

HB 83 -- TRAVEL CLUBS

SPONSOR: Wood

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Small Business by a vote of 12 to 0.

This bill specifies that any use of travel club membership benefits during the three-day rescission period of the membership contract will not effectively waive the member's right to rescind the contract and requires the rescission statement that must be printed in the form of a disclaimer on all contracts to reflect that change.

FISCAL NOTE: No impact on state funds in FY 2010, FY 2011, and FY 2012.

PROPOSERS: Supporters say that the bill will help with a problem in the travel club business when a purchaser changes his or her mind after signing a contract. A three-day rescission period is available as long as no benefit has been used. When someone buys into the club, he or she is often immediately given a discounted lunch, ticket, or hotel stay so the purchaser has already benefitted and can't rescind the contract. If the purchaser gets a free gift, it should not stop the rescission right. Vacation clubs are taking advantage of a loophole in the law. The bill provides better consumer protection against some unscrupulous vacation club sellers.

Testifying for the bill were Representative Wood; Ross Summers, Branson Chamber of Commerce and Visitors Bureau; Trent Ford, Vacation Services of America; and Wyndam Worldwide Corporation.

OPPOSERS: There was no opposition voiced to the committee.