

SENATE BILL 635

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2000 Regular Session
0lr2071
CF 0lr2038

By: **Senator Hafer**

Introduced and read first time: February 4, 2000

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Real Estate Time-Sharing Act - Promotional Devices - Disclosure**

3 FOR the purpose of authorizing and clarifying the use of certain promotional devices
4 to solicit the purchase of time-shares if certain disclosures are made; repealing
5 certain prohibitions against using certain promotional devices; exempting the
6 use of certain promotional devices from certain provisions of law; and generally
7 relating to the Maryland Real Estate Time-Sharing Act.

8 BY repealing and reenacting, with amendments,
9 Article - Commercial Law
10 Section 13-305(f)
11 Annotated Code of Maryland
12 (1990 Replacement Volume and 1999 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article - Real Property
15 Section 11A-119(c), (e), and (f)
16 Annotated Code of Maryland
17 (1996 Replacement Volume and 1999 Supplement)

18 BY repealing
19 Article - Real Property
20 Section 11A-119(d)
21 Annotated Code of Maryland
22 (1996 Replacement Volume and 1999 Supplement)

23 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
24 MARYLAND, That the Laws of Maryland read as follows:

1

Article - Commercial Law

2 13-305.

3 (f) (1) Where provisions of law or regulations relating to the awarding of
4 prizes in the sale, lease, or rental of real property exist, [including § 11A-119 of the
5 Real Property Article,] the provisions of those laws or regulations shall apply if the
6 provisions are more stringent than this section.

7 (2) THE PROVISIONS OF PARAGRAPH (1) OF THIS SUBSECTION DO NOT
8 APPLY TO §11A-119 OF THE REAL PROPERTY ARTICLE.

9

Article - Real Property

10 11A-119.

11 (c) [It is unlawful for any person to use any] NOTWITHSTANDING §13-305 OF
12 THE COMMERCIAL LAW ARTICLE, A PERSON MAY UTILIZE A promotional device,
13 including sweepstakes, gift awards, lodging certificates or discounts, with the intent
14 to solicit the [acquisition] PURCHASE of time-shares [without disclosing that
15 purpose] OR OFFER MERCHANDISE OR SERVICES TO PROSPECTIVE PURCHASERS IF
16 THE FOLLOWING DISCLOSURES ARE MADE:

17 (1) THE PURPOSE OF THE PROMOTION IS THE SOLICITATION OF THE
18 ACQUISITION OF TIME-SHARES;

19 (2) THE RETAIL VALUE OF THE MERCHANDISE OR SERVICES;

20 (3) THE REQUIREMENT, IF ANY, TO ATTEND A SALES PRESENTATION;
21 AND

22 (4) ANY OTHER RULES, TERMS, REQUIREMENTS, OR PRECONDITIONS
23 THAT MUST BE FILLED IN ORDER TO CLAIM THE MERCHANDISE OR SERVICES.

24 [(d) A person may not utilize a promotional device to solicit the purchase of a
25 time-share or offer merchandise or services to any prospective purchaser without
26 clearly disclosing the retail value of such merchandise or services. No promotional
27 device may involve any elements of chance as to the selection or award of particular
28 merchandise or services to any prospective purchaser.]

29 [(e)] (D) It is unlawful for any person using a promotional device to solicit the
30 purchase of a time-share to fail to award all items promised in such promotion by the
31 date and year specified in the promotion.

32 [(f)] (E) A public offering statement may not be used for promotional purpose
33 before the developer is registered and afterwards only if used in its entirety. No
34 person may advertise or represent that the Commission or the Secretary of State has
35 approved or recommended the time-shares or any of the documents contained in the
36 application for registration.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2000.