

Department of Planning and Budget 2013 Fiscal Impact Statement

1. Bill Number: SB772

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Wagner, F. W.

3. Committee: Passed Both Houses.

4. Title: Virginia Real Estate Time-Share Act; developer control in time-share estate program, control liens.

5. Summary: This bill provides that in addition to the current developer control termination provisions and to the extent that the purchase contract or time-share instrument does not expressly provide otherwise, the developer control period shall terminate when the developer is no longer the beneficiary on deeds of trust secured on at least 20 percent of the time-share estates. Under current law, the transfer must occur when the developer has (i) transferred to purchasers legal or equitable ownership of at least 90 percent of the time-share estates or (ii) completed all of the promised common elements and facilities comprising the time-share estate project, whichever occurs last.

In addition, the bill changes from mandatory to permissive the requirement that the trustee file an accounting of a foreclosure sale of a time-share estate with the commissioner of accounts. If the trustee decides to file an accounting with the commissioner of accounts, the fee is limited to \$70 on foreclosure of a lien under subsection C and not to exceed \$125 on each foreclosure of a purchase money deed of trust taken back by the developer. The bill includes a second enactment clause stating the intent of the General Assembly that the provisions of the bill relating to the developer control period shall apply retroactively to all registered time-share projects to the extent that the purchase contract or time-share instrument does not expressly provide otherwise.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Final.

8. Fiscal Implications: This bill does not result in a fiscal impact to the Department of Professional and Occupational Regulation.

9. Specific Agency or Political Subdivisions Affected: Department of Professional and Occupational Regulation.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is identical to HB1630.

Date: 2/25/13

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