

2003 DRAFTING REQUEST

Bill

Received: 08/29/2003

Received By: mlief

Wanted: As time permits

Identical to LRB:

For: Robert Welch (608) 266-0751

By/Representing: amy

This file may be shown to any legislator: NO

Drafter: mlief

May Contact:

Addl. Drafters:

Subject: Real Estate - miscellaneous

Extra Copies:

Submit via email: YES

Requester's email: Sen.Welch@legis.state.wi.us

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Time-share licenses

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?							
/1	mlief 09/08/2003	kgilfoy 09/08/2003	pgreensl 09/08/2003	_____	lemery 09/08/2003	sbasford 02/06/2004	
				_____		sbasford	
				_____		02/06/2004	

02/06/2004 11:02:02 AM
Page 2

LRB-3183

FE Sent For:

<END>

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Received: **08/29/2003**

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Wanted: **As time permits**

Identical to LRB:

For: **Robert Welch (608) 266-0751**

By/Representing: **amy**

This file may be shown to any legislator: **NO**

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May Contact:

Addl. Drafters:

Subject: **Real Estate - miscellaneous**

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1?	mlief	11-9/8 KMG	9/8 P8	9/8 self			
FE Sent For:							

<END>



State Senator
Robert T. Welch

TO: Legislative Reference Bureau (drafting)
FROM: Senator Robert Welch
DATE: August 28, 2003
RE: Time-Share Legislation

I understand that courts have interpreted Chapter 707 of the Wisconsin State Statutes to prohibit a "right to occupy" time-sharing arrangement. The "right to occupy" arrangement is different from a titled interest in property (for example, holding a deed to a one week per year ownership interest in a specified portion of property within a time-share development).

I would appreciate it if you would draft legislation that would allow "right to occupy" contracts in Wisconsin.

Please let me know if you have any questions.

8/28 TC w/ Amy - Said she'd provide more info.

707.04(2)
8/30 TC w/ Mike Vaughn - 257-7181

1986 Leg Council Study

- Asked whether he wanted to eliminate def of "timeshare agreement" - he said inclination was to leave it in, Asked me to run search for term + call him w/ results

MURPHY DESMOND

L A W Y E R S

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Michael R. Vaughan
Facsimile (608) 257-2508
mvaughan@murphydesmond.com

TELECOPY COVER LETTER

MESSAGE TO:

Lonnie Lief

Addressee's
Telecopier No. 264-6948
File No. 230994
Date 8/29/03

Total Number of Pages
(including this cover page) 2

From Michael R. Vaughan

Message: Per our phone conversation, Please feel free to call me if you'd like to discuss this further.

If you experience difficulty receiving this message, please call Becky at (608) 268-5588.

Sent by _____ at _____ a.m./p.m.

THE INFORMATION CONTAINED IN THIS FACSIMILE MESSAGE IS INTENDED ONLY FOR THE PERSONAL AND CONFIDENTIAL USE OF THE DESIGNATED RECIPIENTS NAMED ABOVE. This message may be an attorney-client communication, and as such is privileged and confidential. If the reader of this message is not the intended recipient or an agent responsible for delivering it to the intended recipient, you are hereby notified that you have received this document in error, and that any review, disclosure, dissemination, distribution or copying of this message or the taking of any action in reliance on its contents, is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us by mail. Thank you.

MURPHY DESMOND S.C.

L A W Y E R S

FILE COPY

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Michael R. Vaughan
Facsimile (608) 257-2508
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28 August 2003

Ms. Amy Ferris
Office of State Senator Robert Welch
Room 10 South, State Capitol
Madison, WI 53702

9/8 TC from Mike Vaughan
Leave x-refs to
time-share easements
alone.

Re: Time-Share Legislation

Dear Amy:

In looking over my materials, it does not appear that I kept a copy of the material I gave Senator Welch at the time we discussed having a bill draft prepared.

Our discussion was about the fact that Chapter 707 of the Wisconsin Statutes, our "Time-Share Ownership" statutes, have been interpreted to prohibit the kind of time-sharing arrangement that my client, Cendant Corporation, sells. We sell a so-called "right to occupy," as opposed to a titled interest in property, (e.g., holding a deed to a one week per year ownership interest in a specified portion of property within a time-share development.) The distinction between these two ways of owning a right to spend a week somewhere is more illusory than real. Many states allow both "titled ownership" and "right to occupy."

My client, through its Trendwest subsidiary, is the third-largest vacation ownership organization in the world. We have 40 resorts in eleven states in the U.S., and seven others in Canada, Mexico and Fiji, and are considering the purchase of property in Wisconsin. Many states allow this form of ownership interest. Unfortunately, Wisconsin appears not to allow "right to occupy" contracts. The specific problem appears to be § 707.04(2), which has been interpreted to prohibit "right to occupy" arrangements.

I hope this information is useful to you. If you have any further questions or comments, please feel free to contact me.

Sincerely,

Michael R. Vaughan

MRV:bg
230994
Ferris lt

PART II

DESCRIPTION OF TIME SHARE PROVISIONS OF 1987 WISCONSIN ACT 399

The provisions of 1987 Wisconsin Act 399 which create an extensive system of regulation of all aspects of time-share property are located primarily in new ch. 707 of the statutes. The major provisions in Act 399 relating to the new time-share law are summarized in this Part of the Memorandum. See specific provisions of the new law for more detailed information.

A. TIME-SHARE PROPERTY INTERESTS

In order to clarify what is owned by a purchaser of a time-share interest, the new law characterizes the interest as either a time-share estate or a time-share easement. Under the new law:

1. A time-share estate is defined to mean a right to occupy a unit during at least four separated time periods over a period of at least four years, together with a fee simple absolute interest or an interest for years in a time-share property.

2. A time-share easement is defined to mean an interest in property evidencing a right to access to, and use of, a unit during at least four separated time periods over a period of at least four years, including renewal options. A time-share easement is the method of ownership of a property interest in a campground. "Campground" is defined to mean real property that is available for use by campground members and intended for camping or outdoor recreation.

The new law prohibits the creation of time-share licenses in this state because the new law replaces the current concept of time-share license with the concept of time-share easement. "License" is replaced by "easement" because an easement (an interest in real property) provides greater protections to a time-share purchaser than a license (a right to use real property) in case of the subsequent insolvency of the time-share project.

The new law also provides that, under specified conditions, a time share created and marketed in accordance with new ch. 707, Stats., is not a security under ch. 551, Stats. (i.e., is not subject to the registration and other requirements in ch. 551).



State of Wisconsin
2003 - 2004 LEGISLATURE

LRB-3183/1

MJC
King

2003 BILL

Men. Act

1 AN ACT *Men. Act*; relating to: time-share licenses.

Analysis by the Legislative Reference Bureau

Current law permits a person to purchase a time share, which is an interest in property that gives the purchaser the right to access and use the time-share property during at least four separated periods of time over the space of at least four years. Current law, however, prohibits a person from purchasing a time-share license, which is a contract (as opposed to a recorded interest in property) that grants the same right of access and use as a time share. This bill permits the purchase of a time-share license.

hyphen

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

2 SECTION 1. 707.02 (24) of the statutes is amended to read:

3
4

707.02 (24) "Time share" means a time-share estate ~~or a~~ time-share easement, ~~or a~~ time-share license.

5 SECTION 2. 707.02 (30) of the statutes is created to read:

Basford, Sarah

From: Sieg, Tricia
Sent: Friday, February 06, 2004 9:16 AM
To: LRB.Legal
Subject: Draft review: LRB 03-3183/1 Topic: Time-share licenses

It has been requested by <Sieg, Tricia> that the following draft be jacketed for the SENATE:

Draft review: LRB 03-3183/1 Topic: Time-share licenses