

**House Bill 2261**  
Senate Amendments  
Section-by-Section Analysis

HOUSE VERSION

SECTION 1. Section 221.003(b), Property Code, is amended to read as follows:

(b) Timeshare properties located outside this state are subject only to Subchapters C through H and J.

SECTION 2. Chapter 221, Property Code, is amended by adding Subchapter J to read as follows:

SUBCHAPTER J. SERVICE AGREEMENTS TO TRANSFER OR TERMINATE A TIMESHARE INTEREST  
Sec. 221.101. TRANSFER OR TERMINATION OF TIMESHARE INTEREST. In this subchapter:

(1) "Termination" with respect to a timeshare interest:

(A) means:

(i) the release of contractual obligations relating to a timeshare interest by the developer, association, or managing entity; or

(ii) the invalidation of a timeshare interest by a judgment or court order; and

(B) does not include the cancellation of a purchase contract governed by Subchapter E.

(2) "Transfer" with respect to a timeshare interest means the conveyance of all or substantially all of a timeshare interest.

Sec. 221.102. APPLICABILITY. (a) This subchapter applies to a timeshare interest if the timeshare interest has been acquired only for the purchaser's personal, family, or household use and:

(1) the timeshare interest is owned by a resident of this state;

(2) the timeshare property is located in this state; or

(3) the timeshare interest acquired is in a multisite timeshare plan required to be registered under Subchapter C.

SENATE VERSION (CS)

SECTION 1. Same as House version.

SECTION 2. Chapter 221, Property Code, is amended by adding Subchapter J to read as follows:

SUBCHAPTER J. SERVICE AGREEMENTS TO TRANSFER OR TERMINATE A TIMESHARE INTEREST  
Sec. 221.101. TRANSFER OR TERMINATION OF TIMESHARE INTEREST. In this subchapter:

(1) "Termination" with respect to a timeshare interest:

(A) means:

(i) the release of contractual obligations relating to a timeshare interest by the developer, association, or managing entity; or

(ii) the invalidation, cancellation, nullification, or cessation of contractual obligations related to a timeshare interest by a judgment or court order; and

(B) does not include the cancellation of a purchase contract governed by Subchapter E.

(2) "Transfer" with respect to a timeshare interest means the conveyance of all or substantially all of a timeshare interest.

Sec. 221.102. APPLICABILITY. (a) This subchapter applies to a timeshare interest if the timeshare interest has been acquired only for the purchaser's personal, family, or household use and:

(1) the timeshare interest is owned by a resident of this state;

(2) the timeshare property is located in this state; or

(3) the timeshare interest acquired is in a multisite timeshare plan required to be registered under Subchapter C.

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(b) Except as provided by Subsection (c), this subchapter applies to a person who:

(1) is acting in the ordinary course of business; and

(2) directly or indirectly, regardless of whether acting in person, by mail, by telephone, or by any mode of Internet or electronic communication, offers or advertises an offer to engage in, for consideration, the following activities:

(A) obtaining or attempting to obtain on behalf of a timeshare interest owner:

(i) a release of the owner's timeshare interest from any person, including the developer, association, or managing entity; or

(ii) a judgment or court order invalidating the owner's timeshare interest;

(B) selling, renting, listing, or advertising a timeshare interest on behalf of a timeshare interest owner;

(C) purchasing a timeshare interest from a timeshare interest owner; or

(D) assisting in the transfer of an owner's timeshare interest.

(c) This subchapter does not apply to:

(1) a license holder under Chapter 1101, Occupations Code, acting as a broker, agent, or salesperson under that person's license in connection with the transfer or termination of a timeshare interest;

(2) a developer, association, or managing entity for a timeshare interest to be transferred or terminated; or

(3) an attorney, title agent, title company, or escrow company that:

(A) provides only closing, settlement, or other specific transaction services in connection with the transfer or

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(b) Except as provided by Subsection (c), this subchapter applies to a person who:

(1) is acting in the ordinary course of business; and

(2) directly or indirectly, regardless of whether acting in person, by mail, by telephone, or by any mode of Internet or electronic communication, offers or advertises an offer to engage in, for consideration, the following activities:

(A) obtaining or attempting to obtain on behalf of a timeshare interest owner a termination of contractual obligations relating to a timeshare interest;

(B) selling, renting, listing, or advertising a timeshare interest on behalf of a timeshare interest owner;

(C) purchasing a timeshare interest from a timeshare interest owner; or

(D) assisting in the transfer of an owner's timeshare interest.

(c) This subchapter does not apply to:

(1) a license holder under Chapter 1101, Occupations Code, acting as a broker, agent, or salesperson under that person's license in connection with the transfer or termination of a timeshare interest;

(2) a developer, association, or managing entity for a timeshare interest to be transferred or terminated or a third party acting at the specific request of the developer, association, or managing entity; or

(3) an attorney, title agent, title company, or escrow company that:

(A) provides only closing, settlement, or other comparable transaction services in connection with the transfer or

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termination of a timeshare interest; and  
(B) does not otherwise engage in activities described by Subsection (b).

Sec. 221.103. GENERAL DISCLOSURES REQUIRED. A person subject to this subchapter who enters into an agreement with a timeshare interest owner to facilitate the transfer or termination of a timeshare interest shall provide to the timeshare interest owner the following written disclosures, as applicable:

(1) the name, telephone number, and physical address of the person providing services under the agreement and any affiliate, agent, or third-party representative of that person;

(2) a description, legally sufficient for identification, of the timeshare interest to be transferred or terminated;

(3) a description of the method of transfer or termination or a copy of the instrument that will be used for transferring or terminating the timeshare interest;

(4) a description of any interest the timeshare interest owner retains after the transfer;

(5) a description of the scope of a power of attorney or other delegation of authority, if any, that the timeshare interest owner is required to give to complete the transfer of the timeshare interest;

(6) an itemized statement of any amounts the timeshare

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termination of a timeshare interest; and  
(B) does not otherwise engage in activities described by Subsection (b).

Sec. 221.103. GENERAL DISCLOSURES REQUIRED. A person subject to this subchapter who enters into an agreement with a timeshare interest owner to facilitate the transfer or termination of a timeshare interest shall provide to the timeshare interest owner, before the third day before the date the timeshare interest owner enters into the agreement the following written disclosures, as applicable:

(1) the name, telephone number, and physical address of the person providing services under the agreement and any affiliate, agent, or third-party representative of that person;

(2) if the person identified in Subdivision (1), or an affiliate, agent, or third-party representative of that person providing services under the agreement, is an attorney licensed to practice law in this state, a disclosure of whether the attorney will be providing services under the agreement and representing the timeshare interest owner in connection with the transfer or termination of the timeshare interest;

(3) a description, legally sufficient for identification, of the timeshare interest to be transferred or terminated;

(4) a description of the method of transfer or termination or a copy of the instrument that will be used for transferring or terminating the timeshare interest;

(5) a description of any interest the timeshare interest owner retains after the transfer;

(6) a description of the scope of a power of attorney or other delegation of authority, if any, that the timeshare interest owner is required to give to complete the transfer of the timeshare interest;

(7) an itemized statement of any amounts the timeshare

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owner is required to pay as consideration or reimbursement for services provided in connection with the agreement;

(7) the name of each recipient of amounts described by Subdivision (6);

(8) the estimated date for completing all services sufficient to transfer or terminate the timeshare interest; and

(9) a statement that, on completion of the transfer or termination of the timeshare interest, the person will give written notice of the transfer or termination to:

(A) the developer, association, or managing entity, as applicable; and

(B) if applicable, the exchange company for the timeshare interest.

Sec. 221.104. DISCLOSURE OF AUTHORIZED USE OF TIMESHARE INTEREST. (a) A person subject to this subchapter who enters into an agreement with a timeshare interest owner to facilitate the transfer or termination of a timeshare interest shall disclose in writing to the timeshare interest owner the name of any person, other than the timeshare interest owner, who may occupy, rent, exchange, or otherwise use the timeshare interest during the term of the agreement.

(b) If a person is authorized to occupy, rent, exchange, or otherwise use the timeshare interest during the term of the agreement, the agreement must state the name of each person receiving consideration for the occupation, rent, exchange, or use of the timeshare interest.

Sec. 221.105. DISCLOSURES RELATING TO PAYMENT OF FEES FOR TRANSFER SERVICES. A person subject to this subchapter who enters into an agreement with a timeshare interest owner to facilitate the transfer of the timeshare interest must disclose in writing to the timeshare interest

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owner is required to pay as consideration or reimbursement for services provided in connection with the agreement;

(8) the name of each recipient of amounts described by Subdivision (7);

(9) the estimated date for completing all services sufficient to transfer or terminate the timeshare interest; and

(10) a statement that, on completion of the transfer or termination of the timeshare interest, the person will give written notice of the transfer or termination to:

(A) the developer, association, or managing entity, as applicable; and

(B) if applicable, the exchange company for the timeshare interest.

Sec. 221.104. DISCLOSURE OF AUTHORIZED USE OF TIMESHARE INTEREST. (a) A person subject to this subchapter who enters into an agreement with a timeshare interest owner to facilitate the transfer or termination of a timeshare interest shall disclose in writing to the timeshare interest owner the name of any person, other than the timeshare interest owner, who may occupy, rent, exchange, or otherwise use the timeshare interest during the term of the agreement.

(b) If a person is authorized to occupy, rent, exchange, or otherwise use the timeshare interest during the term of the agreement, the agreement must state the name of each person receiving consideration for the occupation, rent, exchange, or use of the timeshare interest.

Sec. 221.105. DISCLOSURES RELATING TO PAYMENT OF FEES FOR TRANSFER SERVICES. A person subject to this subchapter who enters into an agreement with a timeshare interest owner to facilitate the transfer of the timeshare interest must conspicuously disclose in writing to the

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owner that the timeshare interest owner is not required to pay any consideration or reimbursement under the agreement until the timeshare interest owner receives:

(1) a written acknowledgement from the developer, the association, or the managing entity that the person facilitating the transfer under the agreement complied with all applicable policies, if any, governing the transfer of the timeshare interest; and

(2) a copy of the instrument transferring the timeshare interest, recorded, if required by applicable law, in the real property records of the county in which the timeshare property is located.

Sec. 221.106. REQUIRED NOTICE FOR TRANSFER SERVICES. A person subject to this subchapter who enters into an agreement with a timeshare interest owner to facilitate the transfer of the timeshare interest must provide to the timeshare interest owner a statement printed in 14-point boldface type or 14-point uppercase typewritten letters that reads substantially similar to the following:

I (name of the person facilitating the transfer) WILL ACT IN GOOD FAITH AND IN A COMMERCIALY REASONABLE MANNER TO COMPLETE THE TRANSFER OF OWNERSHIP OF YOUR TIMESHARE INTEREST NOT LATER THAN THE 180TH DAY AFTER THE DATE OF THIS AGREEMENT.

YOUR OBLIGATION TO PAY ALL COSTS AND FEES ASSOCIATED WITH YOUR TIMESHARE INTEREST, INCLUDING ANY REGULAR OR SPECIAL ASSESSMENTS OR REAL OR PERSONAL PROPERTY TAXES, DOES NOT CEASE BY VIRTUE OF THE EXECUTION OF THIS AGREEMENT.

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timeshare interest owner that the timeshare interest owner is not required to pay any consideration or reimbursement under the agreement until the timeshare interest owner receives:

(1) a written acknowledgement from the developer, the association, or the managing entity that the person facilitating the transfer under the agreement complied with all applicable policies of the developer, association, or managing entity, if any, governing the transfer of the timeshare interest; and

(2) a copy of the instrument transferring the timeshare interest, recorded, if required by applicable law, in the real property records of the county in which the timeshare property is located.

Sec. 221.106. REQUIRED NOTICE FOR TRANSFER SERVICES. A person subject to this subchapter who enters into an agreement with a timeshare interest owner to facilitate the transfer of the timeshare interest must provide to the timeshare interest owner a statement printed in 14-point boldface type or 14-point uppercase typewritten letters that reads substantially similar to the following:

I (name of the person facilitating the transfer) WILL ACT IN GOOD FAITH AND IN A COMMERCIALY REASONABLE MANNER TO COMPLETE THE TRANSFER OF OWNERSHIP OF YOUR TIMESHARE INTEREST NOT LATER THAN THE 180TH DAY AFTER THE DATE OF THIS AGREEMENT.

YOUR OBLIGATION TO PAY ALL COSTS AND FEES ASSOCIATED WITH YOUR TIMESHARE INTEREST, INCLUDING ANY REGULAR OR SPECIAL ASSESSMENTS OR REAL OR PERSONAL PROPERTY TAXES, DOES NOT CEASE BY VIRTUE OF THE EXECUTION OF THIS AGREEMENT.

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IS NOT COMPLETED BEFORE THE 180TH DAY AFTER THE DATE OF THIS AGREEMENT, YOU WILL CONTINUE TO BE RESPONSIBLE FOR THE PAYMENT OF ALL COSTS AND FEES ASSOCIATED WITH YOUR TIMESHARE INTEREST, INCLUDING ANY REGULAR OR SPECIAL ASSESSMENTS OR REAL OR PERSONAL PROPERTY TAXES.

Sec. 221.107. REQUIRED NOTICE FOR TERMINATION SERVICES. A person subject to this subchapter who enters into an agreement with a timeshare interest owner to facilitate the termination of the timeshare interest must provide to the timeshare interest owner a statement printed in 14-point boldface type or 14-point uppercase typewritten letters that reads substantially similar to the following:

I (name of the person facilitating the termination of the timeshare interest) WILL ACT IN GOOD FAITH AND IN A COMMERCIALY REASONABLE MANNER TO COMPLETE THE TERMINATION OF YOUR TIMESHARE INTEREST NOT LATER THAN THE 180TH DAY AFTER THE DATE OF THIS AGREEMENT BY OBTAINING:

(1) A VALID AND ENFORCEABLE RELEASE FROM THE DEVELOPER, ASSOCIATION, OR MANAGING ENTITY; OR

(2) A JUDGMENT OR COURT ORDER INVALIDATING THE PURCHASE OR OWNERSHIP OF YOUR TIMESHARE INTEREST.

YOUR OBLIGATION TO PAY ALL COSTS AND FEES ASSOCIATED WITH YOUR TIMESHARE INTEREST, INCLUDING ANY REGULAR OR SPECIAL ASSESSMENTS OR REAL OR PERSONAL PROPERTY TAXES, DOES NOT CEASE BY VIRTUE OF THE

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IS NOT COMPLETED BEFORE THE 180TH DAY AFTER THE DATE OF THIS AGREEMENT, YOU WILL CONTINUE TO BE RESPONSIBLE FOR THE PAYMENT OF ALL COSTS AND FEES ASSOCIATED WITH YOUR TIMESHARE INTEREST, INCLUDING ANY REGULAR OR SPECIAL ASSESSMENTS OR REAL OR PERSONAL PROPERTY TAXES.

Sec. 221.107. REQUIRED NOTICE FOR TERMINATION SERVICES. A person subject to this subchapter who enters into an agreement with a timeshare interest owner to facilitate the termination of the timeshare interest must provide to the timeshare interest owner a statement printed in 14-point boldface type or 14-point uppercase typewritten letters that reads substantially similar to the following:

I (name of the person facilitating the termination of the timeshare interest) WILL ACT IN GOOD FAITH AND IN A COMMERCIALY REASONABLE MANNER TO COMPLETE THE TERMINATION OF YOUR TIMESHARE INTEREST NOT LATER THAN THE 180TH DAY AFTER THE DATE OF THIS AGREEMENT BY OBTAINING:

(1) A VALID AND ENFORCEABLE RELEASE FROM THE DEVELOPER, ASSOCIATION, OR MANAGING ENTITY; OR

(2) A JUDGMENT OR COURT ORDER INVALIDATING THE PURCHASE OR OWNERSHIP OF YOUR TIMESHARE INTEREST.

YOUR OBLIGATION TO PAY ALL COSTS AND FEES ASSOCIATED WITH YOUR TIMESHARE INTEREST, INCLUDING ANY REGULAR OR SPECIAL ASSESSMENTS OR REAL OR PERSONAL PROPERTY TAXES, DOES NOT CEASE BY VIRTUE OF THE

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EXECUTION OF THIS AGREEMENT.

I CANNOT GUARANTEE THAT I WILL SUCCESSFULLY COMPLETE THE TERMINATION OF YOUR TIMESHARE INTEREST. IF I FAIL TO COMPLETE THE TERMINATION OF YOUR TIMESHARE INTEREST, YOU WILL CONTINUE TO BE RESPONSIBLE FOR THE PAYMENT OF ALL COSTS AND FEES ASSOCIATED WITH YOUR TIMESHARE INTEREST, INCLUDING ANY REGULAR OR SPECIAL ASSESSMENTS OR REAL OR PERSONAL PROPERTY TAXES.

Sec. 221.108. RELIANCE. In making disclosures required by this subchapter, a person facilitating the transfer or termination of a timeshare interest may rely on written information provided by the timeshare interest owner, the developer, the association, or the managing entity.

Sec. 221.109. DUTY OF GOOD FAITH REGARDING TRANSFER OR TERMINATION SERVICES. A person facilitating the transfer or termination of a timeshare interest must act in good faith to accomplish the transfer or termination not later than the 180th day after the date the person enters into an agreement with the timeshare interest owner.

Sec. 221.110. DECEPTIVE TRADE PRACTICES. A person subject to this subchapter commits a false, misleading, or deceptive act or practice within the meaning of Sections 17.46(a) and (b), Business & Commerce Code, by engaging in any of the following acts:

- (1) failing to disclose information as required by this subchapter;
- (2) making false or misleading statements concerning:
  - (A) the existence of an offer related to the purchase or rent of

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EXECUTION OF THIS AGREEMENT.

I CANNOT GUARANTEE THAT I WILL SUCCESSFULLY COMPLETE THE TERMINATION OF YOUR TIMESHARE INTEREST. IF I FAIL TO COMPLETE THE TERMINATION OF YOUR TIMESHARE INTEREST, YOU WILL CONTINUE TO BE RESPONSIBLE FOR THE PAYMENT OF ALL COSTS AND FEES ASSOCIATED WITH YOUR TIMESHARE INTEREST, INCLUDING ANY REGULAR OR SPECIAL ASSESSMENTS OR REAL OR PERSONAL PROPERTY TAXES.

Sec. 221.108. RELIANCE. In making disclosures required by this subchapter, a person facilitating the transfer or termination of a timeshare interest may rely on written information provided by the timeshare interest owner, the developer, the association, or the managing entity.

Sec. 221.109. DUTY OF GOOD FAITH REGARDING TRANSFER OR TERMINATION SERVICES. A person facilitating the transfer or termination of a timeshare interest must act in good faith to accomplish the transfer or termination not later than the 180th day after the date the person enters into an agreement with the timeshare interest owner.

Sec. 221.110. DECEPTIVE TRADE PRACTICES. A person subject to this subchapter commits a false, misleading, or deceptive act or practice within the meaning of Sections 17.46(a) and (b), Business & Commerce Code, by engaging in any of the following acts:

- (1) failing to disclose information as required by this subchapter;
- (2) making false or misleading statements concerning:
  - (A) the existence of an offer related to the purchase or rent of

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a timeshare interest;

(B) the likelihood of the completion or the time necessary to complete any sale, rental, transfer, or termination of a timeshare interest;

(C) the value of a timeshare interest;

(D) the current or future costs, including assessments, maintenance fees, or taxes, of owning a timeshare interest;

(E) the method by which or source from which a timeshare interest owner's name, address, telephone number, or other contact information was obtained;

(F) the identity of the person providing services to facilitate the transfer or termination of a timeshare interest or any affiliate, agent, or third-party representative of that person;

(G) the terms and conditions under which services to facilitate a transfer or termination of a timeshare interest are offered;

(H) the willingness of a developer, association, or managing entity to:

(i) agree to the transfer or termination of a timeshare interest;

or

(ii) execute instruments necessary to transfer or terminate the timeshare interest; or

(I) the manner in which consideration or reimbursements paid by a timeshare interest owner will be used or applied; or

(3) encouraging or inducing a timeshare interest owner to stop paying the developer, the association, or the managing entity in violation of a contract with the developer, the association, or the managing entity before the completion of a transfer or termination.

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a timeshare interest;

(B) the likelihood of the completion or the time necessary to complete any sale, rental, transfer, or termination of a timeshare interest;

(C) the value of a timeshare interest;

(D) the current or future costs, including assessments, maintenance fees, or taxes, of owning a timeshare interest;

(E) the method by which or source from which a timeshare interest owner's name, address, telephone number, or other contact information was obtained;

(F) the identity of the person providing services to facilitate the transfer or termination of a timeshare interest or any affiliate, agent, or third-party representative of that person;

(G) the terms and conditions under which services to facilitate a transfer or termination of a timeshare interest are offered;

(H) the willingness of a developer, association, or managing entity to:

(i) agree to the transfer or termination of a timeshare interest;

or

(ii) execute instruments necessary to transfer or terminate the timeshare interest; or

(I) the manner in which consideration or reimbursements paid by a timeshare interest owner will be used or applied;

(3) encouraging or inducing a timeshare interest owner to stop paying the developer, the association, or the managing entity in violation of a contract with or any other legally enforceable obligation to the developer, the association, or the managing entity before the completion of a transfer or termination; or

(4) receiving or collecting consideration for or reimbursement related to the facilitation of the transfer of a timeshare interest

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Sec. 221.111. SUPERVISORY DUTIES. (a) The person who enters into an agreement to facilitate the transfer or termination of a timeshare interest shall supervise, manage, and control all aspects of the services provided under the agreement.

(b) Any violation of this subchapter that occurs during the provision of services is considered a violation by the person who enters into the agreement and any affiliate, agent, or third-party representative of that person.

(c) Section 221.035 does not apply to a person providing services under this subchapter.

SECTION 3. (a) The disclosure and notice requirements provided by Subchapter J, Chapter 221, Property Code, as added by this Act, apply only to an agreement to facilitate the transfer or termination of a timeshare interest entered into on or after the effective date of this Act. An agreement to facilitate the transfer or termination of a timeshare interest entered into before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose. (b) Section 221.110, Property Code, as added by this Act, applies only to conduct that occurs on or after the effective date of this Act. Conduct that occurs before the effective date of this Act is governed by the law as it existed when the conduct occurred, and the former law is continued in effect for that purpose.

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before the timeshare interest owner receives the documents described by Sections 221.105(1) and (2).

Sec. 221.111. SUPERVISORY DUTIES. (a) The person who enters into an agreement to facilitate the transfer or termination of a timeshare interest shall supervise, manage, and control all aspects of the services provided under the agreement.

(b) Any violation of this subchapter that occurs during the provision of services is considered a violation by the person who enters into the agreement and any affiliate, agent, or third-party representative of that person.

(c) Section 221.035 does not apply to a person providing services under this subchapter.

SECTION 3. Same as House version.

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SECTION 4. This Act takes effect September 1, 2015.

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SECTION 4. Same as House version.

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