

JAN 22 2010

S.B. NO. 2443

A BILL FOR AN ACT

RELATING TO EXCHANGE ACCOMMODATION.

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

1 SECTION 1. Section 449-1, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By adding a new definition to be appropriately inserted
4 and to read:

5 "Exchange accommodation" means any real estate transaction
6 that involves the exchange of real property subject to section
7 1031 of the Internal Revenue Code, as amended."

8 2. By amending the definition of "escrow" to read:

9 "Escrow" means any transaction affecting the title to real
10 property, including leaseholds, proprietary leaseholds, and
11 condominiums, in which a person not a party to the transaction
12 and neither having nor acquiring any interest in the title
13 receives from one party to the transaction, holds until the
14 happening of an event or performance of a condition and then
15 delivers to another party to the transaction, any money or other
16 consideration or any instrument affecting the title to that real
17 property, all in accordance with the terms of the agreement



1 between the parties to the transaction. "Escrow" includes
2 exchange accommodation."

3 3. By amending the definition of "escrow depository" to
4 read:

5 "Escrow depository" means the corporation which, in an
6 escrow, and for compensation, receives, holds, and delivers the
7 money, other consideration, or instrument affecting title to
8 real property. An escrow depository includes a person who
9 provides exchange accommodations."

10 SECTION 2. Section 449-1.7, Hawaii Revised Statutes, is
11 amended to read as follows:

12 "[+]§449-1.7[+] **Indicia of escrow depository prohibited.**

13 Unless licensed under this chapter to engage in the business of
14 an escrow depository, no person may use the word "escrow",
15 "exchange accommodation, or words of similar import, or
16 translations of those words, as a facetious or fanciful name, or
17 in a manner that might suggest or tend to lead others into
18 believing that the person is an escrow depository[-] or exchange
19 accommodator."

20 SECTION 3. Section 449-5, Hawaii Revised Statutes, is
21 amended to read as follows:



1 "§449-5 License required to act as escrow depository. No
 2 person shall act as an escrow depository in this State unless it
 3 is a corporation licensed to do so by the commissioner.

4 No person subject to the provisions of this chapter not
 5 licensed or exempted under this chapter shall transact any
 6 business under any name, title or descriptive term which
 7 contains the words "escrow", "escrow depository", "exchange
 8 accommodation", or any other word or phrase having the same or
 9 similar meaning."

10 SECTION 4. Statutory material to be repealed is bracketed
 11 and stricken. New statutory material is underscored.

12 SECTION 5. This Act shall take effect upon its approval.

13

INTRODUCED BY: Ray L. Horn
 Will Egan
 Carol Johnson
 J
 J
 Michelle Redani



Report Title:

Exchange Accommodation; Regulation; DCCA

Description:

Regulates the profession of exchange accommodation.

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