

LAWS AND RULES REVIEW COMMITTEE
REAL ESTATE COMMISSION
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii
www.hawaii.gov/hirec

MINUTES OF MEETING

The agenda for this meeting was filed with the Office of the Lieutenant Governor, as required by Section 92-7(b), Hawaii Revised Statutes.

Date: Wednesday, February 10, 2016

Time: 9:00 a.m.

Place: Queen Liliuokalani Conference Room
King Kalakaua Building
335 Merchant Street, First Floor
Honolulu, Hawaii

Present: Scott Arakaki, Chair, Public / Honolulu Commissioner
Laurie Lee, Vice Chair, Broker / Honolulu Commissioner
Rowena Cobb, Broker / Kauai Commissioner
Bruce Faulkner, Broker / Maui Commissioner
Nikki Senter, Public / Honolulu Commissioner
Scott Sherley, Broker / Hawaii Commissioner
Aleta Klein, Broker / Honolulu Commissioner
Michael Pang, Broker / Honolulu Commissioner – late arrival
Aileen Wada, Broker / Honolulu Commissioner – late arrival

Neil Fujitani, Supervising Executive Officer
Miles Ino, Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Amy Endo, Real Estate Specialist
David Grupen, Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Benedyne Stone, Condominium Specialist
Dathan Choy, Condominium Specialist
Shari Wong, Deputy Attorney General
Tammy Norton, Recording Secretary

Others: Suzanne Young, Honolulu Board of REALTORS®
Kamalani Rodrigues, Honolulu Board of REALTORS®
Nelson Higa, Honolulu Board of REALTORS®
Eric Watanabe, Watanabe International
Janice Watanabe, Watanabe International
Aron Espinueva, Hawaii Association of REALTORS®
James Stone
Celine Nelsen, Old Republic/Abe Lee

Absent: None

Call to Order: The Chair called the meeting to order at 9:07 a.m., at which time quorum was established.

Chair's Report: The Chair announced that the Commission may move into executive session to consider and evaluate personal information relating to individuals applying for licensure in accordance with Section 92-5(a)(1), HRS, and/or to consult with the Commission's attorney on questions and issues pertaining to the Commission's powers, duties, privileges, immunities, and liabilities in accordance with Section 92-5(a)(4), HRS.

SEO's Report: **Minutes of Previous Meetings**

Upon a motion by Commissioner Cobb, seconded by Commissioner Faulkner, it was voted on and unanimously carried to accept the minutes of the January 13, 2016, Laws and Rules Review Committee meeting as circulated.

Program of Work: **Legislative and Government Participation Report**

Legislative Report No. 1 was distributed to the Commissioners for their information. The Commission as a body will submit testimony on bills that directly affect chapter 467 and licensees, Chapters 514A or 514B, or that affect the Commission's operations. Staff will also assist if the Commission's input is requested by a legislator or legislative committee regarding specific bills.

SEO Fujitani reported on the status of the following bills:

House Bill No. 1802 – Relating to condominiums – establishes the office of the condominium ombudsman within DCCA. Unit owners provided testimony in favor of the bill and the industry, including CAI Hawaii, provided testimony in opposition to the bill. The industry provided testimony that Act 187 which allows for evaluative mediation to resolve disputes should be given a chance to address the concerns that appear to be the reason for this bill. SEO Fujitani noted that this bill does not give a condominium ombudsman any more power than what a condominium specialist currently has. The Commission's testimony suggested a global study be conducted involving all stakeholders by the Legislative Reference Bureau.

Commissioner Pang arrives at 9:10 a.m.

House Bill No. 2619 – Relating to planned community associations. The bill gives the Real Estate Commission enforcement powers over planned community associations but provides no funding. The Commission's testimony recommended a sunrise review by the Legislative Auditor.

Commissioner Wada arrives at 9:14 a.m.

Senate Bill No. 2865 – Relating to the Real Estate Education Fund. The bill removes the statutory cap to the real estate education fund. The Commission's testimony explained the ramifications of not removing the cap. Staff provided further documentation for Senator Baker's review including quarterly budgets.

Senate Bill No. 2171 – Relating to Real Estate Brokers. The bill establishes three classes of licenses, in commercial real estate, residential real estate, and

brokers' fees, for real estate brokers and real estate salespersons. Should the Commission be interested in separate licensing, the discussion should begin now for possible submission to the next legislative session.

The committee discussed Contractors licensing and their different classifications. Timeshare and condominium managing agents were previous licensed separately, but with SWAT, now falls under real estate licensing.

Commissioner Klein noted that if Hawaii were to have separate licensing for individuals, you would also need separate licensing for entities. PB's cannot have oversight if they are not qualified.

House Bill No. 2164 – Relating to Real Estate Advertising. The bill provides definitions of "advertising" and "solicitation materials" as they apply to the regulation of real estate brokers and salespersons. The bill was initially scheduled for hearing and at the last minutes removed from the agenda.

Commissioners' Education Program

A copy of the Lieutenant Governor's Policy effective July 14, 2015 on Filing Written Public Notice for State Board Meetings Pursuant to Chapter 92, HRS was distributed for informational purposes.

SEO Fujitani noted that the Contractor's Licensing Board holds Friday meetings as does the Real Estate Commission. Although the law specifies the agenda to be filed with the Lt. Governor's office at least six calendar days prior to the meeting date, PVL was notified by the Lt. Governor's office that it did not meet the filing deadline as the agenda was received after 4:30 via fax the Friday prior to their Friday meeting. The Board was advised by their Deputy AG to cancel and reschedule the meeting. The Real Estate Commission will be filing its agenda 8 days prior to the meeting date so as not to run into filing deadline problems.

ARELLO, Other
Organizations And
Jurisdictions:

Arellogram and Other Informational Reports

The following articles from the December 2015 issue of ARELLO Boundaries were distributed for informational purposes: "HUD Proposes New Fair Housing Harassment Rules" and "Freddie Mac Warns of Lesser-Known Credit Score Scams."

Special Issues:

None.

Budget and
Finance Report:

No report presented.

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Next Meeting: Wednesday, March 9, 2016
 9:00 a.m.
 Queen Liliuokalani Conference Room
 King Kalakaua Building
 335 Merchant Street, First Floor
 Honolulu, Hawaii'

Adjournment: With no further business to discuss, the Chair adjourned the meeting at 9:26 a.m.

Reviewed and approved by:

/s/ Neil K. Fujitani

Neil K. Fujitani
Supervising Executive Officer

February 22, 2016

Date

Approved as is.
 Approved with amendments. See minutes of _____ meeting.