estate for years with a future interest, in a  
13 timeshare property.

14 "Timeshare period" means the period or periods of time when the  
15 purchaser of a timeshare plan is afforded the opportunity to use the  
16 accommodations of a timeshare plan.

17 "Timeshare plan" means any arrangement, plan, scheme, or  
18 similar device, whether by membership agreement, sale, lease,  
19 deed, license, or right to use agreement or by any other means,  
20 whereby a purchaser, in exchange for consideration, receives  
21 ownership rights in or the right to use accommodations for a period  
22 of time less than a full year during any given year on a recurring  
23 basis, but not necessarily for consecutive years. A timeshare plan  
24 may be:

25 (1) A "single-site timeshare plan," which is the right to use  
26 accommodations at a single timeshare property; or

27 (2) A "multi-site timeshare plan," which includes:

28 (a) A "specific timeshare interest," which means an interest  
29 wherein a purchaser has, only through a reservation system:

30 (i) a priority right to reserve accommodations at a specific  
31 timeshare property without competing with owners of timeshare  
32 interests at other component sites that are part of the multi-site  
33 timeshare plan, which priority right extends for at least 60 days; and

34 (ii) the right to reserve accommodations on a non-priority basis  
35 at other component sites that are part of the multi-site timeshare  
36 plan; or

37 (b) A "non-specific timeshare interest", which means an interest  
38 wherein a purchaser has, only through a reservation system, the  
39 right to reserve accommodations at any component site of the multi-  
40 site timeshare plan, with no priority right to reserve  
41 accommodations at any specific component site.

42 "Timeshare property" means one or more accommodations  
43 subject to the same timeshare instrument, together with any other  
44 property or rights to property appurtenant to those accommodations.

45

46 3. (New section) This act shall apply to the following:

47 a. Timeshare plans with an accommodation or component site in  
48 the State; and

1       b. Timeshare plans without an accommodation or component  
2 site in this State if those timeshare plans are offered to be sold  
3 within this State, regardless of whether the offer originates from  
4 within or outside of this State.

5  
6       4. (New section) a. This act shall not apply to any of the  
7 following:

8       (1) Timeshare plans, whether or not an accommodation or  
9 component site is located in the State, consisting of 10 or fewer  
10 timeshare interests;

11       (2) Timeshare plans, whether or not an accommodation or  
12 component site is located in this State, the use of which extends  
13 over any period of three years or less. For purposes of determining  
14 the term of a timeshare plan, the period of any 'automatic' renewal  
15 '[or renewal option]' shall be included ' , unless a purchaser has  
16 the right to terminate the purchaser's participation in the timeshare  
17 plan at any time and receive a pro rata refund, or the purchaser  
18 receives a notice, not less than 30 days, but not more than 60 days,  
19 prior to the date of renewal, informing the purchaser of the right to  
20 terminate at any time prior to the date of automatic renewal' ;

21       (3) Timeshare plans, whether or not an accommodation or  
22 component site is located in the State, under which the prospective  
23 purchaser's total financial obligation will be equal to or less than  
24 \$3,000 during the entire term of the timeshare plan;

25       (4) Component sites of specific timeshare interest multi-site  
26 timeshare plans that are neither located in nor offered for sale in  
27 this State, except that these component sites are still subject to the  
28 disclosure requirements of section 10 of this act;

29       (5) Offers or dispositions of securities or units of interest issued  
30 by a real estate investment trust regulated under any State or federal  
31 statute;

32       (6) Offers or dispositions of securities currently registered with  
33 the Bureau of Securities within the Division of Consumer Affairs in  
34 the Department of Law and Public Safety.

35       b. A person shall not be required to register as a developer under  
36 this act if:

37       (1) The person is an owner of a timeshare interest who has  
38 acquired the timeshare interest for the person's own use and  
39 occupancy and who later offers it for resale in a single or isolated  
40 transaction; or

41       (2) The person is a managing entity or an association that is not  
42 otherwise a developer of a timeshare plan in its own right, solely  
43 while acting as an association or under a contract with an  
44 association to offer or sell a timeshare interest transferred to the  
45 association through foreclosure, deed in lieu of foreclosure, or  
46 gratuitous transfer, if such acts are performed in the regular course  
47 of, or as an incident to, the management of the association for its  
48 own account in the timeshare plan.

1 c. If a developer has already registered a timeshare plan under  
2 this act, the developer may offer or dispose of an interest in a  
3 timeshare plan that is not registered under this act if the developer  
4 is offering a timeshare interest in the additional timeshare plan to a  
5 current timeshare interest owner of a timeshare interest in a  
6 timeshare plan created or operated by that same developer subject  
7 to the rules and regulations adopted by the commission.

8 d. The commission may, from time to time, pursuant to any  
9 rules and regulations adopted pursuant to this act, exempt from any  
10 of the provisions of this act any timeshare plan, if it finds that the  
11 enforcement of this act with respect to that plan is not necessary in  
12 the public interest, or required for the protection of purchasers, by  
13 reason of the small amount of the purchase price or the limited  
14 character of the offering.

15  
16 5. (New section) This act shall be administered by the New  
17 Jersey Real Estate Commission in the Department of Banking and  
18 Insurance.

19  
20 6. (New section) Except as provided in this section, no  
21 provision of this act shall invalidate or modify any provision of any  
22 zoning, subdivision, or building code, law, ordinance or regulation.  
23 In case of conflict between the provisions of this act and the  
24 provisions of any other law, ordinance or regulation governing or  
25 purporting to govern the creation, registration, disclosure  
26 requirements or sale of timeshare interests in a component site, the  
27 provisions of this act shall control.

28  
29 7. (New section) A timeshare plan may be created in any  
30 accommodation unless otherwise prohibited. A timeshare plan shall  
31 maintain a one-to-one purchaser-to-accommodation ratio, which  
32 means the ratio of the number of purchasers eligible to use the  
33 accommodations of a timeshare plan on a given day to the number  
34 of accommodations available for use within the plan on that day,  
35 such that the total number of purchasers eligible to use the  
36 accommodations of the timeshare plan during a given consecutive  
37 12-month period never exceeds the total number of  
38 accommodations available for use in the timeshare plan during that  
39 consecutive 12-month period. For purposes of the calculation under  
40 this section, each purchaser shall be counted at least once, and an  
41 individual accommodation shall not be counted more than one time  
42 per day per year. An owner of a timeshare interest who is  
43 delinquent in the payment of a timeshare plan assessment shall  
44 continue to be considered eligible to use the accommodations of the  
45 timeshare plan for purposes of calculating the one-to-one purchaser-  
46 to-accommodation ratio.

47  
48 8. (New section) a. A developer who sells, offers to sell, or

1 attempts to solicit prospective purchasers in this State to purchase a  
2 timeshare interest, or any person who creates a timeshare plan with  
3 an accommodation in the State, shall register with the commission,  
4 on forms provided by the commission or in electronic formats  
5 authorized by the commission, all timeshare plans which have  
6 accommodations located in the State or which are sold or offered  
7 for sale to any individual located in the State.

8 b. Upon the submission of an application approved by the  
9 commission, the commission may grant a 90 day preliminary  
10 registration to allow the developer to begin offering and selling  
11 timeshare interests in a timeshare plan regardless of whether the  
12 accommodations of the timeshare plan are located within or outside  
13 of the State. Upon submission of a substantially complete  
14 application for an abbreviated or comprehensive registration under  
15 this act, including all appropriate fees, to the commission prior to  
16 the expiration date of the preliminary registration, the preliminary  
17 registration will be automatically extended during the registration  
18 review period provided that the developer is actively and diligently  
19 pursuing registration under this act. The preliminary registration  
20 shall automatically terminate with respect to those timeshare  
21 interests covered by a final public offering statement that is issued  
22 before the scheduled termination date of the preliminary  
23 registration. The preliminary registration shall also terminate upon  
24 the issuance of any notice of rejection due to the developer's failure  
25 to comply with the provisions of this act.

26 To obtain a preliminary registration, the developer shall provide  
27 all of the following:

28 (1) Submit the reservation instrument to be used in a form  
29 previously approved by the department with at least the following  
30 provisions:

31 (a) The right of both the developer and the potential purchaser to  
32 unilaterally cancel the reservation at any time;

33 (b) The payment to the potential purchaser of his or her total  
34 deposit following cancellation of the reservation by either party;

35 (c) The placing of the deposit into an escrow account; and

36 (d) A statement to the effect that the offering has not yet received  
37 final approval from the commission, and that no offering can be  
38 made until an offering plan has been filed with, and accepted by,  
39 the commission;

40 (2) Agree to provide each potential purchaser with a copy of the  
41 preliminary public offering statement and an executed receipt for a  
42 copy before any money or other thing of value has been accepted by  
43 or on behalf of the developer in connection with the reservation;

44 (3) Agree to provide a copy of the reservation instrument signed  
45 by the potential purchaser and by or on behalf of the developer to  
46 the potential purchaser;

47 (4) Provide evidence acceptable to the commission that all funds  
48 received by the developer will be placed into an independent escrow

1 account with instructions that no funds will be released until a final  
2 order of registration has been granted;

3 (5) Submit the filing fee for a preliminary registration as  
4 provided for by regulation. The filing fee shall be in addition to the  
5 filing fees for an abbreviated or comprehensive registration as  
6 established by this act;

7 (6) File all advertisements to be utilized by the developer under  
8 the preliminary registration with the commission before use.

9 All advertisements and advertising literature shall contain the  
10 following, or substantially similar, disclaimer:

11 "This advertising material is being used for the purpose of  
12 soliciting sales of timeshare interests.";

13 (7) Such other information as the commission may require in  
14 order to further the provisions of this act, to assure full and fair  
15 disclosure and for the protection of purchaser interests.

16 c. Prior to the issuance of an order of registration for an  
17 abbreviated or comprehensive registration, the commission may  
18 issue a conditional registration approval for a timeshare plan if the  
19 filing is deemed to be substantially complete by the commission  
20 and the commission determines that the deficiencies are likely to be  
21 corrected by the applicant in a reasonable time and manner. Once  
22 the commission issues a conditional registration approval, the  
23 applicant may begin entering into purchase contracts with the  
24 purchaser and provide the purchaser with the most current version  
25 of the public offering statement; however, no rescission period may  
26 begin to run until the final approved public offering statement is  
27 delivered to the purchaser. If there is no material difference  
28 between the documents provided to the purchaser pursuant to the  
29 conditional registration and the documents approved as part of the  
30 final order of approval, then those documents need not be delivered  
31 again to the purchaser. All purchase contracts that are executed  
32 under the authority of a conditional registration approval shall  
33 contain the following provisions:

34 (1) No escrow will close, funds will not be released from escrow,  
35 and the interest contracted for will not be conveyed until a final  
36 approved public offering statement for the timeshare plan is  
37 furnished to the purchaser.

38 (2) The contract may be rescinded, in which event the entire sum  
39 of money paid or advanced by the purchaser shall be returned if the  
40 purchaser or lessee is dissatisfied with the final public offering  
41 statement.

42 (3) The term for a conditional registration approval shall be six  
43 months from the date of approval by the commission, and may be  
44 extended upon application to the commission for an additional six  
45 month period.

46 d. A developer shall include in its application for registration  
47 with the commission, the following information:

48 (1) The developer's legal name, any assumed names used by the



1 developer, and the developer's principal office location, mailing  
2 address, primary contact person and telephone number;

3 (2) The name, location, mailing address, primary contact person  
4 and telephone number of the timeshare plan;

5 (3) The name and principal address of the developer's authorized  
6 New Jersey representative who shall be a licensed real estate broker  
7 licensed to maintain offices within this State;

8 (4) A declaration as to whether the timeshare plan is a single-site  
9 timeshare plan or a multi-site timeshare plan and, if a multi-site  
10 timeshare plan, whether it consists of specific timeshare interests or  
11 non-specific timeshare interests;

12 (5) The name and principal address of all brokers within New  
13 Jersey who sell or offer to sell any timeshare interests in any  
14 timeshare plan offered by the developer to any person in this State,  
15 who shall be licensed as a real estate broker pursuant to R.S.45:15-1  
16 et seq., and who are the authorized representatives of the developer;

17 (6) The name and principal address of all non affiliated  
18 marketing entities who, by means of inducement, promotion or  
19 advertisement, attempt to encourage or procure prospective  
20 purchasers located in the State to attend a sales presentation for any  
21 timeshare plan offered by the developer or authorized broker;

22 (7) The name and principal address of all managing entities who  
23 manage the timeshare plan;

24 (8) A public offering statement which complies with the  
25 requirements of this act; and

26 (9) Any other information regarding the developer, timeshare  
27 plan, brokers, marketing entities or managing entities as required by  
28 the commission and established by the commission by regulation.

29 e. The developer shall comply with the following escrow  
30 requirements:

31 (1) A developer of a timeshare plan shall deposit with an escrow  
32 agent all funds which are received during the purchaser's  
33 cancellation period set forth in section 18 of this act, into an escrow  
34 account in a federally insured depository or a depository acceptable  
35 to the commission. The deposit of such funds shall be evidenced by  
36 an executed escrow agreement between the escrow agent and the  
37 developer. The escrow agreement shall include provisions that  
38 funds may be disbursed to the developer by the escrow agent from  
39 the escrow account only after expiration of the purchaser's  
40 cancellation period and in accordance with the purchase contract,  
41 subject to paragraph (2) of this subsection.

42 (2) If a developer contracts to sell a timeshare interest and the  
43 construction of any property in which the timeshare interest is  
44 located has not been completed, the developer, upon expiration of  
45 the cancellation period set forth in section 18 of this act, shall  
46 continue to maintain in an escrow account all funds received by or  
47 on behalf of the developer from the purchaser under the purchase  
48 contract. The commission shall establish by rule the type of

1 documentation which shall be required for evidence of completion,  
2 including but not limited to a certificate of occupancy, a certificate  
3 of substantial completion, or equivalent certificate from a public  
4 safety inspection agency in the applicable jurisdiction. Funds shall  
5 be released from escrow as follows:

6 (a) If a purchaser properly cancels the purchase contract pursuant  
7 to its terms, the funds shall be paid to the purchaser or paid to the  
8 developer if the purchaser's funds have been previously refunded by  
9 the developer.

10 (b) If a purchaser defaults in the performance of the purchaser's  
11 obligations under the purchase contract, the funds shall be paid to  
12 the developer.

13 (c) If the funds of a purchaser have not been previously  
14 disbursed in accordance with the provisions of this paragraph, they  
15 may be disbursed to the developer by the escrow agent upon the  
16 issuance of acceptable evidence of completion of construction as  
17 provided herein.

18 (3) In lieu of the provisions in paragraphs (1) and (2) of this  
19 subsection, the commission may accept from the developer a surety  
20 bond, bond in lieu of escrow, irrevocable letter of credit or other  
21 financial assurance acceptable to the commission. Any acceptable  
22 financial assurance shall be in an amount equal to or in excess of  
23 the lesser of the funds which would otherwise be placed in escrow  
24 in accordance with the provisions of paragraph (1) of this  
25 subsection, or in an amount equal to the cost to complete the  
26 incomplete property in which the timeshare interest is located.  
27 However, in no event shall the amount be less than the amount of  
28 funds that would otherwise be placed in escrow pursuant to  
29 paragraph (1) of this subsection.

30 (4) The developer shall provide escrow account information to  
31 the commission and shall execute in writing an authorization  
32 consenting to an audit or examination of the account by the  
33 commission on forms provided by the commission. The developer  
34 shall comply with the reconciliation and records requirements  
35 established by rule by the commission. The developer shall make  
36 documents related to the escrow account or escrow obligation  
37 available to the commission upon the commission's request. The  
38 escrow agent shall maintain any disputed funds in the escrow  
39 account until either:

40 (a) Receipt of written direction agreed to by signature of all  
41 parties; or

42 (b) Deposit of the funds with a court of competent jurisdiction in  
43 which a civil action regarding the funds has been filed.

44 f. The commission may accept, as provided by regulation, an  
45 abbreviated registration application of a developer of a timeshare  
46 plan in which all accommodations are located outside of the State.  
47 The developer shall provide evidence that the timeshare plan is  
48 registered with the applicable regulatory agency in a state or

1 jurisdiction where the timeshare plan is offered or sold, or that the  
2 timeshare plan is in compliance with the laws and regulations of the  
3 applicable state jurisdiction in which some or all of the  
4 accommodations are located, which state or jurisdiction shall have  
5 disclosure requirements that are substantially equivalent to or  
6 greater than the information required to be disclosed pursuant to  
7 subsection b. and c. of this section to purchasers in this State. A  
8 developer filing an abbreviated registration application shall  
9 provide the following:

10 (1) The developer's legal name, any assumed names used by the  
11 developer, and the developer's principal office location, mailing  
12 address, primary contact person and telephone number;

13 (2) The name, location, mailing address, primary contact person  
14 and telephone number of the timeshare plan;

15 (3) The name and principal address of the developer's authorized  
16 New Jersey representative who shall be a licensed real estate broker  
17 licensed to maintain offices within this State;

18 (4) The name and principal address of all brokers within New  
19 Jersey who sell or offer to sell any timeshare interests in any  
20 timeshare plan offered by the developer to any person in this State,  
21 who shall be licensed as a real estate broker pursuant to R.S. 45:15-  
22 1 et seq., and who are the authorized representatives of the  
23 developer;

24 (5) The name and principal address of all non-affiliated  
25 marketing entities who, by means of inducement, promotion or  
26 advertisement, attempt to encourage or procure prospective  
27 purchasers located in the State to attend a sales presentation for any  
28 timeshare plan offered by the developer or authorized broker;

29 (6) The name and principal address of all managing entities who  
30 manage the timeshare plan;

31 (7) Evidence of registration or compliance with the laws and  
32 regulations of the jurisdiction in which the timeshare plan is  
33 located, approved or accepted;

34 (8) A declaration as to whether the timeshare plan is a single-site  
35 timeshare plan or a multi-site timeshare plan and, if a multi-site  
36 timeshare plan, whether it consists of specific timeshare interests or  
37 non-specific timeshare interests;

38 (9) Disclosure of each jurisdiction in which the developer has  
39 applied for registration of the timeshare plan, and whether the  
40 timeshare plan or its developer were denied registration or were the  
41 subject of any disciplinary proceeding;

42 (10) Copies of any disclosure documents required to be given to  
43 purchasers or required to be filed with the jurisdiction in which the  
44 timeshare plan is located, approved or accepted as may be requested  
45 by the commission;

46 (11) The appropriate fee; and

47 (12) Any other information regarding the developer, timeshare  
48 plan, brokers, marketing entities or managing entities as required by

1 the commission and established by the commission by regulation.

2 A developer of a timeshare plan with any accommodation  
3 located in this State may not file an abbreviated filing with regard  
4 to such timeshare plan, with the exception of a succeeding  
5 developer after a merger or acquisition when the developer's  
6 timeshare plan was registered in this State prior to the merger or  
7 acquisition.

8

9 9. (New section) The developer shall have responsibility for  
10 each timeshare plan registered with the commission and for the  
11 actions of any sales agent, managing entity or marketing entity  
12 utilized by the developer in the offering or promotional selling of  
13 any registered timeshare plan. Any violation of this act which  
14 occurs during the offering activities shall be a violation by the  
15 developer as well as by the sales agent, marketing entity or  
16 managing entity who actually committed the violation.  
17 Notwithstanding anything to the contrary in this act, the developer  
18 shall be responsible for the actions of the association and managing  
19 entity only while they are subject to the developer's control.

20

21 10. (New section) a. A developer shall: (1) prepare a public  
22 offering statement; (2) provide the statement to each purchaser of a  
23 timeshare interest in any timeshare plan at the time of purchase; and  
24 (3) fully and accurately disclose those facts concerning the  
25 timeshare developer and timeshare plan that are required by this act  
26 or by regulations promulgated by the commission.

27 The public offering statement shall be in writing and dated and  
28 shall require the purchaser to certify in writing that the purchaser  
29 received the statement. Upon approval of the commission, the  
30 developer may offer to deliver the public offering statement and  
31 other documents on CD-ROM format, Internet website or other  
32 electronic media if the purchaser consents.

33 b. The public offering disclosure statement for a single-site  
34 timeshare plan shall include:

35 (1) The name and address of the developer;

36 (2) A description of the duration and operation of the timeshare  
37 plan;

38 (3) A description of the existing or proposed accommodations,  
39 including the type and number of timeshare interests in the  
40 accommodations expressed in periods of seven-day use availability  
41 or other time increments applicable to the timeshare plan. The  
42 description of each type of accommodation included in the  
43 timeshare plan shall be categorized by the number of bedrooms, the  
44 number of bathrooms, and sleeping capacity, and shall include a  
45 statement indicating whether the accommodation contains a full  
46 kitchen, which means a kitchen that has a minimum of a  
47 dishwasher, range, sink, oven, and refrigerator. If the  
48 accommodations are proposed or incomplete, a schedule for

1 commencement, completion, and availability of the  
2 accommodations shall be provided;

3 (4) A description of any existing or proposed amenities of the  
4 timeshare plan and, if the amenities are proposed or incomplete, a  
5 schedule for commencement, completion, and availability of the  
6 amenities;

7 (5) The extent to which financial arrangements have been  
8 provided for the completion of all promised accommodations and  
9 amenities that are committed to be built;

10 (6) A description of the method and timing for performing  
11 maintenance of the accommodations;

12 (7) A statement indicating that, on an annual basis, the sum of  
13 the nights that purchasers are entitled to use the accommodations  
14 does not exceed the number of nights the accommodations are  
15 available for use by the purchasers;

16 (8) A description of the method by which purchasers' use of the  
17 accommodations is scheduled;

18 (9) A statement that an association exists or is expected to be  
19 created or that such an association does not exist and is not  
20 expected to be created and, if such an association exists or is  
21 reasonably contemplated, a description of its powers and  
22 responsibilities;

23 (10) A statement that within seven days after receipt of the  
24 public offering statement or after execution of the purchase  
25 contract, whichever is later, a purchaser may cancel any purchase  
26 contract for a timeshare interest from a developer together with a  
27 statement providing the name and street address to which the  
28 purchaser should mail any notice of cancellation. However, if by  
29 agreement of the parties by and through the purchase contract, the  
30 purchase contract allows for cancellation of the purchase contract  
31 for a period of time exceeding seven days, then the public offering  
32 statement shall include a statement that the cancellation of the  
33 purchase contract is allowed for that period of time exceeding seven  
34 days;

35 (11) Copies of the following documents, if applicable, including  
36 any amendments to the documents, unless separately provided to  
37 the purchaser simultaneously with the public offering statement:

38 (a) the timeshare instrument;

39 (b) the association articles of incorporation;

40 (c) the association bylaws;

41 (d) the association rules; and

42 (e) any lease or contract, excluding the purchase contract and  
43 other loan documents required to be signed by the purchaser at  
44 closing;

45 (12) The name and principal address of the managing entity and  
46 a description of the procedures, if any, for altering the powers and  
47 responsibilities of the managing entity and for removing or  
48 replacing it;

- 1       (13) The current annual budget, if available, or the projected  
2 annual budget for the timeshare plan. The budget shall include:
- 3       (a) a statement of the amount reserved or budgeted for repairs or  
4 replacements, if any;
- 5       (b) the projected common expense liability, if any, by category  
6 of expenditure for the timeshare plan; and
- 7       (c) a statement of any services or expenses not reflected in the  
8 budget that the developer provides or pays;
- 9       (14) The projected assessments and a description of the method  
10 for calculating and apportioning those assessments among  
11 purchasers;
- 12       (15) Any initial or special fee due from the purchaser at closing,  
13 together with a description of the purpose and method of calculating  
14 the fee;
- 15       (16) A description of any lien, defect, or encumbrance on or  
16 affecting title to the timeshare interest and, if applicable, a copy of  
17 each written warranty provided by the developer;
- 18       (17) A description of any bankruptcy that is pending or which  
19 has occurred within the past five years, pending civil or criminal  
20 proceeding, adjudication, or disciplinary action material to the  
21 timeshare plan of which the developer has knowledge;
- 22       (18) A description of any financing offered by or available  
23 through the developer;
- 24       (19) Any current or anticipated fees or charges to be paid by  
25 timeshare purchasers for the use of any accommodations or  
26 amenities related to the timeshare plan, and a statement that the fees  
27 or charges are subject to change;
- 28       (20) A description and amount of insurance coverage provided  
29 for the protection of the purchaser;
- 30       (21) The extent to which a timeshare interest may become  
31 subject to a tax lien or other lien arising out of claims against  
32 purchasers of different timeshare interests;
- 33       (22) A description of those matters required by section 18 of this  
34 act;
- 35       (23) A statement disclosing any right of first refusal or other  
36 restraint on the transfer of all or any portion of a timeshare interest;
- 37       (24) A statement disclosing that any deposit made in connection  
38 with the purchase of a timeshare interest shall be held by an escrow  
39 agent until expiration of any right to cancel the contract and that  
40 any deposit shall be returned to the purchaser if the purchaser  
41 elects to exercise the right of cancellation; or, if the commission  
42 accepts from the developer a surety bond, irrevocable letter of  
43 credit, or other form of financial assurance instead of an escrow  
44 deposit, a statement disclosing that the developer has provided a  
45 surety bond, irrevocable letter of credit, or other form of financial  
46 assurance in an amount equal to or in excess of the funds that would  
47 otherwise be held by an escrow agent and that the deposit shall be  
48 returned if the purchaser elects to exercise the right of cancellation;

1 (25) A description of the name and address of the exchange  
2 company and the method by which a purchaser accesses the  
3 exchange program, if the timeshare plan provides purchasers with  
4 the opportunity to participate in an exchange program; and

5 (26) Any other information the commission determines is  
6 necessary to protect prospective purchasers or to implement the  
7 purpose of this act.

8 The developer may also include any other information in the  
9 timeshare disclosure statement following approval by the  
10 commission.

11 c. The disclosure statement for a specific timeshare interest  
12 multi-site timeshare plan shall include:

13 (1) With regard to the timeshare property in which the purchaser  
14 will receive a specific timeshare interest that includes a reservation  
15 priority right, all of the applicable information related to that  
16 timeshare property as required under subsection b. of this section;

17 (2) With regard to the component site in which the purchaser  
18 does not receive a specific timeshare interest, the following  
19 information:

20 (a) a description of each component site, including the name and  
21 address of each component site;

22 (b) a description of each type of accommodation in each  
23 component site, categorized by the number of bedrooms, the  
24 number of bathrooms, and sleeping capacity, and a statement  
25 indicating whether the accommodation contains a full kitchen,  
26 which means a kitchen that has a minimum of a dishwasher, range,  
27 sink, oven, and refrigerator;

28 (c) a description of the amenities at each component site  
29 available for use by the purchaser;

30 (d) a description of the reservation system, which shall include:

31 (i) the entity responsible for operating the reservation system, its  
32 relationship to the developer, and the duration of any agreement for  
33 operation of the reservation system;

34 (ii) a summary of the rules governing access to and use of the  
35 reservation system; and

36 (iii) the existence of and explanation regarding any priority  
37 reservation features that affect a purchaser's ability to make  
38 reservations for the use of a given accommodation on a first-come,  
39 first-served basis;

40 (e) The name and principal address of the managing entity for  
41 the multi-site timeshare plan and a description of the procedures, if  
42 any, for altering the powers and responsibilities of the managing  
43 entity and for removing or replacing it;

44 (f) A description of any right to make additions to, substitutions  
45 in, or deletions from accommodations, amenities, or component  
46 sites, and a description of the basis on which accommodations,  
47 amenities, or component sites may be added to, substituted in, or  
48 deleted from the multi-site timeshare plan;

- 1 (g) A description of the purchaser's liability for any fees  
2 associated with the multi-site timeshare plan;
- 3 (h) The location of each component site of the multi-site  
4 timeshare plan, as well as any periodic adjustment or amendment to  
5 the reservation system that may be needed in order to respond to  
6 actual purchaser use patterns and changes in purchaser use demand  
7 for the accommodations existing at the time within the multi-site  
8 timeshare plan; and
- 9 (i) Any other information the commission determines is  
10 necessary to protect prospective purchasers or to implement the  
11 purpose of this act.
- 12 d. The public offering statement for a non-specific timeshare  
13 interest multi-site timeshare plan shall include:
- 14 (1) The name and address of the developer;
- 15 (2) A description of the type of interest and usage rights the  
16 purchaser will receive;
- 17 (3) A description of the duration and operation of the timeshare  
18 plan;
- 19 (4) A description of the type of insurance coverage provided for  
20 each component site;
- 21 (5) An explanation of who holds title to the accommodations of  
22 each component site;
- 23 (6) A description of each component site, including the name  
24 and address of each component site;
- 25 (7) A description of the existing or proposed accommodations  
26 expressed in periods of seven-day use availability or other time  
27 increments applicable to the timeshare plan. The description of each  
28 type of accommodation included in the timeshare plan shall be  
29 categorized by the number of bedrooms, the number of bathrooms,  
30 and sleeping capacity, and shall include a statement indicating  
31 whether the accommodation contains a full kitchen, which means a  
32 kitchen that has a minimum of a dishwasher, range, sink, oven, and  
33 refrigerator. If the accommodations are proposed or incomplete, a  
34 schedule for commencement, completion and availability of the  
35 accommodations shall be provided;
- 36 (8) A statement that an association for the multi-site timeshare  
37 plan exists or is expected to be created or that such an association  
38 does not exist and is not expected to be created and, if such an  
39 association exists or is reasonably contemplated, a description of its  
40 powers and responsibilities;
- 41 (9) If applicable, copies of the following documents applicable  
42 to the multi-site timeshare plan, including any amendments to such  
43 documents, unless separately provided to the purchaser  
44 simultaneously with the timeshare disclosure statement:
- 45 (a) the timeshare instrument;
- 46 (b) the association articles of incorporation;
- 47 (c) the association bylaws; and
- 48 (d) the association rules;



1 (10) A description of the method and timing for performing  
2 maintenance of the accommodations;

3 (11) A statement indicating that, on an annual basis, the total  
4 number of purchasers eligible to use the accommodations of the  
5 timeshare plan during a given consecutive 12 month period never  
6 exceeds the total number of accommodations available for use in  
7 the timeshare plan during that consecutive 12 month period;

8 (12) A description of amenities available for use by the  
9 purchaser at each component site;

10 (13) The location of each component site of the multi-site  
11 timeshare plan, as well as any periodic adjustment or amendment to  
12 the reservation system that may be needed in order to respond to  
13 actual purchaser use patterns and changes in purchaser use demand  
14 for the accommodations existing at the time within the multi-site  
15 timeshare plan;

16 (14) A description of any right to make any additions,  
17 substitutions, or deletions of accommodations, amenities, or  
18 component sites, and a description of the basis upon which  
19 accommodations, amenities, or component sites may be added to,  
20 substituted in, or deleted from the multi-site timeshare plan;

21 (15) A description of the reservation system that shall include  
22 all of the following:

23 (a) the entity responsible for operating the reservation system, its  
24 relationship to the developer, and the duration of any agreement for  
25 operation of the reservation system;

26 (b) a summary of the rules governing access to and use of the  
27 reservation system; and

28 (c) the existence of and an explanation regarding any priority  
29 reservation features that affect a purchaser's ability to make  
30 reservations for the use of a given accommodation on a first-come,  
31 first-served basis;

32 (16) The name and principal address of the managing entity for  
33 the multi-site timeshare plan and a description of the procedures, if  
34 any, for altering the powers and responsibilities of the managing  
35 entity and for removing or replacing it, and a description of the  
36 relationship between the multi-site timeshare plan managing entity  
37 and the managing entity of the component sites of the multi-site  
38 timeshare plan, if different from the multi-site timeshare plan  
39 managing entity;

40 (17) A statement that within seven days after receipt of the  
41 public offering statement or after execution of the purchase  
42 contract, whichever is later, a purchaser may cancel any purchase  
43 contract for a timeshare interest from a developer together with a  
44 statement providing the name and street address to which the  
45 purchaser should mail any notice of cancellation. However, if by  
46 agreement of the parties by and through the purchase contract, the  
47 purchase contract allows for cancellation of the purchase contract  
48 for a period of time exceeding seven days, then the public offering

1 statement shall include a statement that the cancellation of the  
2 purchase contract is allowed for that period of time exceeding seven  
3 days;

4 (18) The current annual budget of the multi-site timeshare plan,  
5 if available, or the projected annual budget for the multi-site  
6 timeshare plan, which shall include:

7 (a) a statement of the amount reserved or budgeted, if any, for  
8 repairs, replacements, and refurbishment;

9 (b) the projected common expense liability, if any, by category  
10 of expenditure for the multi-site timeshare plan; and

11 (c) a statement of any services or expenses not reflected in the  
12 budget that the developer provides or pays;

13 (19) The projected assessments and a description of the method  
14 for calculating and apportioning those assessments among  
15 purchasers of the multi-site timeshare plan;

16 (20) Any current fees or charges to be paid by purchasers for the  
17 use of any amenities related to the timeshare plan and a statement  
18 that the fees or charges are subject to change;

19 (21) Any initial or special fee due from the purchaser at closing,  
20 together with a description of the purpose and method of calculating  
21 the fee;

22 (22) A description of the purchaser's liability for any fees  
23 associated with the multi-site timeshare plan;

24 (23) A description of any lien, defect, or encumbrance on or  
25 affecting title to the timeshare interest and, if applicable, a copy of  
26 each written warranty provided by the developer;

27 (24) The extent to which a timeshare interest may become  
28 subject to a tax lien or other lien arising out of claims against  
29 purchasers of different timeshare interests;

30 (25) A description of those matters required by section 18 of this  
31 act;

32 (26) A description of any financing offered by or available  
33 through the developer;

34 (27) A description of any bankruptcy that is pending or which  
35 has occurred within the past five years, pending civil or criminal  
36 proceeding, adjudication, or disciplinary action material to the  
37 timeshare plan of which the developer has knowledge;

38 (28) A statement disclosing any right of first refusal or other  
39 restraint on the transfer of all or a portion of a timeshare interest;

40 (29) A statement disclosing that any deposit made in connection  
41 with the purchase of a timeshare interest shall be held by an escrow  
42 agent until expiration of any right to cancel the contract and that  
43 any deposit shall be returned to the purchaser if the purchaser elects  
44 to exercise the right of cancellation; or, if the commission accepts  
45 from the developer a surety bond, irrevocable letter of credit, or  
46 other form of financial assurance instead of an escrow deposit, a  
47 statement disclosing that the developer has provided a surety bond,  
48 irrevocable letter of credit, or other form of financial assurance in

1 an amount equal to or in excess of the funds that would otherwise  
2 be held by an escrow agent and that the deposit shall be returned if  
3 the purchaser elects to exercise the right of cancellation;

4 (30) A description of the name and address of the exchange  
5 company and the method by which a purchaser accesses the  
6 exchange program, if the timeshare plan provides purchasers with  
7 the opportunity to participate in an exchange program;

8 (31) Any other information the commission determines is  
9 necessary to protect prospective purchasers or to implement the  
10 purpose of this act. The developer may also include any other  
11 information in the timeshare disclosure statement following  
12 approval by the commission.

13 e. The developer shall also distribute to the purchaser any  
14 additional documents as the commission may require for  
15 accommodations in this State as provided by regulation, including  
16 such additional documentation as may be required under the  
17 "Condominium Act," P.L.1969, c.257 (C.46:8B-1 et seq.).

18  
19 11. (New section) a. Within 30 days after each annual  
20 anniversary date of an order registering the timeshare, or on or  
21 before a date set by the commission, and while the developer  
22 continues to offer any timeshare interests in the timeshare plan in  
23 this State, the developer shall file a report in the form prescribed by  
24 the rules and regulations promulgated by the commission. The  
25 report shall reflect any material changes in the information  
26 contained in the original or subsequently submitted applications or  
27 documents.

28 b. (1) The developer shall file amendments to its registration to  
29 reflect any material change in any information set forth in the  
30 project and disclosure documents. The developer shall notify the  
31 commission of the material change prior to implementation of the  
32 change, unless the change is beyond the control of the developer; in  
33 which event, the developer shall provide written notice to the  
34 commission as soon as reasonably practicable after the occurrence  
35 of the event. All amendments, supplements, and facts relevant to  
36 the material change shall be filed with the commission within 20  
37 calendar days of the material change.

38 (2) The developer may continue to sell timeshare interests in the  
39 timeshare plan so long as, prior to closing, the developer provides a  
40 notice to each purchaser that describes the material change and  
41 provides to each purchaser the previously approved public offering  
42 statement. If the change is material and adverse to the purchasers of  
43 the timeshare plan as a whole, as determined by the commission, no  
44 closing shall occur until the amendment relating to the material and  
45 adverse change has been approved by the commission. After the  
46 amendment relating to the material and adverse change has been  
47 approved and the amended public offering statement has been  
48 issued, the amended public offering statement shall be provided to

1 the purchaser, and an additional seven-day rescission period shall  
2 commence. The developer shall be required to maintain evidence  
3 of the receipt by each purchaser of the amended public offering  
4 statement. If the commission refuses to approve the amendment  
5 relating to the material and adverse change, all sales made using the  
6 notice shall be subject to rescission and all funds returned.

7 (3) The developer shall update the public offering statement to  
8 reflect any changes to the timeshare plan that are not material and  
9 adverse, including the addition of any component sites, within a  
10 reasonable time as determined by the commission pursuant to  
11 regulation.

12 c. Upon a determination by the commission that an annual report  
13 is no longer necessary for the protection of the public interest or  
14 that the developer no longer retains any interest and no longer has  
15 any contractual, bond or other obligations in the subdivision, the  
16 commission shall issue an order terminating the responsibilities of  
17 the developer under this act.

18  
19 12. (New section) Upon receipt of a substantially complete  
20 application for registration, in proper form and accompanied by the  
21 appropriate filing fees, the commission shall, within 10 business  
22 days of receipt of the registration, issue a notice of filing. The  
23 notice shall not be construed as an approval of the registration, or  
24 any portion thereof.

25  
26 13. (New section) Every registration required to be filed with  
27 the commission under this act shall be reviewed by the commission  
28 and the commission shall issue an order of registration in  
29 accordance with the following schedule:

30 a. As to comprehensive registrations, registrations shall be  
31 effective upon the issuance of an order of registration by the  
32 commission within 60 days after receipt and issuance of a notice of  
33 filing. The commission shall provide a list of deficiencies in the  
34 application, if any, within 60 days of the issuance of the notice of  
35 filing. If a list of deficiencies is not provided to the applicant  
36 within 60 days of issuance of the notice of filing, the timeshare plan  
37 shall be deemed registered unless the applicant has consented in  
38 writing to a delay.

39 b. As to abbreviated registrations, registration shall be effective  
40 upon the issuance of an order of registration by the commission 30  
41 days after receipt and issuance of a notice of filing. The commission  
42 shall provide a list of deficiencies in the application, if any, within  
43 30 days of the issuance of the notice of filing. If a list of  
44 deficiencies is not provided to the applicant within 30 days of the  
45 issuance of the notice of filing, the timeshare plan shall be deemed  
46 registered unless the applicant has consented in writing to a delay.

47 c. A preliminary registration shall be effective within 20 days of  
48 receipt, unless the commission provides to the applicant a written

1 list of deficiencies in the application, if any, within 20 days of  
2 receipt of a completed application and fee. If a list of deficiencies  
3 is not provided to the applicant within 20 days of receipt of the  
4 application for a preliminary registration, the preliminary  
5 registration shall be deemed approved unless the applicant has  
6 consented in writing to a delay.

7  
8 14. (New section) a. If the commission determines upon  
9 inquiry and examination that any of the requirements of this act  
10 have not been met, the commission shall notify the applicant that  
11 the application for registration shall be corrected as specified in  
12 writing within 30 days from the date the notice is received by the  
13 applicant. These findings shall be the result of the commission's  
14 preliminary inquiry and examination and no hearing shall be  
15 required as the basis for those findings.

16 b. In the event that the requirements of the deficiency notice are  
17 not met within the time frame provided in subsection a. of this  
18 section, and the applicant has not demonstrated a good faith effort  
19 to correct the deficiencies, the commission may enter an order  
20 rejecting the filing. The order shall include the factual and legal  
21 basis for the rejection and shall provide that, unless appealed as  
22 provided for in subsection c. of this section, the terms of the order  
23 shall become final after 45 days of delivery to the applicant.

24 c. Upon the applicant's receipt of an order of rejection, the  
25 applicant shall have the right to file an appeal with the commission  
26 and shall be entitled to a hearing thereon provided that the appeal is  
27 filed within 45 days of the applicant's receipt of the order of  
28 rejection. In the event that an appeal is filed by the applicant, the  
29 order of rejection shall not take effect until such time as a  
30 determination has been rendered on the appeal. While an appeal of  
31 an order of rejection remains pending, a timeshare plan which is the  
32 subject of the notice of filing referenced in the order of rejection  
33 shall not be considered registered.

34  
35 15. (New section) a. The fee for an initial registration shall be  
36 \$1,000 plus \$50 per timeshare interest, which fee shall not exceed  
37 \$7,500, unless otherwise provided by the commission pursuant to  
38 regulation to defray the cost of rendering the services required by  
39 the provisions of this act.

40 b. The commission may also provide, by regulation, for fees to  
41 cover the reasonable expenses of carrying out other responsibilities  
42 established under this act, including, but not limited to, fees for the  
43 processing of amendments, exemption applications and preliminary  
44 registrations.

45  
46 16. (New section) Unless otherwise provided by regulation, a  
47 developer, or any of its agents, shall not sell, offer, or dispose of a  
48 timeshare interest in this State unless all necessary registrations are

1 filed and approved by the commission, or while an order revoking  
2 or suspending a registration is in effect.

3

4 17. (New section) a. Before the first sale of a timeshare  
5 interest, the developer shall create or provide for a managing entity,  
6 which shall be either the developer, a separate manager or  
7 management firm, the board of directors of an owners' association,  
8 or some combination thereof.

9 b. The duties of the managing entity shall include, but not be  
10 limited to:

11 (1) Management and maintenance of all accommodations  
12 constituting the timeshare plan;

13 (2) Collection of all assessments as provided in the timeshare  
14 instrument;

15 (3) Providing to all purchasers each year an itemized annual  
16 budget, which shall include all estimated revenues and expenses;

17 (4) Maintenance of all books and records concerning the  
18 timeshare plan;

19 (5) Scheduling occupancy of accommodations, when purchasers  
20 are not entitled to use specific timeshare periods, so that all  
21 purchasers will be provided the opportunity to possess and use the  
22 accommodations of the timeshare plan which they have purchased;  
23 and

24 (6) Performing any other functions and duties that are necessary  
25 and proper to maintain the accommodations or that are required by  
26 the timeshare instrument.

27 c. In the event a developer, managing entity or association files  
28 a complaint in a foreclosure proceeding involving timeshare  
29 interests, the developer, managing entity or association may join in  
30 the same action multiple defendant obligors and junior interest  
31 holders of separate timeshare interests, provided:

32 (1) The foreclosure proceeding involves a single timeshare plan;

33 (2) The foreclosure proceeding is filed by a single plaintiff;

34 (3) The default and remedy provisions in the written instruments  
35 on which the foreclosure proceeding is based are substantially the  
36 same for each defendant; and

37 (4) The nature of the defaults alleged is the same for each  
38 defendant.

39 d. In any foreclosure proceeding involving multiple defendants  
40 filed under subsection c. of this section, the court shall, if  
41 appropriate, sever for separate trial any count of the complaint in  
42 which a defense or counterclaim is timely raised by a defendant.

43

44 18. (New section) Any purchase contract entered into by a  
45 purchaser of a timeshare interest under this act shall be voidable by  
46 the purchaser, without penalty, within seven calendar days after the  
47 receipt of the public offering statement or the execution of the  
48 purchase contract, whichever date is later. The purchase contract

1 shall provide notice of the seven-day cancellation period, together  
2 with the name and mailing address to which any notice of  
3 cancellation shall be delivered. Notice of cancellation shall be  
4 timely if the notice is deposited with the United States Postal  
5 Service not later than midnight of the seventh day. Upon such  
6 cancellation, the developer shall refund to the purchaser all  
7 payments made by the purchaser, less the amount of any benefits  
8 actually received pursuant to the purchase contract. The refund  
9 shall be made within 30 days after the receipt of the notice of  
10 cancellation, or receipt of funds from the purchaser's cleared check,  
11 whichever occurs later. If a purchaser elects to cancel a purchase  
12 contract pursuant to this section, the purchaser may do so by hand  
13 delivering a written notice of cancellation or by mailing a notice of  
14 cancellation by certified mail, return receipt requested, to the  
15 developer, as applicable, at an address set forth in the purchase  
16 contract.

17  
18 19. (New section) Excluding any encumbrance placed against  
19 the purchaser's timeshare interest securing the purchaser's payment  
20 of purchase money financing for the purchase, the developer shall  
21 not be entitled to the release of any funds escrowed with respect to  
22 each timeshare interest and any other property or rights to property  
23 appurtenant to the timeshare interest, including any amenities  
24 represented to the purchaser as being part of the timeshare plan,  
25 until the developer has provided satisfactory evidence to the  
26 commission of one of the following:

27 a. The timeshare interest together with any other property or  
28 rights to property appurtenant to the timeshare interest, including  
29 any amenities represented to the purchaser as being part of the  
30 timeshare plan, are free and clear of any of the claims of the  
31 developer, any owner of the underlying fee, a mortgagee, judgment  
32 creditor, or other lienor or any other person having an interest in or  
33 lien or encumbrance against the timeshare interest or appurtenant  
34 property or property rights;

35 b. The developer, any owner of the underlying fee, a mortgagee,  
36 judgment creditor, or other lienor, or any other person having an  
37 interest in or lien or encumbrance against the timeshare interest or  
38 appurtenant property or property rights, including any amenities  
39 represented to the purchaser as being part of the timeshare plan, has  
40 recorded a subordination and notice to creditors document in the  
41 jurisdiction in which the timeshare interest is located. The  
42 subordination document shall expressly and effectively provide that  
43 the interest holder's right, lien or encumbrance shall not adversely  
44 affect, and shall be subordinate to, the rights of the owners of the  
45 timeshare interests in the timeshare plan regardless of the date of  
46 purchase, from and after the effective date of the subordination  
47 document;

48 c. The developer, any owner of the underlying fee, a mortgagee,

1 judgment creditor, or other lienor, or any other person having an  
2 interest in or lien or encumbrance against the timeshare interest or  
3 appurtenant property or property rights, including any amenities  
4 represented to the purchaser as being part of the timeshare plan, has  
5 transferred the subject accommodations or amenities or all use  
6 rights therein to a nonprofit organization or owners' association to  
7 be held for the use and benefit of the purchasers of the timeshare  
8 plan, which entity shall act as a fiduciary to the purchasers,  
9 provided that the developer has transferred control of that entity to  
10 the purchasers or does not exercise its voting rights in that entity  
11 with respect to the subject accommodations or amenities. Prior to  
12 the transfer, any lien or other encumbrance against the  
13 accommodation or facility shall be made subject to a subordination  
14 and notice to creditors instrument pursuant to subsection b. of this  
15 section; or

16 d. Alternative arrangements have been made which are adequate  
17 to protect the rights of the purchasers of the timeshare interests and  
18 are approved by the commission.  
19

20 20. (New section) a. A sales agent in New Jersey shall comply  
21 with the provisions of R.S.45:15-1 et seq., and the regulations  
22 adopted pursuant thereto, including licensure requirements, unless  
23 otherwise exempt by law.

24 b. A timeshare interest owner, who, for non-monetary  
25 compensation, as provided for in this act and by regulation, refers in  
26 a calendar year no more than 12 prospective purchasers of  
27 timeshare interests in the timeshare plan shall not be required to be  
28 licensed pursuant to R.S.45:15-1 et seq., provided the referring  
29 timeshare interest owner does not show, discuss terms or conditions  
30 of purchase or otherwise participate in negotiations with regard to  
31 the timeshare purchase. Examples of non-monetary compensation  
32 shall include, but shall not be limited to, the following:

- 33 (1) Waiver of association maintenance fees;  
34 (2) Free meals at a restaurant or rounds of golf at a golf course;  
35 (3) Points or other non-monetary currency associated with hotel,  
36 timeshare or other loyalty programs; or  
37 (4) Other benefits specifically associated with the timeshare  
38 plan.

39 c. A person licensed under R.S.45:15-1 et seq., who also is a  
40 bona fide owner of a timeshare property, shall be entitled to receive  
41 non-monetary compensation as defined in subsection b. of this  
42 section on the same basis as any other owner of a timeshare  
43 property. The non-monetary compensation or referral pursuant to  
44 subsection b. of this section shall not fall within the scope of  
45 R.S.45:15-1 et seq. or the rules and regulations implementing  
46 R.S.45:15-1 et seq.  
47

48 21. (New section) a. A developer or other person offering a



1 timeshare plan shall not:

2 (1) Misrepresent a fact material to a purchaser's decision to buy  
3 a timeshare interest;

4 (2) Predict any increase in the value of a timeshare interest  
5 represented over a period of time, excluding bona fide pending  
6 price increases by the developer;

7 (3) Materially misrepresent the qualities or characteristics of  
8 accommodations or the amenities available to the occupant of those  
9 accommodations;

10 (4) Misrepresent the length of time accommodations or  
11 amenities will be available to the purchaser of a timeshare interest;  
12 or

13 (5) Misrepresent the conditions under which a purchaser of a  
14 timeshare interest may exchange the right of the purchaser's  
15 occupancy for the right to occupy other accommodations.

16 b. A developer or other person using a promotion in connection  
17 with the offering of a timeshare interest shall clearly disclose all of  
18 the following:

19 (1) That the purpose of the promotion is to sell timeshare  
20 interests, which shall appear in bold face or other conspicuous type  
21 on all promotional materials;

22 (2) That any person whose name or address is obtained during  
23 the promotion may be solicited to purchase a timeshare interest;

24 (3) The name of each developer or other person trying to sell a  
25 timeshare interest through the promotion, and the name of each  
26 person paying for the promotion if different from the developer;

27 (4) The complete details of participation in the promotion;

28 (5) The method of awarding premiums or other benefits under  
29 the promotion;

30 (6) A complete and fully detailed description, including  
31 approximate retail value of each premium or benefit under the  
32 promotion if the retail value of the premium or benefit is over \$50;

33 (7) The quantity of each premium to be awarded or conferred;

34 (8) The date by which each premium or benefit will be awarded  
35 or conferred; and

36 (9) Any other disclosures required by the commission pursuant  
37 to regulation.

38 c. The required disclosures for an advertisement that contains a  
39 promotion in connection with the offering of a timeshare interest  
40 shall be provided or otherwise made available to prospective  
41 purchasers in writing or electronically at least once prior to any  
42 scheduled sales presentation and received by the prospective  
43 purchasers prior to their leaving to attend the sales presentation.  
44 The required disclosures need not be included in every written, oral  
45 or electronic communication to the prospective purchaser prior to  
46 the sales presentation.

47 d. If a person represents that a premium or benefit will be  
48 awarded in connection with a promotion, the premium or benefit

1 shall be awarded or conferred in the manner represented, and on or  
2 before the date represented for awarding or conferring the premium  
3 or benefit.

4  
5 22. (New section) The managing entity shall keep detailed  
6 financial records directly related to the operation of the time share  
7 plan. All financial and other records shall be made reasonably  
8 available for examination by any purchaser, or the authorized agent  
9 of the purchaser, and the commission. The managing entity may  
10 charge the purchaser a reasonable fee for copying any requested  
11 information.

12  
13 23. (New section) Every developer shall maintain, for a period  
14 of two years, records of any real estate brokers, broker-salespersons  
15 or salespersons licensed in the State and employed by the  
16 developer, as well as all other managerial employees located in the  
17 State and employed by the developer, including the last known  
18 address of each of those individuals.

19  
20 24. (New section) No action for partition of a timeshare interest  
21 may be initiated except as permitted by the timeshare instrument.

22  
23 25. (New section) The commission may refuse to issue or renew  
24 any registration, or revoke or suspend any registration or place on  
25 probation or administrative supervision, or reprimand any  
26 registrant, or impose an administrative penalty not to exceed  
27 \$50,000, in a summary proceeding pursuant to the "Penalty  
28 Enforcement Law of 1999," P.L.1999, c.274 (C.2A:58-10 et seq.),  
29 after notice and an opportunity to be heard, for any of the following  
30 causes:

31 a. A registrant's violation of any provision of this act or of the  
32 regulations adopted by the commission to enforce this act.

33 b. A conviction of the registrant or any principal of the  
34 registrant of:

35 (1) A felony that is punishable by death or imprisonment for a  
36 term exceeding one year under the laws of any state or federal  
37 jurisdiction;

38 (2) A misdemeanor under the laws of any state or federal  
39 jurisdiction if an essential element of the offense is dishonesty; or

40 (3) Any crime under the laws of any state or federal jurisdiction  
41 if the crime relates directly to the practice of the profession  
42 regulated by this act.

43 c. A registrant's making any misrepresentation for the purpose  
44 of obtaining an order of registration or exemption.

45 d. A registrant's discipline in another state or federal  
46 jurisdiction, State agency, or foreign country regarding the practice  
47 of the profession regulated by this act, if at least one of the grounds  
48 for the discipline is the same as or substantially equivalent to one of

1 those set forth in this act.

2 e. A finding by the commission that the registrant, after having  
3 his registration placed on probationary status, has violated the terms  
4 of probation.

5 f. A registrant's practicing or attempting to practice under a  
6 name other than the name as shown on his registration or any other  
7 legally authorized name.

8 g. A registrant's failure to file a return, or to pay the tax, penalty,  
9 or interest shown in a filed return, or to pay any final assessment of  
10 tax, penalty, or interest, as required by any tax law administered by  
11 the State Department of Treasury or any local government entity,  
12 until the requirements of any tax are satisfied.

13 h. A registrant's engaging in any conduct likely to deceive,  
14 defraud or harm the public.

15 i. A registrant's aiding or abetting another person in violating  
16 any provision of this act or of the regulations adopted by the  
17 commission to enforce this act.

18 j. Any representation in any document or information filed with  
19 the commission that is materially false or misleading.

20 k. A registrant's disseminating or causing to be disseminated any  
21 materially false or misleading promotional materials or  
22 advertisements in connection with a timeshare plan.

23 l. A registrant's concealing, diverting, or disposing of any funds  
24 or assets of any person in a manner that impairs the rights of  
25 purchasers of timeshare interests in the timeshare plan.

26 m. A registrant's failure to perform any stipulation or agreement  
27 made to induce the commission to issue an order relating to the  
28 timeshare plan.

29 n. A registrant's, or its agents or brokers engaging in any act that  
30 constitutes a violation of the "Law Against Discrimination,"  
31 P.L.1945, c.169 (C.10:5-1 et seq.).

32 o. A registrant's, or its agent's or broker's failure to provide  
33 information requested in writing by the commission, either as the  
34 result of a complaint to the commission or as a result of a random  
35 audit conducted by the commission, which would indicate a  
36 violation of this act.

37 p. A registrant's, or its agent's or broker's, failure to account for  
38 or remit any escrow funds coming into his possession which  
39 belonged to others.

40 q. A registrant's, or its agent's or broker's, failure to make  
41 available to commission personnel during normal business hours all  
42 escrow records and related documents maintained in connection  
43 therewith, within a reasonable period of time after a request from  
44 the commission personnel, but in no event later than five business  
45 days from the request.

46

47 26. (New section) The commission may:

48 a. Accept registrations filed in this State, in other states, or with

- 1 the federal government;
- 2 b. Contract with similar agencies in this State or other
- 3 jurisdictions to perform investigative functions;
- 4 c. Accept grants-in-aid from any governmental or other source;
- 5 d. Cooperate with similar agencies or commissions in this State
- 6 or other jurisdictions to establish uniform filing procedures and
- 7 forms, uniform public offering statements, advertising standards,
- 8 rules and common administrative practices;
- 9 e. Grant exemptions pursuant to the rules and regulations
- 10 adopted pursuant to this act;
- 11 f. Make any necessary public or private investigations within or
- 12 outside of this State to determine whether any person has violated
- 13 or is about to violate any provision of this act, or to aid in the
- 14 enforcement of this act or in the prescribing of rules and regulations
- 15 and forms hereunder;
- 16 g. Require or permit any person to file a statement in writing,
- 17 under oath or otherwise, as the commission determines, as to all the
- 18 facts and circumstances concerning any matter to be investigated;
- 19 h. For the purpose of any investigation or proceeding under this
- 20 act, the commission or any officer designated by regulation, may
- 21 administer oaths, or affirmations, and upon its own motion or upon
- 22 request of any party may subpoena witnesses and compel their
- 23 attendance, take evidence, and require the production of any matter
- 24 which is relevant to the investigation, including the existence,
- 25 description, nature, custody, condition and location of any books,
- 26 documents, or other tangible things and the identity and location of
- 27 persons having knowledge of relevant facts or any other matter
- 28 reasonably calculated to lead to the discovery of material evidence;
- 29 and
- 30 i. Upon failure to obey a subpoena or to answer questions
- 31 propounded by the investigating officer and upon reasonable notice
- 32 to all persons affected thereby, the commission may apply to the
- 33 Superior Court for an order compelling compliance with the
- 34 subpoena.
- 35
- 36 27. (New section) a. If the commission determines after notice
- 37 and hearing that a person has:
- 38 (1) Violated any provision of this act;
- 39 (2) Directly or through an agent or employee engaged in any
- 40 false, deceptive, or misleading advertising, promotional or sales
- 41 methods in the State to offer or dispose of an interest in the
- 42 timeshare plan;
- 43 (3) Made any material change in the plan of disposition and
- 44 development of the timeshare plan subsequent to the order of
- 45 registration without first complying with the provisions of section
- 46 11 of this act;
- 47 (4) Disposed of any timeshare plan which have not been
- 48 registered with the commission; or

1 (5) Violated any lawful order or rule or regulation of the  
2 commission;

3 The commission may issue an order requiring the person to cease  
4 and desist from the unlawful practice and to take such affirmative  
5 action as in the judgment of the commission will carry out the  
6 purposes of this act.

7 b. If the commission makes a finding of fact in writing that the  
8 public interest will be irreparably harmed by delay in issuing an  
9 order, the commission may issue a temporary cease and desist  
10 order. Every temporary cease and desist order shall include in its  
11 terms a provision that upon request a hearing will be held within 15  
12 days of the receipt of the request.

13

14 28. (New section) a. If it appears that a person has engaged, or  
15 is about to engage, in an act or practice constituting a violation of a  
16 provision of this act, the commission, with or without prior  
17 administrative proceedings, may bring an action in the Superior  
18 Court to enjoin the acts or practices and to enforce compliance with  
19 this act or any rule, regulation or order hereunder. Upon proper  
20 showing, injunctive relief or a temporary restraining order shall be  
21 granted, and a receiver may be appointed. The commission shall  
22 not be required to post a bond in any court proceeding.

23 b. The commission may intervene in any suit relating to this act.  
24 Each developer registered pursuant to this act shall provide the  
25 commission with notice of any lawsuit that is filed against the  
26 developer or the registered timeshare plan that relates to rights,  
27 duties, or responsibilities of the developer or timeshare plan as set  
28 forth in this act.

29

30 29. (New section) a. For purposes of this act, an application for  
31 registration submitted to the commission shall be deemed a  
32 submission, by the applicant, to the jurisdiction of the courts of the  
33 State of New Jersey.

34 b. In addition to the methods of service provided for in the Rules  
35 of Court, service may be made by delivering a copy of the process  
36 to a person designated by the commission to receive the process at  
37 its office, but that service shall not be effective unless the plaintiff,  
38 which may be the commission, in a proceeding instituted by it:

39 (1) Sends a copy of the process and the pleading by certified  
40 mail to the defendant or respondent at his last known address; and

41 (2) The plaintiff's affidavit of compliance with this section is  
42 filed in the case on or before the return day of the process, if any, or  
43 within the time as the court allows.

44 c. If any person, including any nonresident of this State, engages  
45 in conduct prohibited by this act and has not filed a consent to  
46 service of process, and personal jurisdiction over him cannot  
47 otherwise be obtained in this State, that conduct authorizes the  
48 commission to receive service of process, in any non criminal

1 proceedings against him or his successor which arises from that  
2 conduct and which is brought under this act with the same force as  
3 if served on him personally. Notice shall be given as provided in  
4 subsection b. of this section.

5  
6 30. (New section) a. Any broker, broker-salesperson or  
7 salesperson who violates the provisions of this act shall, in addition  
8 to the penalties set forth herein, be subject to the penalties as set  
9 forth in R.S.45:15-17.

10 b. Any person who violates any provision of this act or any  
11 person who, in an application for registration filed with the  
12 commission, makes any untrue statement of a material fact or omits  
13 to state a material fact shall be fined not less than \$250, nor more  
14 than \$50,000, per violation.

15 c. The commission may levy and collect the penalties set forth  
16 in subsection b. of this section after affording the person alleged to  
17 be in violation of this act an opportunity for a hearing in accordance  
18 with the "Administrative Procedure Act," P.L.1968, c.410  
19 (C.52:14B-1 et seq.) on the alleged violations and a finding by the  
20 commission that the person is guilty of the violation. When a  
21 penalty levied by the commission has not been satisfied within 30  
22 days of the levy, the penalty may be sued for and recovered by, and  
23 in the name of, the commission in a summary proceeding pursuant  
24 to the "Penalty Enforcement Law of 1999," P.L.1999, c.274  
25 (C.2A:58-10 et seq.).

26 d. The commission may, in the interest of justice, compromise  
27 any civil penalty, if in its determination the gravity of the offense  
28 does not warrant the assessment of the full fine.

29  
30 31. (New section) a. Any person who suffers any ascertainable  
31 loss of moneys as a result of the failure of another to comply fully  
32 with the provisions of this act may bring an action or assert a  
33 counterclaim in any court of competent jurisdiction. In any action  
34 filed under this section in which a defendant is found to have  
35 knowingly engaged in any false, deceptive, misleading promotional  
36 or sales methods or discriminatory advertising on the basis of race,  
37 sex, creed, color, marital status, national origin or religion,  
38 concealed or fraudulently diverted any funds or assets so as to  
39 defeat the rights of timeshare plan purchasers, made an intentional  
40 misrepresentation or concealed a material fact in an application for  
41 registration, or disposed of any timeshare plan required to be  
42 registered under this act, which are not so registered, the court shall,  
43 in addition to any other appropriate legal or equitable remedy,  
44 award double damages suffered, and court costs, including  
45 reasonable attorney's fees. In the case of an untruth, omission, or  
46 misleading statement the developer sustains the burden of proving  
47 that the purchaser knew of the untruth, omission or misleading  
48 statement, or that he did not rely on such information, or that the

1 developer did not know, and in the exercise of reasonable care  
2 could not have known of the untruth, omission, or misleading  
3 statement.

4 b. The court, in addition to the remedies provided in this act,  
5 may award any other relief appropriate under the circumstances  
6 including, in the court's discretion, restitution of all monies paid  
7 and, where a developer has failed to provide to a purchaser a copy  
8 of the current public offering statement approved by the  
9 commission prior to execution of the contract or agreement,  
10 rescission of the contract. If the purchaser fails to establish a cause  
11 of action, and the court further determines that the action was  
12 wholly without merit, the court shall award attorney's fees to the  
13 developer.

14 c. Any stipulation or provision purporting to bind a purchaser  
15 acquiring an interest in a timeshare plan subject to the provisions of  
16 this act to a waiver of compliance with the provisions of this act  
17 shall be void.

18

19 32. (New section) a. An action shall not be maintained by any  
20 developer in any court in this State with respect to any agreement,  
21 contract, or services for which registration is required by this act, or  
22 to recover the agreed price or any consideration under any  
23 agreement, or to recover for services for which a registration is  
24 required by this act, without proving that the developer had a valid  
25 order of registration at the time of making the agreement or  
26 performing the work.

27 b. A person licensed in this State as a real estate broker pursuant  
28 to R.S.45:15-1 et seq. shall not represent any unregistered timeshare  
29 plan and shall not accept or collect any commission or other form of  
30 consideration from any developer unless the timeshare plan is  
31 registered pursuant to the requirements of this act.

32

33 33. (New section) The commission shall adopt rules for the  
34 implementation and enforcement of this act in accordance with the  
35 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et  
36 seq.).

37

38 34. (New section) The commission may prescribe forms and  
39 procedures for submitting information to the commission.

40

41 35. (New section) The commission shall thoroughly investigate  
42 all matters relating to an application for registration under this act  
43 and may require a personal inspection of any timeshare plan,  
44 accommodation, and any offices where any of the foregoing may  
45 transact business. All reasonable expenses incurred by the  
46 commission in investigating such matters shall be paid by the  
47 registrant. The commission may require a deposit sufficient to  
48 cover the expenses prior to incurring the expenses.

1       36. (New section) All timeshare plans that were registered and  
2 approved pursuant to the provisions of the "Real Estate Sales Full  
3 Disclosure Act," P.L.1989, c.239 (C.45:15-16.27 et seq.) and "The  
4 Planned Real Estate Development Full Disclosure Act," P.L.1977,  
5 c.419 (C.45:22A-21 et seq.) in effect on the effective date of this act  
6 shall remain in full force and effect after the effective date of this  
7 act and shall be considered registered under this act and shall not be  
8 required to file any further documentation under this act, except as  
9 to comply with the requirements of section 11.

10       Developers who have filed timeshare plans that were exempt  
11 from the requirements of the "Real Estate Sales Full Disclosure  
12 Act," P.L.1989, c.239 (C.45:15-16.27 et seq.) and "The Planned  
13 Real Estate Development Full Disclosure Act," P.L.1977, c.419  
14 (C.45:22A-21 et seq.) shall be required to file a registration  
15 application with the commission within 90 days from the effective  
16 date of this act unless they are otherwise exempt under this act.  
17 These developers and timeshare plans shall be allowed to continue  
18 operating as long as a registration application is filed with the  
19 commission within the timeframe stated above and as long as they,  
20 in good faith, continue to work with the commission to correct any  
21 and all deficiencies in the registration application.

22       Any existing injunction or temporary restraining order validly  
23 obtained under the "Real Estate Sales Full Disclosure Act,"  
24 P.L.1989, c.239 (C.45:15-16.27 et seq.) or "The Planned Real  
25 Estate Development Full Disclosure Act," P.L.1977, c.419  
26 (C.45:22A-21 et seq.) which prohibits unregistered practice of  
27 timeshare developers, timeshare plans, and their agents shall not be  
28 invalidated by the enactment of this act and shall continue to have  
29 full force and effect on and after the effective date of this act. Any  
30 existing disciplinary action or investigation pursuant to a violation  
31 under the "Real Estate Sales Full Disclosure Act" P.L.1989, c.239  
32 (C.45:15-16.27 et seq.) or "The Planned Real Estate Development  
33 Full Disclosure Act," P.L.1977, c.419 (C.45:22A-21 et seq.) shall  
34 not be invalidated by the enactment of this act and shall continue to  
35 have full force and effect on and after the effective date of this act.

36  
37       37. Section 2 of P.L.1989, c.239 (C.45:15-16.28) is amended to  
38 read as follows:

39       2. As used in this act:

40       "Advertising" means the publication, or causing to be published,  
41 of any information offering for sale, or for the purpose of causing or  
42 inducing any other person to purchase or acquire, an interest in the  
43 title to subdivided lands, including the land sales contract to be used  
44 and any photographs or drawings or artist's representation of  
45 physical conditions or facilities on the property existing or to exist  
46 by means of any:

47       (1) Newspaper or periodical;

48       (2) Radio or television broadcast;



1 (3) Written or printed or photographic matter produced by any  
2 duplicating process producing 10 copies or more;

3 (4) Billboards or signs;

4 (5) Display of model homes or units;

5 (6) Material used in connection with the disposition or offer of  
6 subdivided lands by radio, television, telephone or any other  
7 electronic means; or

8 (7) Material used by subdividers or their agents to induce  
9 prospective purchasers to visit the subdivision; particularly vacation  
10 certificates which require the holders of those certificates to attend  
11 or submit to a sales presentation by a subdivider or its agents.

12 "Advertising" does not mean: stockholder communications such  
13 as annual reports and interim financial reports, proxy materials,  
14 registration statements, securities prospectuses, applications for  
15 listing securities on stock exchanges, or similar documents;  
16 prospectuses, property reports, offering statements, or other  
17 documents required to be delivered to a prospective purchaser by an  
18 agency of any other state or the federal government; all  
19 communications addressed to and relating to the account of any  
20 person who has previously executed a contract for the purchase of  
21 the subdivider's lands except when directed to the sale of additional  
22 lands.

23 "Blanket encumbrance" means a trust deed, mortgage, judgment,  
24 or any other lien or encumbrance, including an option or contract to  
25 sell or a trust agreement, affecting a subdivision or affecting more  
26 than one lot offered within a subdivision, except that term shall not  
27 include any lien or other encumbrance arising as the result of the  
28 imposition of any tax assessment by any public authority.

29 "Broker" or "salesperson" means any person who performs  
30 within this State as an agent or employee of a subdivider any one or  
31 more of the services or acts as set forth in this act, and includes any  
32 real estate broker or salesperson licensed pursuant to R.S.45:15 1 et  
33 seq. or any person who purports to act in any such capacity.

34 "Commission" means the New Jersey Real Estate Commission.

35 "Common promotional plan" means any offer for the disposition  
36 of lots, parcels, units or interests of real property by a single person  
37 or group of persons acting in concert, where those lots, parcels,  
38 units or interests are contiguous, or are known, designated or  
39 advertised as a common entity or by a common name regardless of  
40 the number of lots, parcels, units or interests covered by each  
41 individual offering.

42 "Disposition" means the sale, lease, assignment, award by  
43 lottery, or any other transaction concerning a subdivision if  
44 undertaken for gain or profit.

45 "Notice" means a communication by mail from the commission  
46 executed by its secretary or other duly authorized officer. Notice to  
47 subdividers shall be deemed complete when mailed to the  
48 subdivider's address currently on file with the commission.

1 "Offer" means every inducement, solicitation or attempt to  
2 encourage a person to acquire an interest in a subdivision if  
3 undertaken for gain or profit.

4 "Person" means an individual, corporation, government or  
5 governmental subdivision or agency, business trust, estate, trust,  
6 partnership, unincorporated association, two or more of any of the  
7 foregoing having a joint or common interest, or any other legal or  
8 commercial entity.

9 "Purchaser" means a person who acquires or attempts to acquire  
10 or succeeds to an interest in a subdivision.

11 **["Time-share estates" includes both "fee simple" and "right to**  
12 **use" time-share interests and means:**

13 (1) An "interval estate" meaning a combination of an estate for  
14 years in a lot, parcel or unit, during the term of which title rotates  
15 among the time-share owners, coupled with a vested undivided fee  
16 simple interest in the remainder in that unit as established by the  
17 declaration or deed creating the interval estate; or

18 (2) A "time-span estate" meaning a combination of an undivided  
19 interest in a present estate in fee simple in a lot, parcel or unit  
20 established by the declaration or deed creating the time-span estate,  
21 coupled with the exclusive right to possession and occupancy of the  
22 parcel or unit during a regularly recurring period; or

23 (3) A "vacation license" meaning the exclusive right to  
24 possession and occupancy of a lot, unit or parcel during a regularly  
25 recurring period established by club membership, lease or license. **]**

26 "Subdivider" or "developer" means any owner of subdivided  
27 lands or the agent of that owner who offers the subdivided lands for  
28 disposition.

29 "Subdivision" and "subdivided lands" mean any land situated  
30 outside the State of New Jersey whether contiguous or not, if one or  
31 more lots, parcels, units or interests are offered as a part of a  
32 common promotional plan of advertising and sale and expressly  
33 means and includes such units or interests commonly referred to as  
34 a "condominium," defined in the "Condominium Act," P.L.1969,  
35 c.257 (C.46:8B-1 et seq.). In addition to condominiums, this  
36 definition shall also specifically include, but shall not be limited to,  
37 any form of homeowners association, any housing cooperative **[,]**  
38 and any community trust **[,]** or other trust device **[and any form of**  
39 **time-sharing]**.

40 (cf: P.L.1989, c.239, s.2)

41

42 38. Section 6 of P.L.1989, c.239 (C.45:15-16.32) is amended to  
43 read as follows:

44 6. a. Unless the method of disposition is adopted for the purpose  
45 of evasion of this act, the provisions of this act are not applicable to  
46 offers or dispositions of an interest in a subdivision:

47 (1) By an owner for his own account in a single or isolated  
48 transaction;

- 1 (2) Wholly for industrial or commercial purposes;  
2 (3) Pursuant to court order;  
3 (4) By any governmental agency;  
4 (5) As cemetery lots or interests;  
5 (6) Of less than 100 lots, parcels, units or interests; but, this  
6 exemption shall not apply to condominiums, cooperatives, [time  
7 shares,] retirement communities and offers or dispositions by  
8 entities comprised of or acting on behalf of the owners of other  
9 units in the subdivision, including, but not limited to entities  
10 designated as homeowners associations, regardless of the number of  
11 lots, parcels, units or interests offered or disposed of;  
12 (7) Where the common elements or interests, which would  
13 otherwise subject the offering to this act, are limited to the  
14 provision of unimproved, unencumbered open space, except where  
15 registration is required by the "Interstate Land Sales Full Disclosure  
16 Act," Pub.L.90-448 (15 U.S.C. s.1701 et seq.) with the Office of  
17 Interstate Land Sales Registration, in the Department of Housing  
18 and Urban Development; or  
19 (8) In a development comprised wholly of rental units, where  
20 the relationship created is one of landlord and tenant [; but this  
21 exemption shall not apply to time shares, regardless of the manner  
22 in which an interest in such a time share subdivision is evidenced].  
23 b. Unless the method of disposition is adopted for the purpose of  
24 evasion of this act, the provisions of this act are not applicable to:  
25 (1) Offers or dispositions of evidences of indebtedness secured  
26 by a mortgage or deed of trust of real estate;  
27 (2) Offers or dispositions of securities or units of interest issued  
28 by a real estate investment trust regulated under any State or federal  
29 statute;  
30 (3) Offers or dispositions of securities currently registered with  
31 the Bureau of Securities in the Department of Law and Public  
32 Safety; or  
33 (4) Offers or dispositions of any interest in oil, gas or other  
34 minerals or any royalty interest therein if the offers or dispositions  
35 of such interests are regulated as securities by federal law or by the  
36 State Bureau of Securities.  
37 c. The commission may, from time to time, pursuant to any rules  
38 and regulations promulgated pursuant to this act, exempt from any  
39 of the provisions of this act any subdivision or any lots in a  
40 subdivision, if it finds that the enforcement of this act with respect  
41 to that subdivision or the lots therein, is not necessary in the public  
42 interest, or required for the protection of purchasers, by reason of  
43 the small amount involved or the limited character of the offering.  
44 (cf: P.L.1989, c.239, s.6)  
45  
46 39. Section 3 of P.L.1977, c.419 (C.45:22A-23) is amended to  
47 read as follows:  
48 3. As used in this act unless the context clearly indicates

1 otherwise:

2 a. "Disposition" means any sales, contract, lease, assignment, or  
3 other transaction concerning a planned real estate development.

4 b. "Developer" or "subdivider" means any person who disposes  
5 or offers to dispose of any lot, parcel, unit, or interest in a planned  
6 real estate development.

7 c. "Offer" means any inducement, solicitation, advertisement, or  
8 attempt to encourage a person to acquire a unit, parcel, lot, or  
9 interest in a planned real estate development.

10 d. "Purchaser" or "owner" means any person or persons who  
11 acquires a legal or equitable interest in a unit, lot, or parcel in a  
12 planned real estate development, and shall be deemed to include a  
13 prospective purchaser or owner.

14 e. "State" means the State of New Jersey.

15 f. "Commissioner" means the Commissioner of Community  
16 Affairs.

17 g. "Person" shall be defined as in R.S.1:1-2.

18 h. "Planned real estate development" or "development" means  
19 any real property situated within the State, whether contiguous or  
20 not, which consists of or will consist of, separately owned areas,  
21 irrespective of form, be it lots, parcels, units, or interest, and which  
22 are offered or disposed of pursuant to a common promotional plan,  
23 and providing for common or shared elements or interests in real  
24 property. This definition shall not apply to any form of  
25 timesharing.

26 This definition shall specifically include, but shall not be limited  
27 to, property subject to the "Condominium Act," P.L.1969, c.257  
28 (C.46:8B-1 et seq.), any form of homeowners' association, any  
29 housing cooperative or to any community trust or other trust device.

30 This definition shall be construed liberally to effectuate the  
31 purposes of this act.

32 i. "Common promotional plan" means any offer for the  
33 disposition of lots, parcels, units or interests of real property by a  
34 single person or group of persons acting in concert, where such lots,  
35 parcels, units or interests are contiguous, or are known, designated  
36 or advertised as a common entity or by a common name.

37 j. "Advertising" means and includes the publication or causing  
38 to be published of any information offering for disposition or for  
39 the purpose of causing or inducing any other person to purchase an  
40 interest in a planned real estate development, including the land  
41 sales contract to be used and any photographs or drawings or artist's  
42 representations of physical conditions or facilities on the property  
43 existing or to exist by means of any:

- 44 (1) Newspaper or periodical;  
45 (2) Radio or television broadcast;  
46 (3) Written or printed or photographic matter;  
47 (4) Billboards or signs;  
48 (5) Display of model houses or units;

1 (6) Material used in connection with the disposition or offer of  
 2 the development by radio, television, telephone or any other  
 3 electronic means; or

4 (7) Material used by developers or their agents to induce  
 5 prospective purchasers to visit the development, particularly  
 6 vacation certificates which require the holders of such certificates to  
 7 attend or submit to a sales presentation by a developer or his agents.

8 "Advertising" does not mean and shall not be deemed to include:  
 9 Stockholder communications such as annual reports and interim  
 10 financial reports, proxy materials, registration statements, securities  
 11 prospectuses, applications for listing securities on stock exchanges,  
 12 and the like; all communications addressed to and relating to the  
 13 account of any person who has previously executed a contract for  
 14 the purchase of the subdivider's lands except when directed to the  
 15 sale of additional lands.

16 k. "Non-binding reservation agreement" means an agreement  
 17 between the developer and a purchaser and which may be canceled  
 18 without penalty by either party upon written notice at any time prior  
 19 to the formation of a contract for the disposition of any lot, parcel,  
 20 unit or interest in a planned real estate development.

21 l. "Blanket encumbrance" means a trust deed, mortgage,  
 22 judgment, or any other lien or encumbrance, including an option or  
 23 contract to sell or a trust agreement, affecting a development or  
 24 affecting more than one lot, unit, parcel, or interest therein, but does  
 25 not include any lien or other encumbrance arising as the result of  
 26 the imposition of any tax assessment by any public authority.

27 m. "Conversion" means any change with respect to a real estate  
 28 development or subdivision, apartment complex or other entity  
 29 concerned with the ownership, use or management of real property  
 30 which would make such entity a planned real estate development.

31 n. **["Association"** means an association for the management of  
 32 common elements and facilities, organized pursuant to section 1 of  
 33 P.L.1993, c.30 (C.45:22A 43.)<sup>2</sup>**[(Deleted by amendment P.L. ,**  
 34 **c. ), (pending before the Legislature as this bill.)]** "Association"  
 35 means an association for the management of common elements and  
 36 facilities, organized pursuant to section 1 of P.L.1993, c.30  
 37 (C.45:22A-43).<sup>2</sup>

38 o. **["Executive board"** means the executive board of an  
 39 association, as provided for in section 3 of P.L.1993, c.30  
 40 (C.45:22A 45).]<sup>2</sup>**[(Deleted by amendment P.L. c. ), (pending**  
 41 **before the Legislature as this bill.)]** "Executive board" means the  
 42 executive board of an association, as provided for in section 3 of  
 43 P.L.1993, c.30 (C.45:22A- 45).<sup>2</sup>

44 p. **["Unit"** means any lot, parcel, unit or interest in a planned real  
 45 estate development that is, or is intended to be, a separately owned  
 46 area thereof.]<sup>2</sup>**[(Deleted by amendment P.L. c. ), (pending**  
 47 **before the Legislature as this bill.)]** "Unit" means any lot, parcel,

1 unit or interest in a planned real estate development that is, or is  
2 intended to be, a separately owned area thereof.<sup>2</sup>

3 (cf: P.L.1993, c.30, s.7)

4  
5 40. Section 5 of P.L.1977, c.419 (C.45:22A-25) is amended to  
6 read as follows:

7 5. a. Unless the method of disposition is adopted for purposes  
8 of evasion, the provision of this act shall not apply to offers or  
9 dispositions:

10 (1) By an owner for his own account in a single or isolated  
11 transaction;

12 (2) Wholly for industrial, commercial, or other nonresidential  
13 purposes;

14 (3) Pursuant to court order;

15 (4) By the United States, by this State or any of its agencies or  
16 political subdivisions;

17 (5) Of real property located without the State;

18 (6) Of cemetery lots or interests;

19 (7) Of less than 100 lots, parcels, units or interests; provided,  
20 however, that with respect to condominiums and cooperatives, this  
21 exemption shall not apply, irrespective of the number of lots,  
22 parcels, units, or interests offered or disposed of;

23 (8) Of developments where the common elements or interests,  
24 which would otherwise subject the offering to this act, are limited to  
25 the provision of unimproved, unencumbered open space;

26 (9) In a development composed wholly of rental units, where the  
27 relationship created is one of landlord and tenant ;

28 (10) Of any form of timesharing.

29 b. The agency may from time to time, pursuant to its rules and  
30 regulations, exempt from any of the provisions of this act any  
31 development, or any lots, units, parcels, or interests in a  
32 development, if it finds that the enforcement of this act with  
33 respect to such, is not necessary in the public interest or required for  
34 the protection of purchasers by reason of the small amount of the  
35 purchase price involved, the limited character of the offering, or the  
36 limited nature of the common or shared elements.

37 (cf: P.L.1977, c.419, s.5)

38  
39 41. This act shall take effect on the 90th day following  
40 enactment.

41  
42  
43  
44  
45 The "New Jersey Real Estate Timeshare Act."