

By: Representatives Sullivan, Bell (21st),
Pigott, Staples, Steverson

To: Judiciary A

HOUSE BILL NO. 1476

1 AN ACT TO CREATE NEW SECTION 75-24-103, MISSISSIPPI CODE OF
2 1972, TO REQUIRE A SELLER OF A TIMESHARE INTEREST TO PROVIDE TO
3 PROSPECTIVE PURCHASERS WHO ARE RESIDENTS OF MISSISSIPPI A COPY OF
4 THE PROSPECTUS/PUBLIC OFFERING STATEMENT (POS) NO LESS THAN 30
5 DAYS BEFORE A CLOSING ON A TIMESHARE INTEREST; TO REQUIRE A SELLER
6 AND PURCHASER TO SIGN SEPARATE DOCUMENTS AT A CLOSING RELATING TO
7 THE PURCHASER'S TIMELY RECEIPT OF THE POS, MAINTENANCE AND OTHER
8 FEES THAT MAY BE ASSESSED AGAINST THE PURCHASER IN THE FUTURE, AND
9 THE RESCISSION PROCESS; TO REQUIRE THE OFFICE OF CONSUMER
10 PROTECTION IN THE ATTORNEY GENERAL'S OFFICE TO INVESTIGATE ALLEGED
11 VIOLATIONS OF THIS ACT; TO DECLARE SALES CONTRACTS ENTERED INTO IN
12 VIOLATION OF THIS ACT VOID AB INITIO; AND FOR RELATED PURPOSES.

13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

14 **SECTION 1.** The following shall be codified as Section
15 75-24-103, Mississippi Code of 1972:

16 75-24-103. (1) A seller, including a developer and its
17 employees, agents or other authorized representatives, of a
18 timeshare plan within or outside the State of Mississippi who
19 sells or offers to sell to a resident of this state a timeshare
20 interest must provide to the prospective purchaser an exact and
21 complete copy of the Prospectus/Public Offering Statement (POS)
22 contemporaneously with any promotional device or other invitation
23 attempting to solicit a sale which is sent to the prospective



24 purchaser, and in no event, less than thirty (30) days before the
25 date on which the sales transaction of a timeshare interest
26 occurs.

27 (2) During a closing transaction on the purchase of a
28 timeshare interest by a resident of this state, in addition to the
29 other documents that are part of the transaction, the following
30 documents must be signed by both the seller or the seller's
31 authorized agent and the purchaser and included in the purchaser's
32 closing packet:

33 (a) A separate document providing the date on which the
34 Prospectus/Public Offering Statement (POS) was provided to the
35 purchaser and the date of the closing, which may not be less than
36 thirty (30) days after the date on which the POS was provided to
37 the purchaser;

38 (b) A separate document acknowledging that the seller
39 or seller's agent, during the closing, has reviewed and
40 highlighted language in the POS with the purchaser setting forth
41 any maintenance fees or other charges of any type that may be
42 assessed against the purchaser and the authority granted to the
43 seller to increase those fees or charges after the date of sale;
44 and

45 (c) A separate document providing, in plain and concise
46 language, the rescission time period and instructions for
47 rescission of the sales contract, including the latest date on
48 which a sales contract may be rescinded, the process by which a



49 purchaser may rescind a sales contract, and the address to which a
50 written rescission, if required, must be sent by the purchaser.

51 (3) The Office of Consumer Protection in the Office of the
52 Attorney General shall investigate alleged violations of this
53 section. A violation of this section is considered an unfair or
54 deceptive act in the conduct of trade or commerce, and a purchaser
55 is entitled to all rights and remedies afforded under this
56 chapter. Further, any sales contract entered into in violation of
57 this section is considered void ab initio and unenforceable
58 against the purchaser.

59 **SECTION 2.** This act shall take effect and be in force from
60 and after July 1, 2019.

