

JAN 25 2017

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# A BILL FOR AN ACT

RELATING TO REAL ESTATE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that some owners in  
2 condominiums and time share projects have experienced  
3 difficulties receiving association-related documents in a timely  
4 manner.

5           The purpose of this Act is to specify that the principal  
6 broker in a brokerage firm is responsible for ensuring that:

- 7           (1) Associated real estate licensees and other staff who  
8           assist common interest communities are responsive to  
9           requests from owners regarding association-related  
10          finances, documents, records, and information; and  
11          (2) Any request from the real estate commission to  
12          distribute commission-generated information,  
13          materials, or documents to an association, a board of  
14          directors, or a unit owner in a common interest  
15          community is completed within ten days after receiving  
16          the request.



1 SECTION 2. Section 467-1.6, Hawaii Revised Statutes, is  
2 amended by amending subsection (b) to read as follows:

3 "(b) The principal broker shall be responsible for:

4 (1) The client trust accounts, disbursements from those  
5 accounts, and the brokerage firm's accounting  
6 practices;

7 (2) The brokerage firm's records, contracts, and  
8 documents;

9 (3) All real estate contracts of the brokerage firm and  
10 its handling by the associated real estate  
11 salesperson;

12 (4) The proper handling of any commission application,  
13 real estate license application, or renewal  
14 application that the principal broker or the brokerage  
15 firm expressly agrees to handle on behalf of the  
16 applicant, including without limitation, verifying for  
17 completeness and appropriate fees, and mailing or  
18 delivering the appropriate documents to the commission  
19 by the required deadline;

20 (5) Developing policies and procedures for the brokerage  
21 firm concerning the handling of real estate



- 1 transactions and the conduct of the associated real  
2 estate licensees and other staff, including education  
3 and enforcement of the policies and procedures;
- 4 (6) Setting a policy on continuing education requirements  
5 for all associated real estate licensees in compliance  
6 with the statutory requirement;
- 7 (7) Ensuring that the licenses of all associated real  
8 estate licensees and the brokerage firm license are  
9 current and active;
- 10 (8) Establishing and maintaining a training program for  
11 all associated real estate licensees; [~~and~~]
- 12 (9) Ensuring that all associated real estate licensees are  
13 provided information and training on the latest  
14 amendments to real estate licensing laws and rules as  
15 well as other related laws and rules[-];
- 16 (10) Ensuring that all associated real estate licensees and  
17 other staff who assist common interest communities,  
18 including but not limited to cooperative housing  
19 corporations under chapter 421I, planned community  
20 associations under chapter 421J, associations of  
21 apartment owners under chapter 514B, and time sharing



plans under chapter 514E, are responsive to requests for finances, documents, records, and information, whether maintained, kept, or required to be provided pursuant to chapter 421I, 421J, 514B, or 514E; and

(11) Ensuring that any request from the commission to distribute any commission-generated information, printed material, or documents to an association, the board of directors of an association, or unit owners, shall be completed within ten days of receiving the request."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

INTRODUCED BY:

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# S.B. NO. 1263

**Report Title:**

Real Estate Licensees; Common Interest Communities; Principal Brokers; Documents, Records, and Information; Real Estate Commission

**Description:**

Requires principal brokers in a brokerage firm to ensure that: associated real estate licensees and other staff who assist common interest communities are responsive to requests from owners regarding association-related finances, documents, records, and information; and any request from the real estate commission to distribute commission-generated information, materials, or documents to an association, a board of directors, or a unit owner in a common interest community is completed within ten days after receiving the request.

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