

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, September 14, 2016

Time: 9:30 a.m.

Place: Grove Farm Building – Conference Room
3-1850 Kaunualii Hwy.
Lihue, Kauai

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
Aileen Wada, Broker / Honolulu Commissioner
Michael Pang, Broker / Honolulu Commissioner

Neil Fujitani, Supervising Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Benedyne Stone, Condominium Specialist
Shari Wong, Deputy Attorney General
Tammy Norton, Recording Secretary

Others: Toni Ishimoto, Kauai Board of REALTORS®
Byron Barth, Kauai Board of REALTORS®

Absent: Aleta Klein, Broker / Honolulu Commissioner

Call to Order: The Chair called the meeting to order at 9:30 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 Klein was excused from today's meeting. Prior notice of her non-attendance was received.

Chair Arakaki thanked the Grove Farm Company for allowing the Commission to hold its committee meetings at its facility.

Commissioner Cobb relayed sad news to the Commission and informed them that former Kauai Commissioner Louie Abrams passed away on September 8, 2016. Commissioner Abrams had invested 35+ years as a real estate licensee, serving both on the board of the Hawaii Association of REALTORS® and as a member of the Hawaii Real Estate Commission.

SEO Fujitani also noted that Commissioner Abrams was a 2 term commission member who chaired the Laws and Rules Review Committee. He was a very active member and spearheaded the subcommittee on Agency. Commissioner Abrams was a great person. His passing is a great loss to staff and the real estate industry.

SEO's Report:

Announcements, Introduction, Correspondence and Additional Distribution

SEO Fujitani expressed the Real Estate Branch's appreciation to Grove Farm Company for allowing the Committee meetings to be held at their facility and thanked Kauai Commissioner Cobb for making the arrangements. He further welcomed Kauai Board of REALTORS® (KBR) staff, Toni Ishimoto and Byron Barth to the meeting. He further thanked KBR President Hannah Sirois who stopped by earlier but needed to leave for a Board meeting.

Minutes of Previous Meetings

Commissioner Senter noted a non-substantive clarification to be made to page 2 of the draft minutes.

Upon a motion by Commissioner Sherley, seconded by Commissioner Faulkner, it was voted on and unanimously carried to accept the minutes of the August 10, 2016, Laws and Rules Review Committee meeting.

Program of Work:

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

It was reported that staff is working with the department's Administrative Services Office (ASO) after finding several formatting issues with the draft proposed chapter 99 rule revisions. Upon receipt back from ASO, the proposed rules will be transmitted back to the AG's office for another review and signature. Once the approval is received by the AG's office, the rules will then be transmitted to the Governor.

Staff has informed the Director's office that it is working on the revisions to §16-99-11 as a separate amendment which relates to advertising.

Deputy Attorney General Wong reported that due to new rules by the Legislative Reference Bureau (LRB), those rules that are not completed by the end of the year will be required to compile the whole chapter. It was suggested that the public hearing for the proposed amendments to §16-99-11 be scheduled shortly.

She further noted that after January 1, 2017 rulemaking amendments will occur at the Chapter level and the Commission may want to entertain breaking apart the Chapter into smaller chapters.

Licensing Renewal

The real estate license renewal go live date is October 17, 2016. There are currently over 19,000 active and inactive licensees. To date 6,616 licensees have completed Core A of their CE requirement, and 4,533 licensees have completed Core B.

Commissioner Cobb noted that many Kauai licensees have not yet begun to take their continuing education classes.

SEO Fujitani reported that the Professional and Vocational Licensing's Chapter 53 fee increase will more than likely take effect prior to the real estate renewal go live date. It was reported that PVL did an across the board comprehensive fee increase which will assist in the implementation of a new online system, among other things. PVL is currently working on an old system with 150,000 plus licensees.

ARELLO, Other
Organizations and
Jurisdictions:

The following articles from the August 2016 issue of ARELLO Boundaries was distributed for informational purposes: "New York A.G. Cracks Down on "Source of Income" Discrimination," "FAA Raises Ceiling On Commercial Drones," "Brokerage Models: Online MLS Access for FSBOs," and "Tech Notes: Pokémon GO and Real Estate?"

Special Issues:

None.

Budget and
Finance Report:

No report presented.

Next Meeting:

Wednesday, October 12, 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 9:54 a.m.

Reviewed and approved by:

/s/ Neil K. Fujitani

Neil K. Fujitani
Supervising Executive Officer

September 19, 2016

Date

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