

SENATE No. 2591

The Commonwealth of Massachusetts

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

SENATE, March 4, 2024.

The committee on The Judiciary, to whom was referred the petitions (accompanied by bill, Senate, No. 946) of Julian Cyr for legislation to modernize time-share extension and termination procedures; and (accompanied by bill, House, No. 1715) of Sarah K. Peake relative to time-share extension and termination procedures, report the accompanying bill (Senate, No. 2591).

For the committee,
James B. Eldridge

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

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 word “d” and inserting in place
3 thereof the word:- (b)(3)

4 SECTION 2. Said chapter 183B of the General Laws is hereby amended by striking out
5 section 15 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) A time-share may be terminated in accordance with the following:

9 (1) After the occurrence of a duly noticed and called meeting of the association convened
10 for the purpose of discussion of the possible termination of the time-share plan, all time-shares in
11 a time-share property may be terminated by written agreement of the time-share owners having
12 at least 60% of all eligible beneficial interests.

13 (2) 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 it shall be void unless it is recorded on or before said date, and it may provide
17 for the establishment of a termination trust to carry out its terms and effect a sale as hereinafter
18 provided. A termination agreement and all ratifications thereof shall be recorded in the registry
19 of deeds or land registration office in every district in which a portion of the time-share property
20 is situated and shall be effective only upon such recording.

21 (3) Unless the termination agreement sets forth the material terms of a contract or
22 proposed contract under which an estate or interest in each time-share unit equal to the sum of
23 the time-shares therein is to be sold and designates a trustee or board of trustees to effect the sale,
24 title to an estate or interest in each time-share unit equal to the sum of the time-shares therein
25 vests upon termination in the time-share owners thereof in proportion to the respective interests
26 of the time-share owners as provided in subsections (7) and (8), and liens on the time-shares
27 shall attach to and encumber said interests. Any co-owner of said estate or interest in a unit may
28 thereafter maintain an action for partition or for allotment or sale in lieu of partition.

29 (4) If the termination agreement sets forth parameters for the material terms of a contract
30 or 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 other individual or group of individuals as trustees, to effect the sale,
33 title to said estate or interest vests upon termination in the said trustees for the benefit of the
34 time-share owners, to be transferred pursuant to the contract of sale. Net proceeds of the sale

35 shall be distributed to time-share owners and lienholders as their interests may appear, as
36 provided in subsections (7) and (8).

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

42 (6) All reasonable expenses incurred by the termination trustee(s) relating to the
43 performance of its or their duties pursuant to this subsection, including the reasonable fees of
44 attorneys and other professionals, must be paid by the termination trustee(s).

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

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

53 (9) 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 any personalty held for the use
56 and benefit of the former time-share owners, and (iii) any other funds held for the use and benefit

57 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 (8).
59 Following termination, creditors of the association holding liens perfected against the time-share
60 property prior to the termination may enforce said liens in the same manner as any other lien
61 holder. All other creditors of the association shall be treated as if they had perfected liens on the
62 time-share property immediately prior to termination.

63 (10) The time-share instrument may specify the respective fractional or percentage
64 interest in the estate or interest in each unit or in the time-share property equal to the sum of the
65 time-shares therein that will be owned by each former time-share owner upon termination of the
66 time-shares. If the time-share instrument fails to so specify, then upon termination, each time-
67 share owner's beneficial interest in the termination trust shall be equal to such owner's prior
68 beneficial interest in the time-share property as set forth in the time-share instrument, and any
69 underlying condominium Master Deed.

70 SECTION 3. This act shall apply to all time-share plans in the commonwealth existing
71 before and subsequent to passage of this act.