

SECOND REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 2188
100TH GENERAL ASSEMBLY

4731H.02C

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 407.600, 407.610, 407.620, 407.625, and 407.630, RSMo, and to enact in lieu thereof seven new sections relating to timeshares, with penalty provisions.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 407.600, 407.610, 407.620, 407.625, and 407.630, RSMo, are
2 repealed and seven new sections enacted in lieu thereof, to be known as sections 407.600,
3 407.610, 407.615, 407.620, 407.625, 407.630, and 407.633, to read as follows:

407.600. As used in sections 407.600 to ~~407.630~~ **407.633**, the following terms shall
2 mean:

3 (1) "Accommodations", any apartment, condominium or cooperative unit, cabin, lodge,
4 hotel or motel room, or any other private or commercial structure which is situated on real
5 property and designed for occupancy by one or more individuals, which is made available to the
6 purchasers of a ~~time-share~~ **timeshare** plan;

7 (2) "**Consumer reseller**", a person who acquires an interest in a timeshare for his
8 or her own use and occupancy and who later:

9 (a) **Offers the interest or occupancy rights associated with the interest for resale or**
10 **rental; or**

11 (b) **Contracts with a person for timeshare transfer services;**

12 (3) "Enrolled", paid membership in an exchange program or membership in an exchange
13 program evidenced by written acceptance or confirmation of membership;

14 ~~(3)~~ (4) "Exchange company", the person operating an exchange program;

15 ~~(4)~~ (5) "Exchange program", any opportunity or procedure for the assignment or
16 exchange of ~~time-share~~ **timeshare** periods among purchasers in the same or other ~~time-share~~
17 **timeshare** plans;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18 ~~[(5)]~~ **(6) "Facilities"**, any structure, service, improvement, campground, recreational
19 vehicle park or real property, improved or unimproved, which is made available to the purchasers
20 of a ~~[time-share]~~ **timeshare** plan;

21 ~~[(6)]~~ **(7) "Managing entity"**, **the person who operates or maintains a timeshare**
22 **plan;**

23 **(8) "Person"**, any natural person or his **or her** legal representative, partnership, domestic
24 or foreign corporation, company, trust, business entity or association, and any agent, employee,
25 salesman, partner, officer, director, member, stockholder, associate, trustee or cestui que trust
26 thereof;

27 ~~[(7)]~~ **(9) "Prize" or "gift"**, **any merchandise offered in any timeshare promotional**
28 **device, sweepstakes, drawing, or display booth that is used to induce or encourage the**
29 **attendance of any timeshare sales solicitation or presentation;**

30 **(10) "Promotion"**, any advertisement, whether by mail, radio, television or personal
31 sales, in which a ~~[time-share]~~ **timeshare** property is offered for sale by use of a sweepstakes;

32 ~~[(8)]~~ **(11) "Sweepstakes"**, a method of promoting the sale of ~~[time-share]~~ **timeshare**
33 plans which involves the offering, giving, or awarding of prizes which have odds associated with
34 the actual delivery of the prize or gift;

35 ~~[(9)]~~ **(12) "Timeshare development"**, **a single, specific parcel of real property from**
36 **which only timeshare plans are offered for sale or sold;**

37 **(13) "[Time-share] Timeshare periods"**, all periods of time when a purchaser of a
38 ~~[time-share]~~ **timeshare** plan is entitled to the possession and use of the accommodations or
39 facilities, or both, of a ~~[time-share]~~ **timeshare** plan regardless of whether such periods are
40 designated as one or more specific days, weeks or months;

41 ~~[(10)]~~ ~~"Time-share developments"~~, ~~a single specific parcel of real property from which~~
42 ~~only time-share plans are offered for sale or sold;~~

43 ~~[(11)]~~ **(14) "[Time-share] Timeshare plan"**, any arrangement, plan, scheme or similar
44 device, other than an exchange program, whether by membership, agreement, tenancy in
45 common, sale, lease, deed, rental agreement, license, right-to-use agreement or any other means,
46 whereby a purchaser, in exchange for a consideration, receives one or more ~~[time-share]~~
47 **timeshare** periods, or any type of interval or joint ownership in, or a right-to-use, any
48 accommodation or facility for a period of time which is less than a full continuous and
49 uninterrupted year during any given year, and which extends for a period of more than three
50 years, as to each individual ~~[time-share]~~ **timeshare** development subject to the purchase;

51 ~~[(12)]~~ **(15) "Timeshare transfer service"**, **any good or service relating to an offer**
52 **or agreement to transfer a consumer reseller's interest in a timeshare, assist or promise to**
53 **assist a consumer reseller with the transfer of the consumer reseller's interest in a**

54 **timeshare, or assist or promise to assist a consumer reseller with any relinquishment or**
 55 **other disposition of the consumer reseller's interest in a timeshare, including a**
 56 **reconveyance or other transfer to a timeshare plan developer or managing entity.**

57 **"Timeshare transfer service" shall include services commonly referred to as cancellation**
 58 **of a timeshare loan obligation, timeshare cancellation, timeshare exit, or timeshare relief;**

59 (16) "~~[Time-share]~~ **Timeshare** unit", an accommodation or facility of a ~~[time-share]~~
 60 **timeshare** plan which is divided into ~~[time-share]~~ **timeshare** periods, or is otherwise subject to
 61 interval or joint ownership or use by the purchaser of the ~~[time-share]~~ **timeshare** plans[;

62 ~~——(13) "Prize/gift", any merchandise offered in any time-share promotional device,~~
 63 ~~sweepstakes, drawing or display booth which is used to induce or encourage the attendance of~~
 64 ~~any time-share sales solicitation or presentation].~~

407.610. 1. Any person who intends to use any promotional device or promotional
 2 program, including any sweepstakes, gift award, drawing or display booth, or any other such
 3 award or prize inducement items, to advertise, solicit sales or sell any ~~[time-share]~~ **timeshare**
 4 period, ~~[time-share]~~ **timeshare** plan, or ~~[time-share]~~ **timeshare** property in the state of Missouri
 5 or sell any tourist-related services as defined pursuant to subsection 9 of this section where a
 6 consumer is required to provide any consideration other than monetary for such tourist-related
 7 services, shall notify the Missouri attorney general in writing of this intention not less than
 8 fourteen days prior to release of such materials to the public. Included with such notice shall be
 9 an exact copy of each promotional device and promotional program to be used. Each
 10 promotional device, promotional program, and the notice thereof shall include the following
 11 information:

12 (1) A statement that the promotional device or promotional program is being used for
 13 the purpose of soliciting sales of a ~~[time-share]~~ **timeshare** period, ~~[time-share]~~ **timeshare** plan
 14 or ~~[time-share]~~ **timeshare** property;

15 (2) The date by which all such awards or other prize inducement items will be awarded;

16 (3) The method by which all such items will be awarded;

17 (4) The odds of being awarded such items;

18 (5) The manufacturer's suggested retail price of such items; and

19 (6) The names and addresses of each ~~[time-share]~~ **timeshare** plan or business entity
 20 participating in the promotional device or promotional program.

21 2. In the case of any promotional device or promotional program to advertise, solicit
 22 sales, or sell any ~~[time-share]~~ **timeshare** period, ~~[time-share]~~ **timeshare** plan, or ~~[time-share]~~
 23 **timeshare** property in this state, the information required under subsection 1 of this section for
 24 each promotional device or promotional program, and the notice thereof, shall be provided in
 25 writing or electronically to the prospective purchaser at least once within a reasonable time

26 period before a scheduled sales presentation to ensure that the prospective purchaser receives the
27 information prior to attending such presentation. The required information need not be included
28 in every advertisement or other written, oral or electronic communication provided or made to
29 a prospective purchaser before a scheduled sales presentation.

30 3. Any material change in a promotional device or promotional program previously
31 submitted to the attorney general shall constitute a new promotional device or promotional
32 program and shall be resubmitted to the attorney general with the notice thereof.

33 4. It shall be a violation of section 407.020 for any person to:

34 (1) Fail to comply with the provisions of the notice requirements of this section;

35 (2) Provide to the attorney general in the notice required by this section any information
36 that is false or misleading in a material manner;

37 (3) Represent to any person that the filing of the notice of the promotional device or the
38 promotional program constitute an endorsement or approval of the promotional device or
39 promotional program by the attorney general;

40 (4) Engage in any act or practice declared to be unlawful by section 407.020 in
41 connection with the use of any promotional device or promotional program or any advertisement,
42 or sale of ~~[time-share]~~ **timeshare** plans, ~~[time-share]~~ **timeshare** periods or ~~[time-share]~~
43 **timeshare** property.

44 5. At least one of each prize featured in a promotional program shall be awarded by the
45 day and year specified in the promotion. When a promotion promises the award of a certain
46 number of each prize, such number of prizes shall be awarded by the date and year specified in
47 the promotion. A record shall be maintained containing the names and addresses of winners of
48 the prizes and the record shall be made available, upon request, to the public, upon the payment
49 of reasonable reproduction costs. If a seller for any reason does not provide, at the time of a site
50 visitation or visitation to a ~~[time-share]~~ **timeshare** sales office, the inducement gift which was
51 promised, the seller shall deliver the gift, or an acceptable substitute therefor agreed upon in
52 writing, to the prospective purchaser or purchaser no later than ten days following such
53 visitation, or shall deliver instead of such gift cash in an amount equal to the retail value of the
54 gift.

55 6. If a prospective purchaser or purchaser does not receive the gift or the cash as
56 provided in subsection 5 of this section, he may bring an action under the provisions of section
57 407.025. For purposes of actions brought pursuant to this section, the term "actual damages",
58 as used in section 407.025, shall mean at least five times the cash retail value of the most
59 expensive gift offered, but shall not exceed one thousand dollars, in addition to such other actual
60 damages as may be determined by the evidence.

61 7. The provisions of sections 407.600 to ~~[407.630]~~ **407.633** shall not apply to a person
 62 who has acquired a ~~[time-share]~~ **timeshare** period for his **or her** own occupancy and later offers
 63 it for resale.

64 8. If the sale of a ~~[time-share]~~ **timeshare** plan or of ~~[time-share]~~ **timeshare** property is
 65 subject to the provisions of sections 407.600 to ~~[407.630]~~ **407.633**, such sale shall not be subject
 66 to the provisions of chapter 339.

67 9. For the purposes of this section, the term "tourist-related services" includes, but is not
 68 limited to, selling or entering into contracts or other arrangements under which a purchaser
 69 receives a premium, coupon or contract for car rentals, lodging, transfers, entertainment,
 70 sightseeing or any service reasonably related to air, sea, rail, motor coach or other medium of
 71 transportation directly to the consumer.

**407.615. A person shall, before the sale of a timeshare plan or timeshare property,
 2 make a disclosure to the purchaser. The disclosure shall be clear and conspicuous, be in
 3 writing or delivered electronically, use no smaller than fourteen-point font, be segregated
 4 from all other written or provided materials, and contain only the information required
 5 under this section. If delivered electronically, the disclosure shall use machine-readable
 6 text. The disclosure shall contain:**

7 **(1) A heading of "Notice of Annual Maintenance Fees";**

8 **(2) A statement that the timeshare plan or timeshare property is subject to annual
 9 maintenance fees and that annual maintenance fees may increase in subsequent years; and**

10 **(3) A table that indicates the annual maintenance fees charged for each of the
 11 previous three years and the percentage by which the annual maintenance fee changed
 12 each year. If the timeshare property has not existed for three years, the disclosure shall
 13 state all annual maintenance fees charged in its existence and the percentage by which the
 14 annual maintenance fee changed each year.**

407.620. In addition to any other remedy by which such an agreement may be rescinded
 2 or otherwise voided, a purchaser of a ~~[time-share]~~ **timeshare** plan or ~~[time-share]~~ **timeshare**
 3 property has five days after the day of purchase to cancel the purchase. Printed notice of this
 4 right to cancel shall be given to the purchaser in writing with the use of 18-point boldface type
 5 in the following manner:

6 NOTICE

7 YOU HAVE THE RIGHT TO CANCEL THIS AGREEMENT WITHIN FIVE
 8 DAYS AFTER THE DATE OF THIS AGREEMENT. CANCELLATION
 9 MUST BE IN WRITING AND IF SENT BY MAIL, ADDRESSED TO THE
 10 OTHER CONTRACTING PARTY AS SHOWN ON THIS AGREEMENT,
 11 CANCELLATION WILL BE ACCOMPLISHED AT THE MOMENT THE

12 LETTER IS POSTMARKED. IF SENT BY MAIL, THE LETTER MAY BE
13 CERTIFIED WITH A RETURN RECEIPT REQUESTED. YOUR RIGHT TO
14 CANCEL CANNOT BE WAIVED.

407.625. 1. If a purchaser is offered the opportunity to subscribe to any exchange
2 program, the developer shall, except as provided in subsection 2 of this section, deliver to the
3 purchaser, prior to the execution of any contract between the purchaser and the exchange
4 company and the sales contract, at least the following information regarding such exchange
5 program, and the purchaser shall certify, in writing, to the receipt of such written information:

- 6 (1) The name and address of the exchange company;
- 7 (2) The names of all officers, directors, and shareholders owning five percent or more
8 of the outstanding stock of the exchange company;
- 9 (3) Whether the exchange company or any of its officers or directors has any legal or
10 beneficial interest in any developer or managing agent for any [~~time-share~~] **timeshare** plan
11 participating in the exchange program and, if so, the name and location of the [~~time-share~~]
12 **timeshare** plan and the nature of the interest;
- 13 (4) Unless the exchange company is also the developer or an affiliate, a statement that
14 the purchaser's contract with the exchange company is a contract separate and distinct from the
15 sales contract;
- 16 (5) Whether the purchaser's participation in the exchange program is dependent upon the
17 continued affiliation of the [~~time-share~~] **timeshare** plan with the exchange program;
- 18 (6) Whether the purchaser's membership or participation, or both, in the exchange
19 program is voluntary or mandatory;
- 20 (7) A complete and accurate description of the terms and conditions of the purchaser's
21 contractual relationship with the exchange company and the procedure by which changes thereto
22 may be made;
- 23 (8) A complete and accurate description of the procedure to qualify for and effectuate
24 exchanges;
- 25 (9) A complete and accurate description of all limitations, restrictions, or priorities
26 employed in the operation of the exchange program, including, but not limited to, limitations on
27 exchanges based on seasonality, unit size, or levels of occupancy, expressed in boldfaced type,
28 and, in the event that such limitations, restrictions, or priorities are not uniformly applied by the
29 exchange program, a clear description of the manner in which they are applied;
- 30 (10) Whether exchanges are arranged on a space available basis and whether any
31 guarantees of fulfillment of specific requests for exchanges are made by the exchange program;
- 32 (11) Whether and under what circumstances an owner, in dealing with the exchange
33 company, may lose the use and occupancy of his [~~time-share~~] **or her timeshare** in any properly

34 applied for exchange without his **or her** being provided with substitute accommodations by the
35 exchange company;

36 (12) The fees or range of fees for participation by owners in the exchange program, a
37 statement whether any such fees may be altered by the exchange company, and the circumstances
38 under which alterations may be made;

39 (13) The name and address of the site of each [~~time-share~~] **timeshare** property,
40 accommodation or facility which is participating in the exchange program;

41 (14) The number of units in each property participating in the exchange program which
42 are available for occupancy and which qualify for participation in the exchange program,
43 expressed within the following numerical groupings: 1-5, 6-10, 11-20, 21-50, and 51 and over;

44 (15) The number of owners with respect to each [~~time-share~~] **timeshare** plan or other
45 property which are eligible to participate in the exchange program expressed within the following
46 numerical groupings: 1-100, 101-249, 250-499, 500-999, and 1,000 and over; and a statement
47 of the criteria used to determine those owners who are currently eligible to participate in the
48 exchange program;

49 (16) The disposition made by the exchange company of [~~time-shares~~] **timeshares**
50 deposited with the exchange program by owners eligible to participate in the exchange program
51 and not used by the exchange company in effecting exchanges;

52 (17) The following information, which, except as provided in subsection 2 of this
53 section, shall be independently audited by a certified public accountant or accounting firm in
54 accordance with the standards of the Accounting Standards Board of the American Institute of
55 Certified Public Accountants and reported for each year no later than July first of the succeeding
56 year, beginning no later than July 1, 1986:

57 (a) The number of owners enrolled in the exchange program. Such numbers shall
58 disclose the relationship between the exchange company and owners as being either fee paying
59 or gratuitous in nature;

60 (b) The number of [~~time-share~~] **timeshare** properties, accommodations or facilities
61 eligible to participate in the exchange program categorized by those having a contractual
62 relationship between the developer or the association and the exchange company and those
63 having solely a contractual relationship between the exchange company and owners directly;

64 (c) The percentage of confirmed exchanges, which shall be the number of exchanges
65 confirmed by the exchange company divided by the number of exchanges properly applied for,
66 together with a complete and accurate statement of the criteria used to determine whether an
67 exchange request was properly applied for;

68 (d) The number of [~~time-shares~~] **timeshares** for which the exchange company has an
69 outstanding obligation to provide an exchange to an owner who relinquished a [~~time-share~~]
70 **timeshare** during the year in exchange for a [~~time-share~~] **timeshare** in any future year;

71 (e) The number of exchanges confirmed by the exchange company during the year;

72 (18) A statement in boldfaced type to the effect that the percentage described in
73 paragraph (c) of subdivision (17) of this subsection is a summary of the exchange requests
74 entered with the exchange company in the period reported and that the percentage does not
75 indicate a purchaser's/owner's probabilities of being confirmed to any specific choice or range
76 of choices, since availability at individual locations may vary.

77 2. The information required by subsection 1 of this section shall be accurate as of a date
78 which is no more than thirty days prior to the date on which the information is delivered to the
79 purchaser; except that, the information required by subdivisions (2), (3), (13), (14), (15) and (17)
80 of subsection 1 of this section shall be accurate as of December thirty-first of the preceding year
81 if the information is delivered between July first and December thirty-first of any year;
82 information delivered between January first and June thirtieth of any year shall be accurate as
83 of December thirty-first of the year prior to the preceding year. At no time shall such
84 information be accurate as of a date which is more than eighteen months prior to the date of
85 delivery. All references in this subsection to the word "year" shall mean calendar year.

86 3. In the event an exchange company offers an exchange program directly to the
87 purchaser or owner, the exchange company shall deliver to each purchaser or owner,
88 simultaneously with such offering and prior to the execution of any contract between the
89 purchaser or owner and the exchange company, the information set forth in subsection 1 of this
90 section. The requirements of this subsection shall not apply to any renewal of a contract between
91 an owner and an exchange company.

92 4. Each exchange company shall include the statement set forth in subdivision (18) of
93 subsection 1 of this section on all promotional brochures, pamphlets, advertisements, or other
94 materials disseminated by the exchange company which also contain the percentage of confirmed
95 exchanges described in paragraph (c) of subdivision (17) of subsection 1 of this section.

96 5. An exchange company shall, on or before July first of each year, file with the attorney
97 general and secretary of the association for the [~~time-share~~] **timeshare** plan in which the
98 [~~time-shares~~] **timeshares** are offered or disposed, the information required by subsection 1 of
99 this section with respect to the preceding year. If the attorney general determines that any of the
100 information supplied fails to meet the requirements of this section, the attorney general may
101 undertake enforcement action against the exchange company in accordance with the provisions
102 of sections 407.600 to [~~407.630~~] **407.633**. No developer shall have any liability arising out of
103 the use, delivery or publication by the developer of written information provided to it by the

104 exchange company pursuant to this section. Except for written information provided to the
105 developer by the exchange company, no exchange company shall have any liability with respect
106 to any representation made by the developer relating to the exchange program or exchange
107 company; or the use, delivery or publication by the developer of any information relating to the
108 exchange program or exchange company. The failure of the exchange company to observe the
109 requirements of this section, or the use by it of any unfair or deceptive act or practice in
110 connection with the operation of the exchange program, shall be a violation of sections 407.600
111 to ~~407.630~~ **407.633**.

112 6. The offering of an exchange program in this state in conjunction with the offer or sale
113 of ~~time-shares~~ **timeshares** in this state shall not constitute a security under the laws of this
114 state.

407.630. 1. A ~~time-share~~ **timeshare** plan or ~~time-share~~ **timeshare** property is
2 merchandise under the provisions of this chapter and the sale or offering for sale of such plans
3 or property shall be subject to the provisions of sections 407.010 to 407.140, unless otherwise
4 specifically provided in sections 407.600 to ~~407.630~~ **407.633**.

5 2. Violation of any provision of sections 407.600 to 407.620 is a class A misdemeanor.

**407.633. 1. No person shall engage in any timeshare transfer services for
2 consideration, or the expectation of receiving consideration, without first obtaining a
3 written agreement to provide timeshare transfer services signed by the consumer reseller,
4 and no person shall fail to provide both the consumer reseller and the escrow agent holding
5 moneys related to the timeshare transfer services with an executed copy of the agreement.
6 Each agreement shall contain:**

7 (1) **A provision that no fee, cost, or other compensation shall be paid to the person
8 providing the timeshare transfer services before all services required under subsection 2
9 of this section are completed and written evidence thereof is delivered to the consumer
10 reseller;**

11 (2) **The name, address, current phone number, and current email address of the
12 escrow agent holding moneys related to the timeshare transfer services;**

13 (3) **A specific, detailed description of each service to be provided, including the date
14 by which each service shall be completed;**

15 (4) **A provision that, upon completion of all services, the person providing
16 timeshare transfer services shall provide the consumer reseller with written notice that all
17 services have been performed and a copy of the recorded instrument or other legal
18 document evidencing the transfer of ownership of, or legal title to, the interest in a
19 timeshare from the consumer reseller to a transferee;**

20 **(5) A statement in type that is boldfaced, capitalized, and otherwise set out from**
21 **surrounding text so as to be conspicuous that nonpayment of a timeshare loan obligation**
22 **or assessment obligation may lead to a foreclosure action or other proceeding that could**
23 **result in losing ownership of the interest in a timeshare and negatively affect the consumer**
24 **reseller's credit score; and**

25 **(6) A statement in type that is boldfaced, capitalized, and otherwise set out from**
26 **surrounding text so as to be conspicuous and in immediate proximity to the space for the**
27 **consumer reseller's signature substantially as follows:**

28 **(Name of person providing timeshare transfer services) HAS AGREED TO**
29 **PROVIDE YOU WITH TIMESHARE TRANSFER SERVICES**
30 **PURSUANT TO THIS AGREEMENT. AFTER THOSE SERVICES**
31 **HAVE BEEN FULLY PERFORMED, (Name of person providing timeshare**
32 **transfer services) IS OBLIGATED TO PROVIDE YOU WITH WRITTEN**
33 **NOTICE OF SUCH FULL PERFORMANCE AND A COPY OF:**

34 **(1) THE RECORDED INSTRUMENT OR OTHER LEGAL DOCUMENT**
35 **TRANSFERRING OR ASSIGNING OWNERSHIP OF, OR LEGAL**
36 **TITLE TO, THE INTEREST IN A TIMESHARE TO THE**
37 **TRANSFeree; OR**

38 **(2) THE TERMINATION OF THE INTEREST IN A TIMESHARE**
39 **CONTRACT OR RELEASE FROM A TIMESHARE LOAN**
40 **OBLIGATION.**

41 **ANY FEE OR OTHER COMPENSATION PAID BY YOU UNDER THIS**
42 **AGREEMENT BEFORE SUCH FULL PERFORMANCE BY (Name of**
43 **person providing timeshare transfer services) WILL BE HELD IN**
44 **ESCROW BY THE ESCROW AGENT SPECIFIED IN THIS**
45 **AGREEMENT, AND (Name of person providing timeshare transfer**
46 **services) IS PROHIBITED FROM RECEIVING ANY SUCH FEE OR**
47 **OTHER COMPENSATION UNTIL ALL PROMISED TIMESHARE**
48 **TRANSFER SERVICES ARE COMPLETED.**

49 **2. An agreement to provide timeshare transfer services shall include, at a**
50 **minimum:**

51 **(1) Delivering to both the consumer reseller and the timeshare plan managing**
52 **entity a copy of the recorded instrument or other legal document evidencing the transfer**
53 **of ownership of, or legal title to, the interest in a timeshare to the transferee and the**
54 **transferee's full name, address, and other known contact information;**

55 **(2) Delivering to both the consumer reseller and the timeshare plan managing**
56 **entity a copy of the certificate or other legal document evidencing the transfer or**
57 **assignment of the interest in a timeshare, including the use rights and other privileges and**
58 **obligations associated with the interest and the transferee's full name, address, and other**
59 **known contact information; or**

60 **(3) Delivery to the consumer reseller a copy of the legal document executed by the**
61 **timeshare plan developer or managing entity terminating the consumer reseller's interest**
62 **in a timeshare or releasing the consumer reseller from a loan obligation relating to the**
63 **interest in a timeshare.**

64 **3. (1) Before entering a timeshare transfer services agreement, a person providing**
65 **timeshare transfer services shall establish an escrow account with an escrow agent for the**
66 **purpose of protecting the funds or other property of consumer resellers required to be**
67 **escrowed by this section. An attorney who is a licensed member of the Missouri bar or is**
68 **authorized to practice law in Missouri, a licensed Missouri real estate broker, or a title**
69 **insurer or title insurance agency licensed to do business in Missouri may serve as an escrow**
70 **agent. The escrow agent shall maintain the escrow account only in such a manner as to be**
71 **under the direct supervision and control of the escrow agent. The escrow agent shall have**
72 **a fiduciary duty to each consumer reseller to maintain the escrow account in accordance**
73 **with good accounting practices and to release the consumer reseller's funds or other**
74 **property from escrow only in accordance with this section.**

75 **(2) All funds received from or on behalf of a consumer reseller pursuant to a**
76 **timeshare transfer services agreement shall be deposited into an escrow account. All fees,**
77 **costs, and other compensation due or that will be paid to the person providing the**
78 **timeshare transfer services shall be held in the escrow account until the person providing**
79 **the timeshare transfer services fully completes all of his or her obligations required by the**
80 **agreement and this section.**

81 **(3) The funds required to be in escrow shall only be released from escrow:**

82 **(a) On the order of the person providing the timeshare transfer services after**
83 **presenting an affidavit that all promised timeshare transfer services have been performed,**
84 **including the requirements under subsection 2 of this section;**

85 **(b) To a managing entity to pay any assessments, transfer fees, or other moneys**
86 **owed with respect to the interest in a timeshare; or**

87 **(c) To pay a governmental agency for the purpose of completing and perfecting the**
88 **transfer of an interest in the timeshare.**

89 **(4) The escrow agent shall retain all timeshare transfer services agreements, escrow**
90 **account records, and affidavits for five years.**

91 **4. An escrow agent, a person providing timeshare transfer services, or an agent or**
92 **third-party service provider of a person providing timeshare transfer services who**
93 **intentionally fails to comply with the provisions of this section concerning the**
94 **establishment of an escrow account, deposits to or withdrawals from the escrow account,**
95 **or maintenance of records shall be guilty of a class E felony.**

96 **5. For the purposes of sections 506.500 to 506.520, providing timeshare transfer**
97 **services for a timeshare property located or offered within this state, including acting as**
98 **an agent or third-party service provider for a person providing timeshare transfer services,**
99 **constitutes operating, conducting, engaging in, or carrying on a business or business**
100 **venture in this state.**

101 **6. Subsections 1 to 4 of this section shall not apply to:**

102 **(1) A real estate broker who offers timeshare transfer services to a consumer**
103 **reseller, so long as the real estate broker complies with chapter 339;**

104 **(2) An attorney who is a licensed member of the Missouri bar or is authorized to**
105 **practice law in Missouri, so long as the attorney is in good standing and complies in all**
106 **respects with the license or authorization requirements;**

107 **(3) A title insurer or title insurance agency licensed to do business in Missouri, so**
108 **long as the title insurer or title insurance agency complies with chapter 381; or**

109 **(4) A mortgagee, servicer, or lienor, or his or her agent or contractor, to the extent**
110 **that any of them offers timeshare transfer services to an obligor related to a mortgage, lien,**
111 **or other encumbrance of such mortgagee, servicer, or lienor against the obligor's interest**
112 **in a timeshare.**

113 **7. This section does not apply to the transfer of ownership of an interest in a**
114 **timeshare from a consumer reseller to the developer or managing entity of that timeshare**
115 **plan unless and only to the extent such transfer includes the assistance of a person**
116 **providing timeshare transfer services.**

✓