LEGISLATURE OF NEBRASKA

ONE HUNDRED EIGHTH LEGISLATURE

FIRST SESSION

LEGISLATIVE BILL 152

Introduced by Dover, 19.

Read first time January 09, 2023

Committee:

- A BILL FOR AN ACT relating to the Membership Campground Act; to amend sections 76-2102, 76-2104, 76-2106, 76-2110, and 76-2117, Reissue Revised Statutes of Nebraska; to eliminate registration requirements and a penalty under the Membership Campground Act; to harmonize provisions; to repeal the original sections; and to outright repeal sections 76-2103, 76-2105, 76-2107, 76-2108, 76-2109, 76-2114, 76-2115, and 76-2116, Reissue Revised Statutes of Nebraska.
- 8 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 76-2102, Reissue Revised Statutes of Nebraska, is

- 2 amended to read:
- 3 76-2102 For purposes of the Membership Campground Act:
- 4 (1) Advertisement means shall mean an attempt by publication,
- 5 dissemination, solicitation, or circulation to induce, directly or
- indirectly, any person to enter into an obligation or acquire a title or 6
- 7 interest in a membership camping contract;
- (2) Affiliate means shall mean any person who, directly or 8
- 9 indirectly through one or more intermediaries, controls, is controlled
- 10 by, or is under common control with the person specified;
- (3) Blanket encumbrance shall mean any mortgage, deed of trust, 11
- 12 option to purchase, vendor's lien or interest under a contract or
- 13 agreement of sale, judgment lien, federal or state tax lien, or other
- 14 material lien or encumbrance which secures or evidences the obligation to
- 15 pay money or to sell or convey all or part of a campground located in
- 16 this state, made available to purchasers by the membership camping
- 17 operator, and which authorizes, permits, or requires the foreclosure or
- other disposition of the campground. Blanket encumbrance shall include 18
- 19 the lessor's interest in a lease of all or part of a campground which is
- located in this state and which is made available to purchasers by a 20
- 21 membership camping operator. Blanket encumbrance shall not include a lien
- 22 for taxes or assessments levied by a public body which are not yet due
- 23 and payable;
- 24 (3) (4) Business day means shall mean any day except Saturday,
- 25 Sunday, or a legal holiday;
- (4) (5) Campground means shall mean real property made available to 26
- 27 persons for camping, whether tent, trailer, camper, by
- recreational vehicle, or similar device, and includes shall include the 28
- 29 outdoor recreational facilities located on the real property. Campground
- does shall not include a mobile home park as defined in section 76-1464; 30
- (5) (6) Campsite means shall mean a space: 31

1 (a) Designed and promoted for the purpose of locating a trailer,

- 2 tent, tent trailer, recreational vehicle, pickup camper, or other similar
- 3 device used for camping; and
- 4 (b) With no permanent dwelling on it;
- 5 $\underline{(6)}$ (7) Commission means shall mean the State Real Estate
- 6 Commission;
- 7 (7) (8) Controlling persons of a membership camping operator means
- 8 shall mean each director and officer and each owner of twenty-five
- 9 percent or more of the stock of the operator, if the operator is a
- 10 corporation, each general partner and each owner of twenty-five percent
- 11 or more of the partnership or other interests, if the operator is a
- 12 general or limited partnership or other person doing business as a
- 13 membership camping operator, and each member owning twenty-five percent
- 14 or more of the limited liability company, if the operator is a limited
- 15 liability company;
- 16 (8) (9) Facilities means shall mean any of the following amenities
- 17 provided and located on the campground: Campsites; rental trailers;
- 18 swimming pools; sport courts; recreation buildings and trading posts; or
- 19 grocery stores;
- 20 <u>(9) (10) Membership camping contract means shall mean</u> an agreement
- 21 offered or sold within this state evidencing a purchaser's right to use a
- 22 campground of a membership camping operator for more than thirty days
- 23 during the term of the agreement;
- 24 (10) (11) Membership camping operator or operator means shall mean
- 25 any person, other than one who is tax exempt under section 501(c)(3) of
- 26 the Internal Revenue Code, who owns or operates a campground and offers
- 27 or sells membership camping contracts paid for by a fee or periodic
- 28 payments. Membership camping operator <u>does</u> shall not include the operator
- 29 of a mobile home park as defined in section 76-1464;
- 30 (11) (12) Offer means shall mean an inducement, solicitation, or
- 31 attempt to encourage a person to acquire a membership camping contract;

- 1 (12) (13) Person means shall mean any individual, partnership,
- 2 limited liability company, firm, corporation, or association;
- 3 (13) (14) Purchaser means shall mean a person who enters into a
- 4 membership camping contract with a membership camping operator and
- 5 obtains the right to use the campground owned or operated by the
- 6 membership camping operator;
- 7 (14) (15) Sale or sell means shall mean entering into or other
- 8 disposition of a membership camping contract for value. For purposes of
- 9 this subdivision, value does shall not include a fee to offset the
- 10 reasonable costs of a transfer of a membership camping contract; and
- 11 (15) (16) Salesperson means shall mean any individual, other than a
- 12 membership camping operator, who is engaged in obtaining commitments of
- 13 persons to enter into membership camping contracts by making a direct
- 14 sales presentation to the person but does shall not include any
- 15 individual engaged in the referral of persons without making any
- 16 representations about the camping program or a direct sales presentation
- 17 to such persons.
- 18 Sec. 2. Section 76-2104, Reissue Revised Statutes of Nebraska, is
- 19 amended to read:
- 20 76-2104 No person shall, in connection with the offering, sale, or
- 21 lease of an interest in a membership campground:
- 22 (1) Employ any device, scheme, or artifice to defraud;
- 23 (2) Make any untrue statement of a material fact;
- 24 (3) Fail to state a material fact necessary to make a statement
- 25 clear;
- 26 (4) Issue, circulate, or publish any prospectus, circular,
- 27 advertisement, printed matter, document, pamphlet, leaflet, or other
- 28 literature containing an untrue statement of a material fact or that
- 29 fails to state a material fact necessary to make the statements on the
- 30 literature clear; or
- 31 (5) Issue, circulate, or publish any advertising matter or make any

- 1 written representation unless the name of the person issuing,
- 2 circulating, or publishing the matter or making the representation is
- 3 clearly indicated. ; or
- 4 (6) Make any statement or representation or issue, circulate, or
- 5 publish any advertising matter containing any statement that the
- 6 membership campground has been in any way approved by the commission
- 7 except in conjunction with a public report issued by the commission.
- 8 Sec. 3. Section 76-2106, Reissue Revised Statutes of Nebraska, is
- 9 amended to read:
- 10 76-2106 The <u>Membership Campground Act shall not apply to the</u>
- 11 following transactions—shall be exempt from registration:
- 12 (1) The offer, sale, or transfer by any one person of not more than
- one membership camping contract in any twelve-month period;
- 14 (2) The offer or sale by a government, government agency, or other
- 15 subdivision of government;
- 16 (3) The bona fide pledge of a membership camping contract; and
- 17 (4) Transactions subject to regulation pursuant to the Nebraska
- 18 Time-Share Act.
- 19 Sec. 4. Section 76-2110, Reissue Revised Statutes of Nebraska, is
- 20 amended to read:
- 21 76-2110 (1) A membership camping operator subject to the
- 22 registration requirements of sections 76-2103 and 76-2105 shall provide a
- 23 disclosure statement to a purchaser or prospective purchaser before the
- 24 person signs a membership camping contract or gives any money or thing of
- 25 value for the purchase of a membership camping contract.
- 26 (2) The front cover or first page of the disclosure statement shall
- 27 contain only the following in the order stated:
- 28 (a) Membership camping operator's disclosure statement printed at
- 29 the top in boldface type of a minimum size of ten points;
- 30 (b) The name and principal business address of the membership
- 31 camping operator and any material affiliate of the membership camping

- 1 operator;
- 2 (c) A statement that the membership camping operator is in the
- 3 business of offering for sale membership camping contracts;
- 4 (d) A statement printed in double-spaced, boldface type of a minimum
- 5 size of ten points which reads as follows:
- 6 THIS DISCLOSURE STATEMENT CONTAINS IMPORTANT MATTERS TO BE
- 7 CONSIDERED IN THE EXECUTION OF A MEMBERSHIP CAMPING CONTRACT. THE
- 8 MEMBERSHIP CAMPING OPERATOR IS REQUIRED BY LAW TO DELIVER TO YOU A COPY
- 9 OF THIS DISCLOSURE STATEMENT BEFORE YOU EXECUTE A MEMBERSHIP CAMPING
- 10 CONTRACT. THE STATEMENTS CONTAINED IN THIS DOCUMENT ARE ONLY SUMMARY IN
- 11 NATURE. YOU, AS A PROSPECTIVE PURCHASER, SHOULD REVIEW ALL REFERENCES,
- 12 EXHIBITS, CONTRACT DOCUMENTS, AND SALES MATERIALS. YOU SHOULD NOT RELY
- 13 UPON ANY ORAL REPRESENTATIONS AS BEING CORRECT. ANY ORAL
- 14 MISREPRESENTATION SHALL BE A VIOLATION OF THE MEMBERSHIP CAMPGROUND ACT.
- 15 REFER TO THIS DOCUMENT AND TO THE ACCOMPANYING EXHIBITS FOR CORRECT
- 16 REPRESENTATIONS. THE MEMBERSHIP CAMPING OPERATOR IS PROHIBITED FROM
- 17 MAKING ANY REPRESENTATIONS WHICH CONFLICT WITH THOSE CONTAINED IN THE
- 18 CONTRACT AND THIS DISCLOSURE STATEMENT; and
- (e) A statement printed in double-spaced, boldface type of a minimum
- 20 size of ten points which reads as follows:
- 21 IF YOU EXECUTE A MEMBERSHIP CAMPING CONTRACT, YOU HAVE THE
- 22 UNQUALIFIED RIGHT TO CANCEL THE CONTRACT. THIS RIGHT OF CANCELLATION
- 23 CANNOT BE WAIVED. THE RIGHT TO CANCEL EXPIRES AT MIDNIGHT ON THE THIRD
- 24 BUSINESS DAY FOLLOWING THE DATE ON WHICH THE CONTRACT WAS EXECUTED OR THE
- 25 DATE OF RECEIPT OF THIS DISCLOSURE STATEMENT, WHICHEVER EVENT OCCURS
- 26 LATER. TO CANCEL THE MEMBERSHIP CAMPING CONTRACT, YOU, AS THE PURCHASER,
- 27 MUST HAND DELIVER OR MAIL NOTICE OF YOUR INTENT TO CANCEL TO THE
- 28 MEMBERSHIP CAMPING OPERATOR AT THE ADDRESS SHOWN IN THE MEMBERSHIP
- 29 CAMPING CONTRACT, POSTAGE PREPAID. THE MEMBERSHIP CAMPING OPERATOR IS
- 30 REQUIRED BY LAW TO RETURN ALL MONEY PAID BY YOU IN CONNECTION WITH THE
- 31 EXECUTION OF THE MEMBERSHIP CAMPING CONTRACT UPON YOUR PROPER AND TIMELY

- 1 CANCELLATION OF THE CONTRACT AND RETURN OF ALL MEMBERSHIP AND RECIPROCAL-
- 2 USE PROGRAM MATERIALS FURNISHED AT THE TIME OF PURCHASE.
- 3 (3) The following pages of the disclosure statement shall contain
- 4 all of the following in the order stated:
- 5 (a) The name, principal occupation, and address of every director,
- 6 partner, limited liability company member, or controlling person of the
- 7 membership camping operator;
- 8 (b) A description of the nature of the purchaser's right or license
- 9 to use the campground and the facilities which are to be available for
- 10 use by purchasers;
- 11 (c) A description of the membership camping operator's experience in
- 12 the membership camping business, including the length of time the
- operator has been in the membership camping business;
- (d) The location of each of the campgrounds which is to be available
- 15 for use by purchasers and a description of the facilities at each
- 16 campground which are currently available for use by purchasers.
- 17 Facilities which are planned, incomplete, or not yet available for use
- 18 shall be clearly identified as incomplete or unavailable. A description
- 19 of any facilities that are or will be available to nonpurchasers and a
- 20 projected date of completion shall also be provided. The description
- 21 shall include, but not be limited to, the number of campsites in each
- 22 campground and campsites in each campground with full or partial hookups,
- 23 swimming pools, tennis courts, recreation buildings, restrooms and
- 24 showers, laundry rooms, trading posts, and grocery stores;
- 25 (e) The fees and charges that purchasers are or may be required to
- 26 pay for the use of the campground or any facilities;
- 27 (f) Any initial, additional, or special fee due from the purchaser,
- 28 together with a description of the purpose and method of calculating the
- 29 fee;
- 30 (g) The extent to which financial arrangements, if any, have been
- 31 provided for the completion of facilities, together with a statement of

- 1 the membership camping operator's obligation to complete planned
- 2 facilities. The statement shall include a description of any restrictions
- 3 or limitations on the membership camping operator's obligation to begin
- 4 or to complete the facilities;
- 5 (h) The names of the managing entity, if any, and the significant
- 6 terms of any management contract, including, but not limited to, the
- 7 circumstances under which the membership camping operator may terminate
- 8 the management contract;
- 9 (i) A statement, whether by way of supplement or otherwise, of the
- 10 rules, regulations, restrictions, or covenants regulating the purchaser's
- 11 use of the campground and the facilities which are to be available for
- 12 use by the purchaser, including a statement of whether and how the rules,
- 13 regulations, restrictions, or covenants may be changed;
- 14 (j) A statement of the policies covering the availability of
- 15 campsites, the availability of reservations, and the conditions under
- 16 which they are made;
- 17 (k) A statement of any grounds for forfeiture of a purchaser's
- 18 membership camping contract;
- 19 (1) A statement of whether the membership camping operator has the
- 20 right to withdraw permanently from use all or any portion of any
- 21 campground devoted to membership camping and, if so, the conditions under
- 22 which the withdrawal shall be permitted;
- 23 (m) A statement describing the material terms and conditions of any
- 24 reciprocal program to be available to the purchaser, including a
- 25 statement concerning whether the purchaser's participation in any
- 26 reciprocal program is dependent on the continued affiliation of the
- 27 membership camping operator with that reciprocal program, whether
- 28 additional costs may be required to use reciprocal facilities, and
- 29 whether the membership camping operator reserves the right to terminate
- 30 such affiliation;
- 31 (n) As to all memberships offered by the membership camping operator

- 1 at each campground, all of the following:
- 2 (i) The form of membership offered;
- 3 (ii) The types of duration of membership along with a summary of the
- 4 major privileges, restrictions, and limitations applicable to each type;
- 5 (iii) Provisions that have been made for public utilities at each
- 6 campsite, including water, electricity, telephone, and sewage facilities;
- 7 and
- 8 (iv) The number of memberships to be sold to that campground; and
- 9 (o) A statement of the assistance, if any, that the membership
- 10 camping operator will provide to the purchaser in the resale of
- 11 membership camping contracts and a detailed description of how any such
- 12 resale program is operated.; and
- 13 (p) The following statement printed in double-spaced, boldface type
- 14 of a minimum size of ten points:
- 15 REGISTRATION OF THE MEMBERSHIP CAMPING OPERATOR WITH THE STATE REAL
- 16 ESTATE COMMISSION SHALL NOT CONSTITUTE AN APPROVAL OR ENDORSEMENT BY THE
- 17 COMMISSION OF THE MEMBERSHIP CAMPING OPERATOR, THE MEMBERSHIP CAMPING
- 18 CONTRACT, OR THE CAMPGROUND.
- 19 The membership camping operator shall promptly amend the disclosure
- 20 statement to reflect any material change and shall promptly file any such
- 21 amendments with the commission.
- 22 Sec. 5. Section 76-2117, Reissue Revised Statutes of Nebraska, is
- 23 amended to read:
- 24 76-2117 (1) Any advertisement, communication, or sales literature
- 25 relating to membership camping contracts, including oral statements by a
- 26 salesperson or any other person, shall not contain:
- 27 (a) Any untrue statement of material fact or any omission of
- 28 material fact which would make the statements misleading in light of the
- 29 circumstances under which the statements were made;
- 30 (b) Any statement or representation that the membership camping
- 31 contracts are offered without risk or that loss is impossible; or

- 1 (c) Any statement or representation or pictorial presentation of
- 2 proposed improvements or nonexistent scenes without clearly indicating
- 3 that the improvements are proposed and the scenes do not exist.
- 4 (2) A person shall not by any means, as part of an advertising
- 5 program, offer any item of value as an inducement to the recipient to
- 6 visit a location, attend a sales presentation, or contact a salesperson
- 7 unless the person clearly and conspicuously discloses in writing in the
- 8 offer in readily understandable language each of the following:
- 9 (a) The name and street address of the owner of the real or personal
- 10 property or the provider of the services which are the subject of such
- 11 visit, sales presentation, or contact with a salesperson;
- 12 (b) A general description of the business of the owner or provider
- 13 identified and the purpose of any requested visit, sales presentation, or
- 14 contact with a salesperson, including a general description of the
- 15 facilities or proposed facilities or services which are the subject of
- 16 the sales presentation;
- 17 (c) A statement of the odds, in arabic numerals, of receiving each
- 18 item offered;
- 19 (d) All restrictions, qualifications, and other conditions that
- 20 shall be satisfied before the recipient is entitled to receive the item,
- 21 including all of the following:
- 22 (i) Any deadline by which the recipient shall visit the location,
- 23 attend the sales presentation, or contact the salesperson in order to
- 24 receive the item;
- (ii) The approximate duration of any visit and sales presentation;
- 26 and
- 27 (iii) Any other conditions, such as a minimum age qualification, a
- 28 financial qualification, or a requirement that if the recipient is
- 29 married both spouses husband and wife be present in order to receive the
- 30 item;
- 31 (e) A statement that the owner or provider reserves the right to

1 provide a rain check or a substitute or like item if these rights are

- 2 reserved;
- 3 (f) A statement that a recipient who receives an offered item may
- 4 request and will receive evidence showing that the item provided matches
- 5 the item randomly or otherwise selected for distribution to that
- 6 recipient; and
- 7 (g) All other rules, terms, and conditions of the offer, plan, or
- 8 program.
- 9 (3) A person<u>, a making an offer subject to registration under</u>
- 10 sections 76-2103 and 76-2105 or the person's employee, or an agent of the
- 11 <u>person</u> shall not offer any item <u>relating to a membership campground</u>
- 12 <u>contract</u> if the person, <u>employee</u>, <u>or agent</u> knows or has reason to know
- 13 that the offered item will not be available in a sufficient quantity
- 14 based on the reasonably anticipated response to the offer.
- 15 (4) A person<u>, a</u> making an offer subject to registration under
- 16 sections 76-2103 and 76-2105 or the person's employee, or an agent of the
- 17 <u>person</u> shall not fail to provide any offered item <u>relating to a</u>
- 18 <u>membership campground contract</u> which a recipient is entitled to receive,
- 19 unless the failure to provide the item is due to a higher than reasonably
- 20 anticipated response to the offer which caused the item to be unavailable
- 21 and the offer discloses the reservation of a right to provide a rain
- 22 check or a like or substitute item if the offered item is unavailable.
- 23 (5) If the person, person's employee, or agent of the person making
- 24 an offer subject to registration under sections 76-2103 and 76-2105 is
- 25 unable to provide an offered item relating to a membership campground
- 26 <u>contract</u> because of limitations of supply not reasonably foreseeable or
- 27 controllable by the person, employee, or agent making the offer, the
- 28 person, employee, or agent making the offer shall inform the recipient of
- 29 the recipient's right to receive a rain check for the item offered or
- 30 receive a like or substitute item of equal or greater value at no
- 31 additional cost or obligation to the recipient.

- 1 (6) If a rain check is provided, the person, employee, or agent 2 making an offer relating to a membership campground contract subject to registration under sections 76-2103 and 76-2105, within a reasonable 3 4 time, and in any event not later than thirty calendar days after the rain 5 check is issued, shall deliver the agreed item to the recipient's address without additional cost or obligation to the recipient unless the item 6 7 for which the rain check is provided remains unavailable because of limitations of supply not reasonably foreseeable or controllable by the 8 9 person, employee, or agent making the offer. If the item is unavailable for such reasons, the person, employee, or agent, not later than thirty 10 days after the expiration of the thirty-day period, shall deliver a like 11 or substitute item of equal or greater retail value to the recipient. 12
- (7) On the request of a recipient who has received or claims a right to receive any offered item, the person, person's employee, or agent of the person making an offer relating to a membership campground contract subject to registration under sections 76-2103 and 76-2105 shall furnish to the recipient sufficient evidence showing that the item provided matches the item randomly or otherwise selected for distribution to that recipient.
- 20 (8) A person, person's employee, or agent of the person making an offer relating to a membership campground contract subject to registration under sections 76-2103 and 76-2105 or the person's employee or agent shall not do any of the following:
- 24 (a) Misrepresent the size, quantity, identity, or quality of any 25 prize, gift, money, or other item of value offered;
- 26 (b) Misrepresent in any manner the odds of receiving a particular 27 gift, prize, amount of money, or other item of value;
- (c) Represent directly or by implication that the number of participants has been significantly limited or that any person has been selected to receive a particular prize, gift, money, or other item of value, unless the representation is true;

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1 (d) Label any offer a notice of termination or notice of

- 2 cancellation; and
- 3 (e) Misrepresent in any manner the offer, plan, or program.
- 4 Sec. 6. Original sections 76-2102, 76-2104, 76-2106, 76-2110, and
- 5 76-2117, Reissue Revised Statutes of Nebraska, are repealed.
- 6 Sec. 7. The following sections are outright repealed: Sections
- 7 76-2103, 76-2105, 76-2107, 76-2108, 76-2109, 76-2114, 76-2115, and
- 8 76-2116, Reissue Revised Statutes of Nebraska.