

ACT 140

S.B. NO. 1136

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 467-14, Hawaii Revised Statutes, is amended to read as follows:

“§467-14 Revocation and suspension of licenses. The real estate commission may revoke any license issued hereunder, or suspend the right of the licensee to use the license, for any of the following causes:

- (1) Making any misrepresentation concerning any real estate transactions¹;
- (2) Making any false promises concerning any real estate transaction of a character likely to mislead another;
- (3) Pursuing a continued and flagrant course of misrepresentation, or making of false promises through advertising or otherwise;
- (4) Without first having obtained the written consent so to do of both parties involved in any real estate transaction, acting for both the parties in connection with the transaction, or collecting or attempting to collect commissions or other compensation for [his] the licensee's services from both of such parties;
- (5) When licensee, being a real estate [salesman,] salesperson, accepts any commission or other compensation for the performance of any of the acts hereinabove enumerated in the definition of real estate [salesman] salesperson from any person, copartnership, or corporation other than [his] the salesperson's employer or the broker with whom [he] the salesperson associates or, being a real estate broker or [salesman,] salesperson, compensates one not licensed under this chapter to perform any such act;
- (6) When the licensee, being a real estate [salesman,] salesperson, acts or attempts to act as a real estate broker or represents, or attempts to represent, any real estate broker other than [his] the salesperson's employer or the broker with whom [he] the salesperson is associated;
- (7) Failing, within a reasonable time, to account for any moneys belonging to others which may be in the possession or under the control of the licensee;
- (8) Any other conduct constituting fraudulent or dishonest dealings;
- (9) When the licensee, being a copartnership, permits any member of the copartnership who does not hold a real estate broker's license to actively participate in the real estate brokerage business thereof or permits any employee thereof who does not hold a real estate [salesman's] salesperson's license to act as a real estate [salesman] salesperson therefor;
- (10) When the licensee, being a corporation, permits any officer or employee of the corporation who does not hold a real estate broker's license to have the direct management of the real estate brokerage business thereof or permits any officer or employee thereof who does not hold a real estate [salesman's] salesperson's license to act as a real estate [salesman] salesperson therefor;
- (11) When the licensee, being a real estate [salesman,] salesperson, fails to file with the commission a written statement setting forth the name of the real estate broker by whom [he] the licensee is employed or with whom [he] the licensee is associated;
- (12) Violating this chapter, chapter 484, 514A, 514E, or 515, or the rules adopted pursuant thereto;
- (13) Splitting fees with or otherwise compensating others not licensed hereunder for referring business; provided that a licensed broker may pay a commission to:
 - (A) A licensed broker of another state, territory, or possession of the United States; or
 - (B) A broker lawfully engaged in brokerage activity under the laws of a foreign country

if such broker does not conduct in this State any of the negotiations for which a commission is paid;

(14) Commingling the money or other property of [his] the licensee's principal with [his] the licensee's own;

(15) Converting other people's moneys to the licensee's own use;

[(15)] (16) Adjudicated insane or incompetent.

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

No license shall be suspended for longer than two years and no person whose license has been revoked shall be eligible to apply for a new license until the expiration of two years."

SECTION 2. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 29, 1985.)

Note

1. Formerly read "transaction".