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(FORM UPDATED: 08/11/2010)

**WISCONSIN STATE LEGISLATURE ...  
PUBLIC HEARING - COMMITTEE RECORDS**

**2009-10**

(session year)

**Senate**

(Assembly, Senate or Joint)

**Committee on ... Transportation, Tourism,  
Forestry, and Natural Resources (SC-TTFNR)**

**COMMITTEE NOTICES ...**

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

**INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL**

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)  
(**ab** = Assembly Bill)                      (**ar** = Assembly Resolution)                      (**ajr** = Assembly Joint Resolution)  
(**sb** = Senate Bill)                              (**sr** = Senate Resolution)                              (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

## Senate

### Record of Committee Proceedings

#### **Committee on Transportation, Tourism, Forestry, and Natural Resources**

##### **Senate Bill 262**

Relating to: an exemption from recording for time-share licenses.

By Senators Lassa, Holperin, Taylor, Vinehout, Risser, Olsen and Schultz; cosponsored by Representatives Clark, Van Akkeren, Schneider, A. Williams, Molepske Jr. and Zepnick.

August 11, 2009 Referred to Committee on Transportation, Tourism, Forestry, and Natural Resources.

September 3, 2009 **PUBLIC HEARING HELD**

Present: (7) Senators Holperin, Sullivan, Plale, Hansen, Leibham, Kedzie and Grothman.

Absent: (0) None.

##### Appearances For

- Alice O'Connor — Wisconsin Chiefs of Police Association
- Danielle Wilson — on behalf of Senator Lassa (24th Senate District)

##### Appearances Against

- None.

##### Appearances for Information Only

- Jordan Lamb — Wyndham Worldwide

##### Registrations For

- Tom Larson, Madison — Wisconsin Relators Association

##### Registrations Against

- None.

##### Registrations for Information Only

- None.

September 17, 2009 **EXECUTIVE SESSION HELD**

Present: (7) Senators Holperin, Sullivan, Plale, Hansen, Leibham, Kedzie and Grothman.

Absent: (0) None.

Moved by Senator Sullivan, seconded by Senator Hansen that **Senate Bill 262** be recommended for passage.

Ayes: (7) Senators Holperin, Sullivan, Plale, Hansen, Leibham, Kedzie and Grothman.

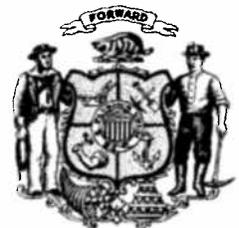
Noes: (0) None.

PASSAGE RECOMMENDED, Ayes 7, Noes 0

Elizabeth Novak  
Committee Clerk



# WISCONSIN STATE LEGISLATURE





# JULIE LASSA

## STATE SENATOR

Senate Bill 262 Testimony  
Committee on Transportation,  
Tourism, Forestry, and Natural Resources  
Thursday, September 3, 2009 at 9:15 a.m.  
330 Southwest

Chairman Holperin and Committee Members:

Thank you for the opportunity to provide testimony in support of Senate Bill 262.

As you may recall, last session the legislature repealed a 22-year-old prohibition on the development of a "right-to-occupy" time-share license in Wisconsin, which expanded the types of time-shares that could be developed in our state. Since the passage of Act 18, "right-to-occupy" time-share licenses are now offered to association members giving them access to Wisconsin Dells resorts, bringing more out-of-state tourists and their tourism dollars to our state.

Unfortunately, the new definition of a "right-to-occupy" time-share license in Wisconsin does not recognize that these licenses operate differently than a "deeded interest" time-share license for purposes of legal documents. A "right to occupy" license does not necessarily grant the time-share owner direct title in the real estate.

The definition passed last session provides that, "a contract for the purchase of a time share and any other instrument that is evidence of a time-share *is valid only if it is recorded.*" Unfortunately, a "right to occupy" time share license is not "recorded" at a local Registrar of Deeds because there is no "deeded interest" or title in any specific property. Rather, there is a contract or "declaration" that defines all the terms and conditions for a member and their right to use, possess, and enjoy all of a Club Accommodations in all Club properties.

Senate Bill 262 simply corrects the definition to exclude a contract or instrument evidencing the purchase of a time-share agreement from the requirement that a license must be recorded so that "right-to-occupy" time-share licenses remain valid in Wisconsin.

Thank you again for this opportunity.





**DEWITT  
ROSS & STEVENS**  
LAW FIRM

www.dewittross.com

Capitol Square Office  
Two East Mifflin Street  
Suite 600  
Madison, WI 53703-2865  
Tel 608-255-8891  
Fax 608-252-9243

Metro Milwaukee Office  
13935 Bishop's Drive  
Suite 300  
Brookfield, WI 53005-6605  
Tel 262-754-2840  
Fax 262-754-2845

September 3, 2009

TO: Chairman Jim Holperin and Members of the Senate Committee on Transportation, Tourism, Forestry and Natural Resources

From: Alice O'Connor representing Wyndham Worldwide Corporation

RE: Support SB 262

Thank you members of the committee for the opportunity to testify in support of SB 262. A special thank you to Senator Julie Lassa for her ongoing leadership on time share issues. We worked closely with her last session when Act 18 passed. This legislation removed the prohibition on a specific kind of time-share ownership in Wisconsin known as a "right to occupy" time-share license.

I am here to speak on behalf of Wyndham Worldwide and Wyndham Vacation Ownership, the world's largest time-share vacation ownership business as measured by the number of vacation ownership resorts, individual vacation ownership units and owners of vacations ownership interests with approximately 150 vacation ownership resorts. Wyndham's locations in Wisconsin include the Wisconsin Dells, which is just one of many vacation ownership resorts in its portfolio.

The only reason SB 262 is before you today is due to a simple drafting oversight that no one caught until after the fact and ACT 18 was signed into law.

**BACKGROUND**

Act 18 (2007 Senate Bill 11) became law in July 2007 and affected statutes related to "time-share ownership" licenses in Chapter 707. The Act repealed a 22-year old prohibition on the development of a "right to occupy" time-share license in Wisconsin expanding the types of time-share interests that could be developed in our state. When Act 18 2007-2009 passed, it removed Wisconsin as the only remaining state in the nation that did not allow a "right to occupy" time-share license. Until Act 18 passed, Wisconsin only permitted deeded interests in time share ownership. An individual bought a specific time of year, unit and location with a deed that was recorded as a property interest with the Registrar of Deeds. The expanded definition of time-share ownership increased the likelihood of attracting greater numbers of tourists to Wisconsin as well as fostering infrastructure support to local communities including an increased demand for jobs.

However, the change in the law innocently failed to recognize the differences between deeded time-share ownership and right to occupy time-share ownership and that is where the technical problem lies. Section 707.46(3), Wis. Statute currently reads, "A contract for the purchase of a time-share and any other instrument that is evidence of a time-share is valid only if it is recorded."

A "right to use" or "right to occupy" time share license is not "recorded" at a local Registrar of Deeds because there is no "deeded interest" or title in any specific property for the individual purchaser. Rather, there is generally a contract that sets forth the terms and conditions for a member and their right to use or occupy the various accommodations in the properties in the time-share plan.

Time-share licenses and their related products are now a significant portion of the time-share interests sold in the US and represent the majority of time-share interests in other countries. One of Wyndham's time-share products, for example, offers its members a right to occupy more than 25 resort properties in its time share plan. With the passage of Act 18, right to occupy time-share licenses can be offered to association members giving them access to Wisconsin Dells resorts. It is not possible, however, to have a single recording of the purchase contract in any one location in Wisconsin as currently required.

A technical correction to the law will make the Wisconsin Dells property, for example, accessible to a broader number of tourists and ensure that the growing time-share industry and its members continue to see Wisconsin as a desirable tourism destination.

### **SOLUTION**

SB 262, offered by Senator Julie Lassa, makes a technical correction to Section 707.46(3) so right to occupy time-share licenses are more clearly valid here. We are recommending the underlined language. "A contract for the purchase of a time-share and any other instrument that is evidence of a purchase of a time-share, other than a contract or other instrument that is evidence of the purchase of a time-share license, is valid only if it is recorded."

If our statutes remain the same, companies with right to occupy time-share arrangements will have incentives to partner with resorts other than in Wisconsin where language governing time-share licenses are clear. Our tourism industry and Wisconsin resorts that may be attractive businesses for the time-share industry to collaborate with, will be the ones who will miss out on opportunities for those out-of-state tourist dollars coming to Wisconsin. The statutes as currently worded are confusing and SB 262 eliminates this confusion. We seek an exemption to recoding a right to occupy time-share license because the contract between the business and the customer is the valid document.

Thank you in advance for your consideration and support of SB 262 and its companion bill AB 396.

M. Alice O'Connor  
Dewitt Ross & Stevens  
2 East Mifflin Street, Suite 600  
Madison, WI 53703-2865  
Direct: 608- 252-9391  
Fax: 608-252-9243  
email: [aoc@dewittross.com](mailto:aoc@dewittross.com)