

IC 32-32

**ARTICLE 32. TIME SHARES AND CAMPING
CLUBS**

IC 32-32-1

Chapter 1. Application

IC 32-32-1-1

Application

Sec. 1. This article does not apply to the following:

- (1) The sale of not more than twelve (12) time shares or camping club memberships in a time share project or camping site project, unless the developer offers to sell time shares or camping club memberships in other projects in the same subdivision and the total number of the shares offered for sale exceeds twenty-six (26) in a period of twelve (12) months.
- (2) The sale or transfer of a time share or camping club membership by an owner who is not the developer, unless the time share or camping club membership is sold in the ordinary course of business of that owner.
- (3) Any transfer of a time share or camping club membership by deed instead of foreclosure or as a result of foreclosure of the time share or camping club membership.
- (4) A gratuitous transfer of a time share or camping site.
- (5) A transfer of a time share or camping club membership by devise or descent or a transfer to an inter vivos trust, unless the method of disposition is adopted for the purpose of evading this chapter.

As added by P.L.2-2002, SEC.17.

IC 32-32-2

Chapter 2. Definitions

IC 32-32-2-1

Applicability of definitions

Sec. 1. The definitions in this chapter apply throughout this article.
As added by P.L.2-2002, SEC.17.

IC 32-32-2-2

"Camping club" defined

Sec. 2. "Camping club" means any enterprise, other than one that is tax exempt under Section 501 of the Internal Revenue Code, that has as its primary purpose camping or outdoor recreation that involves or will involve camping sites.

As added by P.L.2-2002, SEC.17.

IC 32-32-2-3

"Camping club member" defined

Sec. 3. "Camping club member" means any person, other than the developer or lender, who purchases a camping club membership.

As added by P.L.2-2002, SEC.17.

IC 32-32-2-4

"Camping club membership" defined

Sec. 4. (a) "Camping club membership" means an agreement evidencing a purchaser's title to, interest in, or right or license to use for more than thirty (30) days the camping or outdoor recreation facilities of a camping club.

(b) The term does not include an agreement of a camping or outdoor recreation facility that expires within three hundred sixty-five (365) days after the execution date of the agreement.

As added by P.L.2-2002, SEC.17.

IC 32-32-2-5

"Camping site" defined

Sec. 5. "Camping site" means a space that:

- (1) is designed and promoted for the purpose of locating a trailer, tent, tent trailer, pickup camper, or other similar device used for land based portable housing; and
- (2) is the subject of a camping club membership.

As added by P.L.2-2002, SEC.17.

IC 32-32-2-6

"Developer" defined

Sec. 6. "Developer" means any person who engages in the business of creating or selling its own time shares or camping club memberships.

As added by P.L.2-2002, SEC.17.

IC 32-32-2-7

"Director" defined

Sec. 7. "Director" refers to the director of the division appointed under IC 4-6-9-2.

As added by P.L.2-2002, SEC.17.

IC 32-32-2-8

"Division" defined

Sec. 8. "Division" refers to the consumer protection division of the office of the attorney general created by IC 4-6-9-1.

As added by P.L.2-2002, SEC.17.

IC 32-32-2-9

"Exchange company" defined

Sec. 9. "Exchange company" means any person owning or operating an exchange program.

As added by P.L.2-2002, SEC.17.

IC 32-32-2-10

"Exchange program" defined

Sec. 10. (a) "Exchange program" means any arrangement allowing owners to exchange occupancy rights with persons owning other time shares or camping club memberships.

(b) The term does not include an arrangement in which all of the occupancy rights that may be exchanged are in the same time share property or camping site.

As added by P.L.2-2002, SEC.17.

IC 32-32-2-11

"Offer" defined

Sec. 11. "Offer" means any advertised inducement, solicitation, or attempt to encourage any person to acquire a time share or camping club membership other than as security for an obligation.

As added by P.L.2-2002, SEC.17.

IC 32-32-2-12

"Participant" defined

Sec. 12. "Participant" means any person who, by means of a verbal or written purchase, exchange, or leasing agreement, acquires a right to occupy a time share unit from a developer, purchaser, exchange company, rental or management company, or any other person or organization.

As added by P.L.2-2002, SEC.17.

IC 32-32-2-13

"Person" defined

Sec. 13. "Person" means a natural person, a corporation, a government, a governmental subdivision or agency, a business trust, an estate, a trust, a partnership, an association, a joint venture, or another legal or commercial entity.

As added by P.L.2-2002, SEC.17.

IC 32-32-2-14

"Project" defined

Sec. 14. "Project" means the real property, which must contain more than one (1) unit, in which time shares or camping sites are created by a single instrument or set of instruments.

As added by P.L.2-2002, SEC.17.

IC 32-32-2-15

"Project manager" defined

Sec. 15. "Project manager" means any person:

- (1) who coordinates the sale of time shares or camping club memberships; and
- (2) to whom sales agents and representatives are responsible.

As added by P.L.2-2002, SEC.17.

IC 32-32-2-16

"Purchaser" defined

Sec. 16. "Purchaser" means any person, other than the developer or lender, who purchases a time share or camping club membership.

As added by P.L.2-2002, SEC.17.

IC 32-32-2-17

"Representative" defined

Sec. 17. (a) "Representative" means a person who is not a seller and who, on behalf of a developer, induces other persons to attend a sales presentation.

(b) The term does not include a person who only performs clerical tasks, arranges appointments set up by others, or prepares or distributes promotional materials.

As added by P.L.2-2002, SEC.17.

IC 32-32-2-18

"Seller" defined

Sec. 18. "Seller" means a developer or any other person or agent or employee of a developer who offers time shares or camping club memberships to the public.

As added by P.L.2-2002, SEC.17.

IC 32-32-2-19

"Substantially completed" defined

Sec. 19. "Substantially completed" means that:

- (1) all roadways, utilities, amenities, furnishings, appliances, structural components, and mechanical systems of buildings and premises are completed and provided as represented in the time share instrument or agreement or camping club membership agreement; and
- (2) the premises are ready for occupancy and the proper governmental authority has caused to be issued a certificate of occupancy, if a certificate of occupancy is required.

As added by P.L.2-2002, SEC.17.

IC 32-32-2-20

"Time share" defined

Sec. 20. "Time share" means the right to use and occupy a unit on a periodic basis according to an arrangement allocating this right among various time share participants.

As added by P.L.2-2002, SEC.17.

IC 32-32-2-21

"Time share instrument" defined

Sec. 21. "Time share instrument" means any document creating or regulating time shares, excluding any law, ordinance, or governmental regulation.

As added by P.L.2-2002, SEC.17.

IC 32-32-2-22

"Time share participant" defined

Sec. 22. "Time share participant" has the meaning set forth in section 12 of this chapter.

As added by P.L.2-2002, SEC.17.

IC 32-32-2-23

"Unit" defined

Sec. 23. "Unit" means each portion of a time share project or each camping site that is designated for separate use.

As added by P.L.2-2002, SEC.17.

IC 32-32-3

Chapter 3. Time Shares and Camping Clubs

IC 32-32-3-1

Registration with division

Sec. 1. (a) Before a developer may offer to sell any time shares or camping club memberships in this state, the developer must register with the division under this section.

(b) A person who applies for registration under this section shall submit an application in the manner provided by the division and shall disclose the following information under oath:

(1) The names and addresses of all officers, project managers, marketing agencies, advertising agencies, and exchange companies who are actively involved in soliciting or selling time share units or camping club memberships.

(2) The name and address of each person who owns an interest of ten percent (10%) or more in the registrant, except for reporting companies under the Securities Exchange Act of 1934.

(3) A copy of the document in which the time share project or camping club project is created.

(4) A preliminary title report for the time share project or camping club project and copies of the documents listed as exceptions in the report showing any encumbrances.

(5) Copies of and instructions for escrow agreements, deeds, and sales contracts.

(6) Documents that show the current assessments for property taxes on the time share project or camping club project.

(7) A copy of bylaws or similar instrument that creates any community ownership relationship.

(8) Copies of all documents that will be given to a participant who is interested in participating in a program for the exchange of occupancy rights among time share participants or camping club members, and copies of the documents that show acceptance of the time share or camping club membership in the program.

(c) A developer who knowingly or intentionally offers to sell any time shares or camping club memberships in this state before registering with the division under this section commits a Class D felony.

As added by P.L.2-2002, SEC.17.

IC 32-32-3-2

Amendment by developer must be filed

Sec. 2. Any amendment by the developer of the provisions of the document that created the time share or camping club membership, or of the articles of incorporation, trust, or bylaws, must be filed with the division.

As added by P.L.2-2002, SEC.17.

IC 32-32-3-3

Registration fee

Sec. 3. (a) A time share or camping site developer who applies for registration under section 1 of this chapter shall pay a one (1) time registration fee of two hundred fifty dollars (\$250).

(b) Each July 1 after a developer applies for registration under section 1 of this chapter, the developer shall file an update to the registration. The developer shall pay an additional fifty dollars (\$50) for each yearly refiling under this subsection.

(c) The fees collected under this section shall be used, in addition to funds appropriated by the general assembly, for the administration and enforcement of this chapter.

As added by P.L.2-2002, SEC.17.

IC 32-32-3-4

Requirements for membership agreement

Sec. 4. All registration statements and information required to be filed under this chapter with the division are subject to IC 5-14-3.

As added by P.L.2-2002, SEC.17.

IC 32-32-3-5

Requirements of membership agreement

Sec. 5. A time share project and camping club project must be created by a time share instrument or camping club membership agreement. The membership agreement must include the following provisions:

- (1) A legal description of the time share project or camping club project that transfers an interest in real property.
- (2) The name and location of the time share project or camping club project.
- (3) A system of identification of the time periods assigned to time shares by letter, name, number, or any combination of letters, names, or numbers.
- (4) Provisions for assessment of the expenses of the time share project or camping club project and an allocation of those expenses among the time share participants or camping club members.
- (5) A procedure to add units to the time share project or camping club project.
- (6) Provisions for maintenance of the time share units or camp sites.
- (7) Provisions for management of the time share project or camping club project.
- (8) A procedure to amend the time share instrument or the camping club membership agreement.
- (9) A description of the rights of the purchaser relating to the occupancy of the time share unit or camping site.

As added by P.L.2-2002, SEC.17.

IC 32-32-3-6

Transfer of interest

Sec. 6. A transfer of an interest in a time share unit or camping club membership shall be by written contract that includes or incorporates

by reference the following provisions:

- (1) A legal description of the time share unit or camping site that transfers an interest in real property.
- (2) The name and location of the time share unit or camping site.
- (3) A system of identification of the time periods assigned to time shares by letter, name, number, or any combination of letters, names, or numbers.
- (4) Provisions for assessment of the expenses of the time share project or camping club project and an allocation of those expenses among the time share participants or camping club members.
- (5) Provisions for maintenance of the time share units or camping sites.
- (6) Provisions for management of the time share project or camping club project.
- (7) A description of the rights of the time share participant or camping club member relating to the occupancy of the time share unit or camping site.

As added by P.L.2-2002, SEC.17.

IC 32-32-3-7

Cancellation of purchase

Sec. 7. (a) A purchaser has the right to cancel a camping club membership or time share purchase within seventy-two (72) hours after the execution of the sales contract, excluding Sundays and legal holidays as set forth in IC 1-1-9-1. The right of cancellation shall be set forth conspicuously in boldface type on the first page of any time share instrument or camping club membership agreement and immediately above the signature of the purchaser on any sales contract. In each case, the cancellation clause must include an explanation of the conditions and manner of exercise of the cancellation right. The right of cancellation may not be waivable by any purchaser. The developer shall furnish to each purchaser a form, as prescribed by the agency, for the exercise of the right.

(b) To cancel a camping club membership or time share purchase, a consumer must give notice of cancellation by mail or telegraphic communication or as otherwise allowed by this subsection. The notice is effective on the date postmarked or when transmitted from the place of origin. Any written notice of cancellation delivered other than by mail or telegraph is effective at the time of delivery at the place of business of the developer or escrow agent designated in the form of notice of cancellation.

As added by P.L.2-2002, SEC.17.

IC 32-32-3-8

Attorney general requirements

Sec. 8. The attorney general may require:

- (1) that a developer file a performance bond with the division; or
- (2) that all or part of the money collected from the consumer as part of a purchase of a time share instrument or camping club membership, including closing costs and exchange company

membership fees, be placed and held in escrow until the particular time share unit or camping site to which the time share or camping club membership relates is substantially completed and ready for occupancy.

As added by P.L.2-2002, SEC.17.

IC 32-32-3-9

Unavailability; remedy

Sec. 9. If a time share unit or camping site is not available for a period to which the owner is entitled by schedule or by confirmed reservation and the developer is responsible for the unavailability of the unit or site, the participant is entitled at the participant's election to be provided:

- (1) a comparable unit or site for the period; or
- (2) monetary compensation for the loss of use of the time share unit or camping site.

As added by P.L.2-2002, SEC.17.

IC 32-32-3-10

Leasehold interest

Sec. 10. (a) If the interest of the developer in a project is a leasehold interest, the lease, unless otherwise determined by the division, must provide that:

- (1) the lessee must give the association notice of termination of the lease for any default by the lessor; and
- (2) the lessor, upon the bankruptcy of the lessee, shall enter into a new lease with the association upon the same terms and conditions as were contained in the lease with the developer.

(b) The division may require the developer to execute a bond or other type of security for the payment of the lease obligation.

As added by P.L.2-2002, SEC.17.

IC 32-32-3-11

Action for partition; judicial sale

Sec. 11. An action for partition of a time share unit or camping site may not be maintained except as provided in the time share instrument. If a time share or camping site is owned by two (2) or more persons, an action may be brought for the judicial sale of the time share or camping site. A provision in a time share instrument for the waiver or subordination of the right of partition or any other right characteristic of a tenancy in common is valid.

As added by P.L.2-2002, SEC.17.

IC 32-32-3-12

Required disclosures

Sec. 12. (a) A developer, or exchange company if the exchange company is dealing directly with the participants or camping club members, that offers a program for the exchange of occupancy rights among time share participants or camping club members or with the purchasers or members in other time share or camping club projects, or both, shall give in writing to the camping club members or time

share participants the following information:

- (1) The name and address of the exchange company offering the exchange program.
- (2) A statement indicating whether the exchange company or any of its officers or directors has any legal or beneficial interest in any interest of the developer or managing agent in any plan to sell time shares or camping club memberships included in the program and, if so, the name, location, and nature of the interest.
- (3) A statement that the time share participant's or camping club member's contract with the exchange company is a contract separate and distinct from the contract to purchase the time share or camping club membership, unless the exchange company and the developer or an affiliate of the developer are the same.
- (4) A statement indicating whether the participant's or member's participation in the exchange project is dependent upon the continued inclusion of the plan to sell time shares or camping club memberships in the program.
- (5) A statement indicating whether the purchaser's or member's membership or participation in the exchange program is voluntary or mandatory.
- (6) A complete and accurate description of the following:
 - (A) The terms and conditions of the purchaser's contractual relationship with the company and the procedure by which changes in the contractual relationship and may be made.
 - (B) The procedure to qualify for and make exchanges.
 - (C) All limitations, restrictions, and priorities of the program, including limitations on exchanges based on the seasons of the year, the size of units, or levels of occupancy. The written description of the limitations, restrictions, and priorities given under this clause must be printed in boldface type and, if the limitations, restrictions, and priorities are not uniformly applied by the program, must include a clear description of the manner in which they are applied.
- (7) A statement, which must be printed on all promotional brochures, pamphlets, advertisements, and other materials disseminated by the exchange company that indicate the percentage of confirmed exchanges, to the effect that:
 - (A) the percentage of confirmed exchanges is a summary of the requests for exchanges received by the exchange company in the most recent annual reporting period; and
 - (B) the percentage does not indicate the probability of a purchaser or members being confirmed to any specific choice since availability at individual locations may vary.
- (8) A statement indicating whether exchanges are arranged on the basis of available space and whether there are any guarantees of fulfilling specific requests for exchanges.
- (9) A statement indicating whether and under what circumstances a participant or member, in dealing with the exchange company, may lose the right to use and occupy a time share unit or camping site in any properly applied for exchange without being provided with substitute accommodations by the company.

(10) A statement of the fees to be paid by participants or members in the program, including a statement indicating whether any fees may be changed by the exchange company, and if so, the circumstances under which those changes may be made.

(11) The name and address of the site of each time share or camping club project included in the program.

(b) The information required by subsection (a) must be delivered to the camping club member or time share participant before the execution of:

(1) any contract between the camping club member or time share participant and the exchange company; or

(2) the contract to purchase the time share or camping club membership.

(c) Upon receipt of the information required by subsection (a), the camping club member or time share participant shall certify in writing that the member or participant has received the information from the developer.

(d) Except as otherwise provided in this section, the information required by subsection (a) must be accurate as of thirty (30) days before the date on which the information is delivered to the participant or member.

As added by P.L.2-2002, SEC.17.

IC 32-32-3-13

Investigation and prosecution of complaints

Sec. 13. (a) The division may receive, investigate, and prosecute complaints concerning persons subject to this chapter.

(b) The director may subpoena witnesses and send for and compel the production of books, records, papers, and documents of time share or camping club developers who are subject to registration under this chapter for the furtherance of any investigation under this chapter. The circuit or superior court located in the county where the subpoena is to be issued shall enforce any subpoena by the attorney general. In addition, the attorney general may issue a civil investigative demand as provided by IC 4-6-3.

As added by P.L.2-2002, SEC.17.

IC 32-32-3-14

Penalties and remedies

Sec. 14. A person who violates this chapter commits a deceptive act and is subject to the penalties and remedies provided in IC 24-5-0.5. Any action by the attorney general for violations of this chapter may be brought in the circuit or superior court of Marion County.

As added by P.L.2-2002, SEC.17.

IC 32-32-3-15

Assurance of voluntary compliance

Sec. 15. In the administration of this chapter, the attorney general may execute an assurance of voluntary compliance with a time share developer in existence on September 1, 1985, in the same manner as provided in IC 24-5-0.5-7(a), except that no filing with the court is

required in order for the assurance to be effective under this chapter.
As added by P.L.2-2002, SEC.17.