

**ACT 270**

**H.B. NO. 2866-82**

**A Bill for an Act Relating to Real Estate Brokers and Salesmen.**

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 467-8, Hawaii Revised Statutes, is amended to read as follows:

**"§467-8 Prerequisites for licensing.** No license hereunder shall be issued to:

- (1) Any person who does not satisfy the requirements set forth in section 467-9.5;
- [(1)] (2) Any person unless he has demonstrated by passing with a grade satisfactory to the real estate commission a written examination [given by it and] appropriate to the license sought that he has a reasonable knowledge of (A) estates, interests, and rights in real property, (B) the documents or acts or occurrences by which such property is transferred or otherwise affected, (C) the rights and duties of an agent, (D) the laws of the State relating to real estate brokers and salesmen, and (E) such other subjects as the commission determines to be essential for the protection of the general public in its real estate transactions;
- [(2)] (3) Any person who does not possess a good character and reputation for honesty, truthfulness, and fair dealing;
- [(3)] (4) Any copartnership unless every member of the copartnership who actively participates in the real estate brokerage business thereof holds a real estate broker's license;
- [(4)] (5) Any corporation unless the real estate brokerage business thereof is under the direct management of an officer or employee thereof and unless the officer or employee holds a real estate broker's license."

SECTION 2. Section 467-9.5, Hawaii Revised Statutes, is amended to read as follows:

**"§467-9.5 Prerequisites for written examination.** No person [hereunder] shall be eligible for the [commission's] written examination unless:

- (1) The person is a legal resident of the State and is of the age of majority;
- (2) The person applying for the real estate salesman examination has satisfactorily completed a course on real estate principles or its equivalent, approved or accredited by the real estate commission;
- (3) The person applying for the real estate broker examination has satisfactorily completed a course for real estate brokers, or its equivalent, approved or accredited by the real estate commission;
- (4) The person applying for real estate broker examination (A) has previously been licensed as a Hawaii real estate salesman, and (B) has previously been engaged in the real estate business as a licensed Hawaii real estate salesman for a period of two years on a full-time basis, or has had other experience or education in the selling or management of real estate, which, in the opinion of the commission, is equivalent to two years' experience to be established by detailed explanatory affidavit or in such other manner as may be determined by the commission.

Each person shall certify on the application for examination that the prerequisites set forth above have been or will be satisfied prior to the date of examination. The examination score of any person who has taken the written examination without having satisfied the prerequisites set forth above shall be voided."

SECTION 3. Section 467-9.6, Hawaii Revised Statutes, is amended to read as follows:

**"§467-9.6 Examination fee.** Every applicant for a real estate examination shall file an application with either the real estate commission or the testing service agency designated by the real estate commission pursuant to rules of the commission to provide the testing service. The application shall be in a form prescribed by the commission and [only applicants satisfying the prerequisites for written examination, as provided for in section 467-9.5 and the rules of the commission, shall be admitted to the examination.] shall include a certification statement that the applicant has fulfilled or will fulfill by the date of the examination, the prerequisites for written examination. Every application shall be accompanied by an examination fee as determined by the commission by rules adopted pursuant to chapters 26 and 91. Applicants may apply for real estate licenses in such manner as prescribed by the commission."

SECTION 4. Section 467-19, Hawaii Revised Statutes, is amended to read as follows:

**"§467-19 Management of fund. (a)** The sums received by the real estate commission for deposit in the real estate recovery fund shall be held by the commission in trust for carrying out the purpose of the real estate recovery fund. The real estate commission, as the trustee of the recovery fund, shall be authorized to expend such funds to retain private legal counsel to represent the commission in any action involving the real estate recovery fund. These funds may be invested and reinvested in the same manner as funds of the state employees retirement system, and the interest from these investments shall be deposited to the credit of the real estate education fund, and which shall be available to the commission for educational purposes, which is hereby created.

**(b)** Educational purposes as used in subsection (a) shall include those purposes to promote the advancement of education and research in the field of real estate for the benefit of the public and those licensed under the provisions of this chapter and the improvement and more efficient administration of the real estate industry. The commission, in its discretion, may use any and all monies in the real estate education fund consistent with the above."

SECTION 5. Statutory material to be repealed is bracketed. New material is underscored.

SECTION 6. This Act shall take effect upon its approval.

(Approved June 17, 1982.)