

SENATE No. 3013

The Commonwealth of Massachusetts

—
**In the One Hundred and Ninety-Third General Court
(2023-2024)**
—

SENATE, December 30, 2024.

The committee on Senate Rules to whom was referred the Senate Bill modernizing time-share extension and termination procedures (Senate, No. 2591) reports, that the matter be placed in the Orders of the Day for the next session with an amendment substituting a new draft entitled "An Act modernizing time-share extension and termination procedures" (Senate, No. 3013).

For the committee,
Joan B. Lovely

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An Act modernizing time-share extension and termination procedures.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 14 of chapter 183B of the General Laws, as appearing in the 2022
2 Official Edition, is hereby amended by striking out, in line 3, the words “subsection (d)” and
3 inserting in place thereof the following words:- paragraph (3) of subsection (b).

4 SECTION 2. Said chapter 183B is hereby further amended by striking out section 15, as
5 so appearing, and inserting in place thereof the following section:-

6 Section 15. (a) This section shall apply to time-share licenses only to the extent expressly
7 provided by the time-share instrument.

8 (b) After the occurrence of a duly noticed and held meeting of an association of owners
9 convened

10 not less than 30 days after such notice to consider the termination of a time-share plan,
11 such owners having not less than 65 per cent of all eligible beneficial interests may terminate all
12 time-shares in a time-share property by written agreement.

13 (c) An agreement to terminate all time-shares in a time-share property shall be evidenced
14 by the execution, in the same manner as a deed, of a termination agreement, or ratifications
15 thereof, by the requisite number of time-share owners. The termination agreement shall specify a
16 date after which the agreement shall be void unless it is recorded on or before said date and it
17 may provide for the establishment of a trust to carry out the termination agreement and effect a
18 sale pursuant to this section. A termination agreement and all ratifications thereof shall be
19 recorded in the registry of deeds or land registration office in each district in which a portion of
20 the time-share property is situated and shall be effective only upon such recording.

21 (d) Unless a termination agreement sets forth the material terms of a contract or proposed
22 contract under which an estate or interest in each time-share unit equal to the sum of the time-
23 shares therein is to be sold and designates a trustee or board of trustees to effect the sale, title to
24 an estate or interest in each time-share unit equal to the sum of the time-shares therein shall vest
25 upon termination in the time-share owners thereof in proportion to the respective interests of the
26 time-share owners as provided in subsections (i) and (j) and liens on the time-shares shall attach
27 to and encumber said interests. A co-owner of said estate or interest in a unit may thereafter
28 maintain an action for partition or for allotment or sale in lieu of partition.

29 (e) If a termination agreement sets forth parameters for the material terms of a contract or
30 proposed contract under which an estate or interest in each time-share unit equal to the sum of
31 the time-shares therein is to be sold and designates the board of the time-share owners
32 association as trustees, or designates an individual or group of individuals as trustees, to effect
33 the sale, title to said estate or interest shall vest upon termination in the said trustees for the
34 benefit of the time-share owners and shall be transferred pursuant to the contract of sale. Net

35 proceeds of the sale shall be distributed to time-share owners and lienholders as their interests
36 may appear, as provided in subsections (i) and (j).

37 (f) The termination of a time-share plan shall not change the status of the underlying
38 owners' association. Upon termination of a time-share plan, such association shall continue to
39 exist only for the purposes of concluding its affairs, prosecuting and defending actions by or
40 against such association, collecting and discharging obligations, disposing of and conveying its
41 property, collecting and dividing its assets and otherwise complying with this section.

42 (g) All reasonable expenses incurred by a termination trustee relating to the performance
43 of the trustee's duties pursuant to this act, including the reasonable fees of attorneys and other
44 professionals, shall be paid by the termination trustee.

45 (h) A termination trustee shall adopt reasonable procedures to implement the timely sale
46 of the former time-share property and comply with the requirements of this section.

47 (i) Except as otherwise provided in the termination agreement, so long as the former
48 time-share owners or their termination trustee or trustees hold title to an estate or interest equal to
49 the sum of the time-shares, each former time-share owner and their successors in interest shall
50 have the same rights with respect to occupancy in the former time-share unit that they would
51 have had if termination had not occurred, together with the same liabilities and other obligations
52 imposed by this chapter or the time-share instrument.

53 (j) After termination of all time-shares in a time-share property and adequate provision
54 for the payment of the claims of the creditors for time-share expenses, distribution of: (i) the
55 proceeds of any sale pursuant to this section; (ii) the proceeds of the sale of any assets held for
56 the use and benefit of the former time-share owners; and (iii) any other funds held for the use and

57 benefit of the former time-share owners shall be made to the former time-share owners and their
58 successors in interest in proportion to their respective interests as provided in subsection (i).
59 Following the termination of an agreement, creditors of the association holding liens perfected
60 against the time-share property prior to the termination may enforce said liens in the same
61 manner as any other lien holder. All other creditors of the association shall be treated as if they
62 had perfected liens on the time-share property immediately prior to termination.

63 (k) A time-share instrument may specify the respective fractional or percentage interest in
64 the estate or interest in each unit equal to the sum of the time-shares therein that will be owned
65 by each former time-share owner upon termination of the time-shares. If the time-share
66 instrument fails to specify such interest, an appraisal shall be made of the fair market value of
67 each time-share by at least 1 impartial qualified appraiser selected by the trustee designated in
68 the termination agreement or, if no trustee was so designated, by the managing entity of the time-
69 share plan. Such appraisal shall be made not more than 180 days prior to the termination and
70 shall state the corresponding fractional or percentage interests calculated in proportion to fair
71 market values appraised pursuant to this act. A notice stating all such fair market values and
72 corresponding interests and the return address of the sender shall be sent by registered mail,
73 return receipt requested, by the managing entity of the time-share plan or by the trustee
74 designated in the termination agreement to each time-share owner. Such appraisal shall govern
75 the fractional or percentage interest of each estate or interest unless: (i) not less than 25 per cent
76 of the time-share owners deliver, not more than 60 days after the date the notices were mailed,
77 written disapprovals to the return address of the sender of the notice; or (ii) the final judgment of
78 a court of competent jurisdiction, entered during or after said period, holds that the appraisal
79 shall be set aside. If the termination agreement sets forth the material terms of a contract or

80 proposed contract for the sale of the estate or interest equal to the sum of the time-shares, each
81 time-share conferring a right of occupancy during a limited number of time periods shall be
82 appraised as if the time until the date specified for the conveyance of the property had elapsed. If
83 no such date is specified, each time-share conferring a right of occupancy during a limited
84 number of time periods shall be appraised as if the time until the date specified pursuant to
85 subsection (c) had elapsed. The interest of each time-share owner is the value of the time-share
86 he owned divided by the sum of the values of all time-shares in the unit or units to which his
87 time-share applies.

88 SECTION 3. This act shall apply to time-share plans existing before and subsequent to
89 passage of this act.