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HOUSE BILL NO. 1330

Offered January 22, 2010

A BILL to amend the Code of Virginia by adding a section numbered 55-376.5, relating to the Virginia Real Estate Time-Share Act; right to surrender time-share.

Patron—Cosgrove

Referred to Committee on General Laws

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 55-376.5 as follows:

§ 55-376.5. Right of time-share owner to surrender time-share.

A. A time-share owner shall be entitled to surrender ownership of his time-share and thereafter be relieved of any obligation imposed by the time-share instrument, contract, or association documents provided the following conditions precedent are satisfied:

1. The purchase price and all other related acquisition charges, including closing costs and interest on any deferred purchase, are paid in full;

2. All association and developer charges incurred by virtue of ownership of the time-share and participation in the time-share program, including all maintenance fees, assessments, special assessments and related charges, are paid in full until surrender of the deed described in subdivision 6;

3. The time-share owner shall have had record ownership of his time-share for no less than 10 years prior to delivery of the notification required under subdivision 4. The 10 years shall be calculated from the date of recordation as reflected in the deed from the developer to such owner;

4. The time-share owner shall notify the developer by certified mail, return receipt requested, of his intent to relinquish and surrender ownership of his time-share. The notice shall be sent no sooner than the ninth year of the 10-year period specified in subdivision 3. The notice shall be signed by each record owner of the time-share. The address to be used shall be the principal office of the developer as outlined in the then current public offering statement. The notice shall contain the full legal name, address, telephone number, and email address, if any, of each time-share owner whose name is to appear on the deed. A copy of the recorded deed whereby the time-share owner acquired record title to his time-share shall be included with the notice;

5. The time-share to be surrendered shall be owned by the person who acquired it from the developer. No successor in title to the time-share owner shall have the right to surrender that is provided by this section;

6. A deed conveying the entire ownership conveyed by the developer to the time-share owner shall be properly executed by each such owner, notarized, in otherwise recordable form and delivered to the developer along with all costs necessary to effect recordation plus administrative and title examination charges not to exceed \$350. Delivery of the deed by the time-share owner shall occur no sooner than two years and no later than three years after the notice is given pursuant to subdivision 4. The conveyance shall be at no cost to the developer and shall be free and clear of all intervening liens and encumbrances of record. The developer shall be under no obligation to accept title to the time-share if there appears of record any lien or other financial encumbrance against the time-share created through act or omission of the time-share owner; and

7. The developer control period for the entire time-share project has not terminated as evidenced by either a recorded instrument to that effect or a recorded deed from the developer to the association conveying all of the common elements located within the time-share project.

B. Upon delivery by the time-share owner of the deed described in subdivision A 6 and receipt thereof by the developer, the developer shall cause such deed to be recorded provided all conditions specified by subsection A have been satisfied. The recording shall occur within 30 days of receipt of the deed. If the developer cannot record the deed, it shall notify the time-share owner to this effect with an explanation of why the surrender afforded by this section did not occur.

C. Upon satisfaction of all conditions specified under subsection A and the recording of the deed required under subsection B, the time-share owner shall no longer be a member in the association or an owner of the time-share. At the time of recordation of the deed, all rights of time-share ownership, participation in the time-share program, and membership in the association shall cease. All obligations imposed on such time-share owner by the time-share instrument and association documents shall also cease.

D. All moneys collected by the developer or the association pursuant to the time-share owner's acquisition and ownership of the time-share, participation in the time-share program, and membership

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59 *in association, including the purchase price, interest, closing costs, maintenance fees, assessment,*
60 *special assessment, and surrender processing fees under this section shall remain the property of the*
61 *developer or the association, as the case may be.*
62 *E. The developer shall be under no obligation to pay any maintenance fee, assessment, special*
63 *assessment, or any other charge however denominated on any time-share acquired under this section.*