

ACT 17

H.B. NO. 22

A Bill for an Act Relating to Time Sharing Plans.

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

SECTION 1. Section 514E-1, Hawaii Revised Statutes, is amended by amending the definition of “acquisition agent” to read:

““Acquisition agent” means any person, other than a developer or sales agent, who, for compensation, solicits or encourages others to attend a time share sales presentation or to contact a time share sales agent or developer[-]; provided that this term shall not include individuals who perform the stated activities and are employed by or in contract with:

- (1) A real estate broker who is licensed under chapter 467; or
- (2) An acquisition agent registered pursuant to section 514E-10.’’

SECTION 2. Section 514E-2.5, Hawaii Revised Statutes, is amended to read as follows:

**“§514E-2.5 Licensing of sales agents and acquisition agents.** (a) Except as provided in section 467-2, no sales agent [~~or acquisition agent~~] shall act or assume to act as a real estate salesperson or a real estate broker without a license previously obtained under and in compliance with chapter 467 and the rules and regulations of the real estate commission. [~~No sales agent or~~]

(b) Except as provided in section 467-2, no acquisition agent shall solicit or encourage others to attend a time share sales presentation or to contact a time share sales agent or developer except as otherwise provided for by rules adopted by the director pursuant to chapter 91 without a real estate broker’s license previously obtained under and in compliance with chapter 467 and the rules and regulations of the real estate commission[-] or without registering as required by section 514E-10.

~~[(b)]~~ (c) The director shall adopt rules [~~and regulations~~] limiting the activities of and governing sales agents and acquisition agents, regardless of whether [~~or not~~] such persons are also licensed under chapter 467. Such regulations:

- (1) May authorize an acquisition agent who is not licensed under chapter 467 and its employees to invite others to attend a time share sales presentation or an entertainment function offered in connection therewith, so long as such invitation is made from a principal place of business, branch office, site office, or booth operated in accordance with state and county laws by [~~a person licensed under chapter 467 as a real estate broker;~~] the acquisition agent;
- (2) May authorize an acquisition agent who is not licensed under chapter 467 and its employees to extend invitations from a booth without

requiring the physical presence of a person licensed under chapter 467[~~;~~]; provided that the acquisition ~~[agent remains]~~ agent's employees remain in the booth at all times;

- (3) Shall provide that any ~~[acquisition agent not licensed under chapter 467]~~ individual, who for compensation solicits or encourages others to attend a time share sales presentation or to contact a time share sales agent or developer, shall be employed, either directly or as an independent contractor, by a sales agent or acquisition agent ~~[who in either case is licensed as a real estate broker under chapter 467];~~
- (4) Shall provide that a real estate broker or acquisition agent who employs, either directly or as an independent contractor, an ~~[acquisition agent]~~ individual, who is not licensed under chapter 467, to solicit or encourage others to attend a time share presentation or to contact a time share sales agent or developer, shall be responsible for the acts of such ~~[acquisition agent;]~~ employee;
- (5) Shall establish rules and conditions strictly regulating and, if legally permissible, prohibiting telephone solicitation of guests in hotels; and
- (6) Shall establish such other rules as the director deems to be in the public interest.

~~[(e)]~~ (d) If the director determines, after notice and a hearing, that an acquisition agent ~~[or sales agent]~~ has violated any provision of this chapter or any rule or regulation adopted by the director pursuant to this chapter, the director may suspend or revoke the registration of such person as an acquisition agent ~~[, or sales agent].~~

(e) If the real estate broker's license, issued under chapter 467, of an acquisition agent or sales agent is forfeited, suspended, revoked, terminated, or placed on inactive status, the acquisition agent or sales agent shall not act as an acquisition agent or sales agent under this chapter."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved April 25, 2001.)