

SENATE BILL 1067

By Haynes

AN ACT to amend Tennessee Code Annotated, Title 66,  
Chapter 32, relative to consumer protection.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 66-32-112, is amended by adding the following language as a new, appropriately designated subdivision:

( ) The following statement in conspicuous type in substantially the following form:

**The purchase of a time-share interval should be based upon its value as a vacation experience or for spending leisure time, and not considered for purposes of acquiring an appreciating investment or with an expectation that the time-share interval may be resold;**

SECTION 2. Tennessee Code Annotated, Section 66-32-112, is amended by deleting subdivision (11) and by substituting instead the following:

(11) If there are any restrictions upon the sale, transfer, conveyance, or leasing of a time-share interval or portion of an interval, then a description of the nature of the restriction, limitation, or control on the sale, lease, or transfer of time-share intervals shall be included immediately following a statement in substantially the following form:

**The sale, lease, or transfer of time-share interval is restricted or controlled;**

SECTION 3. Tennessee Code Annotated, Section 66-32-132, is amended by deleting subdivision (1) in its entirety and by substituting instead the following:

(1) Contain any representation as to the availability of a resale program or rental program offered by or on behalf of the developer or its affiliate unless:

(A) The resale program or rental program has been made a part of the offering;

(B) Substantiation is available at the time of the representation to show that a resale or rental market, whichever is applicable, exists; and

(C) The representation has been submitted to the commission;

SECTION 4. Tennessee Code Annotated, Section 66-32-132, is amended by deleting subdivision (3) in its entirety and by substituting instead the following:

(3) Contain any statement concerning the investment merit or profit potential of the time-share interval;

SECTION 5. This act shall take effect July 1, 2011, the public welfare requiring it, and shall apply to public offering statements registered on or after that date.