

WAC 308-127-300 Impoundment. (1) The agency may require impoundment authorized in the Timeshare Act, under circumstances which include, but are not limited to, the following:

(a) The registration of any cooperative or right-to-use project whenever adequate assurances of continued quiet enjoyment cannot be provided by means of bonds, escrows, trusts, or other devices; or

(b) The registration of any form of timeshare project whenever the timeshare properties and other facilities promised are not yet constructed or otherwise available, and where completion of construction or delivery of accommodations and facilities cannot be assured by bonds, escrows, trusts, or other devices; or

(c) The registration of persons in the business of listing or brokering resale timeshare intervals whenever any advance fees or funds of any description are to be collected from buyers or sellers of resale timeshare intervals prior to the time of transacting a purchase or sale of a timeshare interval; or

(d) The registration of persons in the business of offering commercial promotional programs whenever any advance fees or funds of any description are to be collected from persons in advance, in connection with delivery by the promisor of gifts, prizes, awards, or any other item of value.

(2) Funds subject to impoundment shall be placed in a separate and independent trust account with a bank or depository institution acceptable to the director. A written consent of the depository to act in such capacity shall be filed with the director.

(3) The director will authorize the depository to release to the promoter or an affiliate when appropriate, such amounts of the impounded funds applicable to a specified purpose such as, payment of selling costs or timeshare expenses, purchase of property, or the construction of an improvement, upon a showing that the promoter can satisfy its obligations under the purchaser contracts to furnish purchasers the accommodations, facilities and services promised, or if for other reasons the impoundment is no longer required for the protection of purchasers. A request to authorize the release of the impounded funds to the promoter or an affiliate shall contain the following:

(a) A statement of the promoter, or affiliate where appropriate, that all required proceeds from the sale of timeshares have been placed with the depository in accordance with the terms and conditions of the impoundment agreement;

(b) A statement of the depository signed by an appropriate officer setting forth the aggregate amount of funds placed with the depository, and any interest earned by these funds;

(c) The name of each timeshare contract purchaser and the amount impounded for the account of each purchaser; and

(d) Such other information as the director may request in a particular case.

[Statutory Authority: RCW 43.24.086. WSR 90-07-023, § 308-127-300, filed 3/14/90, effective 4/14/90. Statutory Authority: 1983 1st ex.s. c 22 §§ 13 and 26. WSR 83-24-057 (Order 733 DOL), § 308-127-300, filed 12/6/83.]