

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 11, 2015

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
Bruce Faulkner, Broker / Maui Commissioner
Nikki Senter, Public / Honolulu Commissioner
Scott Sherley, Broker / Hawaii Commissioner
Aileen Wada, Broker / Honolulu Commissioner
Aleta Klein, Broker / Interim Honolulu Commissioner
Michael Pang, Broker / Honolulu Commissioner

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

Others: Aron Espinueva, Hawaii Association of REALTORS®
Bryan Andaya, Eddie Flores Real Estate Continuing Education
Elisia Flores, Eddie Flores Real Estate Continuing Education

Absent: Rowena Cobb, Broker / Kauai Commissioner

Call to Order: The Chair called the meeting to order at 9:00 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.

Commissioner Cobb was excused from today's meeting. Prior notice of her non-attendance was received.

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

Upon a motion by Commissioner Wada, seconded by Commissioner Faulkner, it was voted on and unanimously carried to accept the minutes of the January 7, 2015 Laws and Rules Review Committee meeting as circulated.

Program of Work: **Licensing, Registration, and Certification Administration**

Specialist Grupen updated the Commission on the department's purchase of an enterprise licensing system. PVL is working with the vendor, DataHouse, with an anticipated go live date of March 2016. The licensing system will replace the existing ALIAS system. The system will allow the consumer to do most everything previously done via paper, online, and track the flow of their application. The system will also allow the user to upload attachments relevant to their application.

SEO Fujitani also noted that Change Form updates will be a big plus as it will streamline the system by cutting paperwork and man hours.

Rulemaking, Chapter 99, HAR, Real Estate Brokers and Salespersons

It was reported that the Real Estate Commission has received notice of being placed on the February 1, 2015 Small Business Regulatory Review Board agenda for discussion and action on proposed amendments to HAR Title 16 Chapter 99, Real Estate Brokers and Salespersons, promulgated by DCCA. Meeting is scheduled to begin at 1:00 p.m., No. 1 Capitol District Building, 250 South Hotel Street, Conference Room 436.

Also, the Commission will be holding a second Public Hearing on the proposed Chapter 99 amendments on Friday, February 13, 2015, 9:00 a.m. in the Kalakaua Conference Room of the King Kalakaua Building, 335 Merchant Street.

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 or that affect the Commission's operations and staff will assist if requested by a legislator or legislative committee for the Commission's input regarding specific bills.

SEO Fujitani reported on the status of the following bills:

HB 279 - Allows the Real Estate Commission to take disciplinary action if a real estate broker or salesperson for a seller of real estate acts in a manner that prohibits a prospective buyer from being able to retain a real estate broker or salesperson. RICO has submitted testimony to suggest replacing the phrase "acts in a manner that prevents" with "prohibits" to better specify the conduct that would trigger disciplinary action. The Commission has proposed additional language to include: ...prevents, dissuades, or hinders a prospective purchaser...

HB 571 – Requires a condominium hotel developer's public report to disclose past years' general excise taxes and transient accommodations taxes for converted condominium hotels. Requires that each condominium hotel operator file an annual report with the real estate commission. The bill was passed out of first committee, TOU, and heard in the 2nd committee. Hopefully CPC will take into consideration the Commission's suggested amendments.

HB 803 – Amends Act 326, Session Laws of Hawaii 2012, by (1) Replacing the term "local contact" with "on-island agent"; (2) Defining the term "on-island agent"; (3) Clarifying that an association's duty to report to DOTAX is limited to the relevant information an association actually receives from a transient accommodation operator; (4) Amending penalties imposed on associations for failure to report; and (5) Repealing the sunset date. RICO testified to add language to clarify custodian or caretaker in Chapter 467.

HB 825 – The bill establishes licensing requirements and enforcement provisions for transient vacation rentals to be administered by the department of commerce and consumer affairs. The department testified that Section 26H-6, Hawaii Revised Statutes, requires that new regulatory measures being considered for enactment be referred to the State Auditor for a sunrise analysis.

SB 1007 - Establishes the office of the condominium ombudsman, to be headed by the condominium ombudsman, within the department of commerce and consumer affairs. Appropriates funds for administrative costs associated with the establishment of the office of the condominium ombudsman. No hearing scheduled to date. Few states currently have a condominium ombudsman. As the bill is currently written, the Condominium Ombudsman will take the place of the duties now handled by the Condominium Specialist.

ARELLO, Other
Organizations And
Jurisdictions:

The article entitled "I Didn't Plan to Renovate the ENTIRE House When I Bought It," from the January 2005 issue of *Wai Halana*" was distributed for informational purposes.

Special Issues:

None.

Budget and
Finance Report:

No report presented.

Next Meeting:

Wednesday, March 11, 2015
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 9:18 a.m.

Reviewed and approved by:

/s/ Neil K. Fujitani

Neil K. Fujitani
Supervising Executive Officer

February 17, 2015

Date

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