

Honolulu, Hawaii

April 4, 2012

RE: S.B. No. 3002
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and
Judiciary, to which was referred S.B. No. 3002, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO REAL ESTATE BROKERS AND
SALESPERSONS,"

beg leave to report as follows:

The purpose of this measure is to amend provisions relating
to penalties for licensed real estate brokers and salespersons by:

- (1) Clarifying that real estate brokers and salespersons
cannot be held liable for misrepresentations based upon
good faith reliance on certain specified information;
and
- (2) Clarifying that real estate brokers and salespersons
cannot be held liable for reliance in good faith and
with due care on a disclosure statement that is prepared
in accordance with section 508D-9, Hawaii Revised
Statutes.

The Hawaii Association of REALTORS, Prudential Locations LLC,
and numerous concerned individuals supported this bill. The Real
Estate Commission, Regulated Industries Complaints Office, and
Hawaii Association for Justice opposed this measure. A concerned
individual submitted comments.



After careful consideration, your Committees have amended this bill by:

- (1) Providing that it is the Real Estate Commission and the Regulated Industries Complaints Office of the Department of Commerce and Consumer Affairs that will determine whether the real estate broker or salesperson relied in good faith on information provided by other persons or third parties;
- (2) Changing the effective date to upon its approval; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3002, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3002, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committees on Consumer
Protection & Commerce and
Judiciary,


GILBERT KEITH-AGARAN Chair


ROBERT N. HERKES, Chair



