

ACT 289

S.B. NO. 1114

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

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

SECTION 1. The purpose of this Act is to:

- (1) Add a definition of “continuing education” for real estate brokers and salespersons;
- (2) Remove the waivers from continuing education requirements for license renewal;
- (3) Eliminate the authority of the real estate commission to provide continuing education activities effective July 1, 1998, at which time a private organization may be allowed to administer the continuing education program; and
- (4) Require the legislative reference bureau to conduct a study, including developing appropriate legislation to propose to the legislature, on the privatization of the continuing education program for real estate licenses.

This Act retains the authority of the real estate commission to establish educational requirements for licensure of real estate brokers and salespersons.

SECTION 2. Section 467-1, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

““Continuing education” means a course:

- (1) With a curriculum level above the current minimal competency entry level in any of the following areas:
  - (A) Protection of the general public in its real estate transactions;
  - (B) Consumer protection; or
  - (C) Improvement of the licensee’s competency and professional standards and practice; and
- (2) That is:
  - (A) Approved by the commission and delivered by an approved continuing education instructor;
  - (B) A national course taught by a nationally certified instructor certified by the National Association of REALTORS or its affiliates; or
  - (C) A national course taught by a nationally certified instructor certified by, including but not limited to, the Building Owners and Managers Association, the Community Associations Institute, or other national organization approved by the commission;

provided that the continuing education course is offered by an approved continuing education provider. Continuing education courses shall not require an examination.”

SECTION 3. Section 467-11.5, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

“(a) Prior to the license renewal of a real estate broker or real estate salesperson, the licensee shall provide the commission with proof of having attended ten hours of continuing education or its equivalent as determined by the commission during the two-year period preceding the application for renewal. [Upon individual application and payment of the proper fee, the commission shall waive this requirement for the following reasons:

- (1) The licensee has, for twenty or more years,
  - (A) Held a continuously active Hawaii real estate broker’s or real estate salesperson’s license; and
  - (B) Been employed full-time as a real estate broker or real estate salesperson; including during the three consecutive licensing bienniums immediately preceding the application for renewal;
- (2) The licensee, as a trustee of a Hawaii charitable trust, has been involved in real estate as a full-time occupation for the past licensing biennium preceding the application for renewal;
- (3) The licensee, as an active Hawaii licensed attorney or an active Hawaii licensed accountant, has been involved in real estate as a full-time occupation for the past licensing biennium preceding the application for renewal; or
- (4) The licensee, as a participant in Hawaii public service, has been involved in real estate or real estate laws for the past four consecutive licensing bienniums immediately preceding the application for renewal; provided that a licensee appointed to the commission is excluded.]

Failure to satisfy the continuing education requirement by the license expiration date shall result in the license being automatically placed on an “inactive” status.

(b) To reactivate a license which has been placed on an “inactive” status, the licensee shall submit to the commission proof of having satisfied the continuing education requirement of this section, a complete application setting forth [such] the information as may be prescribed or required by the commission, and payment of the proper fee. [Continuing education courses, as approved by the commission, may include but are not limited to:

- (1) Protection of the general public in its real estate transactions;
- (2) Consumer protection;
- (3) Improvement of the licensee’s competency and professional standards and practice; and
- (4) A curriculum level above the current minimal competency entry level.]”

SECTION 4. (a) The legislative reference bureau shall conduct a comprehensive study of the continuing education program for real estate licenses, including the feasibility of allowing a private organization to administer the program.

The study shall include but not be limited to:

- (1) An evaluation of the existing continuing education program and laws that affect the license renewal of all real estate brokers and real estate salespersons;
- (2) An analysis to determine whether the provision and delivery of continuing education programs by private organizations, such as the Hawaii Association of REALTORS, is more cost efficient and effective in protecting the public;
- (3) An evaluation of the educational quality and the availability of a sufficient diversity of courses of varying difficulty if the continuing education program is privatized;

- (4) Identifying any public policy issues involved;
  - (5) Determining the most appropriate organization, such as the Hawaii Association of REALTORS, to oversee and conduct the continuing education program;
  - (6) A survey of comparable continuing education programs and experiences in other states;
  - (7) Recommended guidelines for the oversight of the continuing education program to protect the public interest and assure the improvement of the licensee's competency and professional standards; and
  - (8) Any other issue that may surface during the evaluation and study.
- (b) The following parties shall cooperate with the legislative reference bureau in conducting this study:
- (1) The real estate commission;
  - (2) The Hawaii Real Estate Research and Education Center;
  - (3) The Hawaii Association of REALTORS;
  - (4) The Hawaii Association of Real Estate Schools;
  - (5) The Building Owners and Managers Association;
  - (6) The Community Associations Institute; and
  - (7) The University of Hawaii.
- (c) The legislative reference bureau shall submit a report with its findings and recommendations, including proposed legislation to privatize, to the legislature no later than twenty days prior to the convening of the regular session of 1998.

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

SECTION 6. This Act shall take effect upon its approval; provided that the amendments to section 467-11.5(b), Hawaii Revised Statutes, of section 3 of this Act shall take effect on July 1, 1998.

(Approved June 21, 1997.)