STAND. COM. REP. NO. | SI\ -12

Honolulu, Hawaii

April 4 , 2012

RE: S.B. No. 3002

S.D. 2 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2012 State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and Judiciary, to which was referred S.B. No. 3002, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO REAL ESTATE BROKERS AND SALESPERSONS."

beg leave to report as follows:

The purpose of this measure is to amend provisions relating to penalties for licensed real estate brokers and salespersons by:

- Clarifying that real estate brokers and salespersons cannot be held liable for misrepresentations based upon good faith reliance on certain specified information; and
- (2) Clarifying that real estate brokers and salespersons cannot be held liable for reliance in good faith and with due care on a disclosure statement that is prepared in accordance with section 508D-9, Hawaii Revised Statutes.

The Hawaii Association of REALTORS, Prudential Locations LLC, and numerous concerned individuals supported this bill. The Real Estate Commission, Regulated Industries Complaints Office, and Hawaii Association for Justice opposed this measure. A concerned individual submitted comments.

After careful consideration, your Committees have amended this bill by:

- (1) Providing that it is the Real Estate Commission and the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs that will determine whether the real estate broker or salesperson relied in good faith on information provided by other persons or third parties;
- (2) Changing the effective date to upon its approval; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3002, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3002, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committees on Consumer Protection & Commerce and Judiciary,

GILBERT KEITH-ACARAN Chair

ROBERT N. HERKES, Chair

State of Hawaii House of Representatives The Twenty-sixth Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: 3002 SDR	Committee Referral:	JUD Date:	3/29/	12			
☐ The committee is reconsidering its previous decision on the measure.							
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)							
CPC Members	Ayes	Ayes (WR)	Nays	Excused			
1. HERKES, Robert N. (C)							
2. YAMANE, Ryan I. (VC)							
3. BROWER, Tom							
4. CABANILLA, Rida T.R.							
5. CARROLL, Mele							
6. COFFMAN, Denny							
7. ITO, Ken							
8. KEITH-AGARAN, Gilbert S.C.							
9. LUKE, Sylvia							
10. McKELVEY, Angus L.K.							
11. SOUKI, Joseph M.							
12. TSUJI, Clift							
13. CHING, Corinne W.L.							
14. MARUMOTO, Barbara C.							
15. THIELEN, Cynthia							
				· <u></u> -			
TOTAL (15)	8			7			
The recommendation is: Adopted If joint referral, did not support recommendation. committee ecronym(s)							
Vice Chair's or designee's signature:							
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO							

State of Hawaii House of Representatives The Twenty-sixth Legislature

Record of Votes of the Committee on Judiciary

Bill/Resolution No.: B 3002 SDR Committee Referral: CPC/JUD Date: 3/29/12							
☐ The committee is reconsidering its previous decision on the measure.							
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)							
JUD Members	Ayes	Ayes (WR)	Nays	Excused			
1. KEITH-AGARAN, Gilbert S.C. (C)	\						
2. RHOADS, Karl (VC)	~						
3. BROWER, Tom							
4. CABANILLA, Rida T.R.				<u> </u>			
5. CARROLL, Mele				✓			
6. COFFMAN, Denny				~			
7. HERKES, Robert N.							
8. ITO, Ken				~			
9. LUKE, Sylvia	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	1		<u> </u>			
10. McKELVEY, Angus L.K.							
11. SOUKI, Joseph M.							
12. TSUJI, Clift							
13. FONTAINE, George R.	/						
14. MARUMOTO, Barbara C.				<u></u>			
15. THIELEN, Cynthia		1					
		 	· · · · ·				
***************************************	•						
				_			
			 -				
				<u> </u>			
	-						
TOTAL (15)	9	0	0	6			
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)							
Vice Chair's or designee's signature:							
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO							