

---

# A BILL FOR AN ACT

RELATING TO REAL ESTATE.

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

1        SECTION 1. Chapter 467, Hawaii Revised Statutes, is  
2        amended by adding a new section to be appropriately designated  
3        and to read as follows:

4        **"§467-A   Exclusive sale prohibited.**   (a)   A real estate  
5        broker may not market the sale or lease of residential real  
6        estate to a limited or exclusive group of prospective buyers or  
7        brokers, or any combination thereof, unless the real estate is  
8        concurrently marketed to the general public and all other  
9        brokers, except as reasonably necessary to protect the health or  
10        safety of the owner or occupant.

11        (b)   A violation of this section shall also be considered a  
12        violation of the Unfair Practices Act, section 481."

13        SECTION 2. Section 467-14, Hawaii Revised Statutes, is  
14        amended to read as follows:

15        **"§467-14   Revocation, suspension, and fine.**   In addition to  
16        any other actions authorized by law, the commission may revoke  
17        any license issued under this chapter, suspend the right of the



1 licensee to use the license, fine any person holding a license,  
2 registration, or certificate issued under this chapter, or  
3 terminate any registration or certificate issued under this  
4 chapter, for any cause authorized by law, including but not  
5 limited to the following:

- 6 (1) Making any misrepresentation concerning any real  
7 estate transaction;
- 8 (2) Making any false promises concerning any real estate  
9 transaction of a character likely to mislead another;
- 10 (3) Pursuing a continued and flagrant course of  
11 misrepresentation, or making of false promises through  
12 advertising or otherwise;
- 13 (4) Without first having obtained the written consent to  
14 do so of both parties involved in any real estate  
15 transaction, acting for both the parties in connection  
16 with the transaction, or collecting or attempting to  
17 collect commissions or other compensation for the  
18 licensee's services from both of the parties;
- 19 (5) When the licensee, being a real estate salesperson,  
20 accepts any commission or other compensation for the  
21 performance of any of the acts enumerated in the



1 definition set forth in section 467-1 of real estate  
2 salesperson from any person other than the real estate  
3 salesperson's employer or the real estate broker with  
4 whom the real estate salesperson associates or, being  
5 a real estate broker or salesperson, compensates one  
6 not licensed under this chapter to perform any such  
7 act;

8 (6) When the licensee, being a real estate salesperson,  
9 acts or attempts to act as a real estate broker or  
10 represents, or attempts to represent, any real estate  
11 broker other than the real estate salesperson's  
12 employer or the real estate broker with whom the real  
13 estate salesperson is associated;

14 (7) Failing, within a reasonable time, to account for any  
15 moneys belonging to others that may be in the  
16 possession or under the control of the licensee;

17 (8) Any other conduct constituting fraudulent or dishonest  
18 dealings;

19 (9) When the licensee, being a partnership, permits any  
20 member of the partnership who does not hold a real  
21 estate broker's license to actively participate in the



1           real estate brokerage business thereof or permits any  
2           employee thereof who does not hold a real estate  
3           salesperson's license to act as a real estate  
4           salesperson therefor;

5       (10) When the licensee, being a corporation, permits any  
6           officer or employee of the corporation who does not  
7           hold a real estate broker's license to have the direct  
8           management of the real estate brokerage business  
9           thereof or permits any officer or employee thereof who  
10          does not hold a real estate salesperson's license to  
11          act as a real estate salesperson therefor;

12       (11) When the licensee, being a real estate salesperson,  
13          fails to file with the commission a written statement  
14          setting forth the name of the real estate broker by  
15          whom the licensee is employed or with whom the  
16          licensee is associated;

17       (12) When the licensee fails to obtain on the contract  
18          between the parties to the real estate transaction  
19          confirmation of who the real estate broker represents;



1 (13) Violating this chapter; chapter 484, 514B, 514E, or  
2 515; section 516-71; or the rules adopted pursuant  
3 thereto;

4 (14) Splitting fees with or otherwise compensating others  
5 not licensed hereunder for referring business;  
6 provided that notwithstanding paragraph (5), a real  
7 estate broker may pay a commission to:  
8 (A) A licensed real estate broker of another state,  
9 territory, or possession of the United States if  
10 that real estate broker does not conduct in this  
11 State any of the negotiations for which a  
12 commission is paid;

13 (B) A real estate broker lawfully engaged in real  
14 estate brokerage activity under the laws of a  
15 foreign country if that real estate broker does  
16 not conduct in this State any of the negotiations  
17 for which a commission is paid; or

18 (C) A travel agency that in the course of business as  
19 a travel agency or sales representative, arranges  
20 for compensation the rental of a transient  
21 vacation rental; provided that for purposes of



this paragraph, "travel agency" means any person that, for compensation or other consideration, acts or attempts to act as an intermediary between a person seeking to purchase travel services and any person seeking to sell travel services, including an air or ocean carrier;

- (15) Commingling the money or other property of the licensee's principal with the licensee's own;
- (16) Converting other people's moneys to the licensee's own use;
- (17) The licensee is adjudicated insane or incompetent;
- (18) Failing to ascertain and disclose all material facts concerning every property for which the licensee accepts the agency, so that the licensee may fulfill the licensee's obligation to avoid error, misrepresentation, or concealment of material facts; provided that for the purposes of this paragraph, the fact that an occupant has AIDS or AIDS Related Complex (ARC) or has been tested for HIV (human immunodeficiency virus) infection shall not be considered a material fact;



- 1 (19) When the licensee obtains or causes to be obtained,  
2 directly or indirectly, any licensing examination or  
3 licensing examination question for the purpose of  
4 disseminating the information to future takers of the  
5 examination for the benefit or gain of the licensee;
- 6 (20) Failure to maintain a reputation for or record of  
7 competency, honesty, truthfulness, financial  
8 integrity, and fair dealing;
- 9 (21) Acquiring an ownership interest, directly or  
10 indirectly, or by means of a subsidiary or affiliate,  
11 in any distressed property that is listed with the  
12 licensee or within three hundred sixty-five days after  
13 the licensee's listing agreement for the distressed  
14 property has expired or is terminated; [or]
- 15 (22) When the licensee, being a real estate broker or a  
16 real estate salesperson, acting on behalf of a seller  
17 or purchaser of real estate, acts in a manner that  
18 prohibits a prospective purchaser or prospective  
19 seller of real estate from being able to retain the  
20 services of a real estate broker or real estate  
21 salesperson[.]; or



1                   (23) Marketing the sale or lease of residential real estate  
2                   to a limited or exclusive group of prospective buyers  
3                   or brokers, in violation of section 467-A.

4                   For the purposes of paragraphs (1) and (18), the real  
5                   estate commission shall consider whether the licensee relied in  
6                   good faith on information provided by other persons or third  
7                   parties.

8                   As used in this section, "distressed property" has the same  
9                   meaning as set forth in section 480E-2.

10                  Disciplinary action may be taken by the commission whether  
11                  the licensee is acting as a real estate broker, or real estate  
12                  salesperson, or on the licensee's own behalf. "

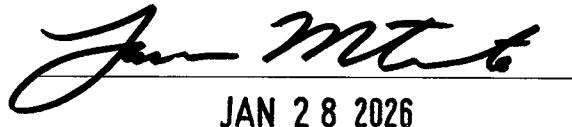
13                  SECTION 3. Statutory material to be repealed is bracketed  
14                  and stricken. New statutory material is underscored.

15                  SECTION 4. In codifying the new section added by section 1  
16                  of this Act, the revisor of statutes shall substitute  
17                  appropriate section numbers for the letters used in designating  
18                  the new sections in this Act.

19                  SECTION 5. This Act shall take effect on July 1, 2026.

20

INTRODUCED BY:

  
JAN 28 2026



# H.B. NO. 2559

**Report Title:**

Real Estate; Brokers; Public Sale; Exclusive; Unfair Practices

**Description:**

Prohibits real estate brokers from marketing the sale of residential real estate to a limited or exclusive group of prospective buyers or brokers, with limited exception. Considers the practice a violation of the Fair Practices Act and grounds for discipline.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

