

**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](http://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, April 12, 2017

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, Broker / Honolulu Commissioner  
Rowena Cobb, Broker / Kauai Commissioner  
Bruce Faulkner, Broker / Maui Commissioner  
Nikki Senter, Public / Honolulu Commissioner  
Aileen Wada, Broker / Honolulu Commissioner  
Aleta Klein, Broker / Honolulu Commissioner  
Sean Ginoza, Broker / Hilo Commissioner

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  
Carole Richelieu, Senior Condominium Specialist  
Benedyne Stone, Condominium Specialist  
Dathan Choy, Condominium Specialist  
Shari Wong, Deputy Attorney General  
Tammy Norton, Recording Secretary

Others: Keone Ball, Carol Ball School of Real Estate  
Kamalani Rodrigues, Honolulu Board of REALTORS®

Absent: Michael Pang, Vice Chair, Broker / Honolulu 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 Pang was excused from today's meeting. Prior notice of his non-attendance was received.

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

Upon a motion by Commissioner Faulkner, seconded by Commissioner Cobb, it was voted on and unanimously carried to accept the minutes of the March 8, 2017, Laws and Rules Review Committee meeting.

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

House Bill No. 1499 H.D. 1, S.D. 1 – Relating to Condominium Associations – Part V: expands the scope of the condominium education trust fund to cover voluntary binding arbitration between interested parties; amends the conditions that mandate mediation and exceptions to mandatory mediation.

While the Commission takes no position on the other parts of the bill, the Commission is concerned with Part V and wants to ensure that the bill inserts voluntary binding arbitration into all the necessary statutory provisions and that the source for funds for arbitration is the same source as the funds for evaluative mediation so that the overall operational budget for the Real Estate Branch is not adversely affected.

Staff is working on scheduling a meeting with Senator Baker to emphasize the Commission's concerns.

Senate Bill 292 S.D. 1, H.D. 1 – Relating to Condominiums – Repeals chapter 514A, Hawaii Revised Statutes, relating to condominium property regimes, and ensures that all condominiums in the State are governed under chapter 514B, Hawaii Revised Statutes, relating to condominiums. Effective July 1, 2019.

The Branch at the request of Senator Baker, worked with the Commission and interested parties in providing safe harbor language to protect those chapter 514A projects that are out there. The Senate instead used their own safe harbor language and not the language crafted by the Commission and interested parties.

Without an appropriate transition and safe harbor mechanism there may be unintended and unforeseen consequences. Chapter 514A, HRS, encompasses more than just governance of condominiums and remains relevant to condominiums and projects created prior to July 1, 2006. Chapter 514A, HRS, projects are active and continue to submit various types of public reports to the Commission. Many chapter 514A projects were created to facilitate estate transfers.

The Commission had requested that only the governance sections of chapter 514A, HRS, be repealed.

ARELLO, Other  
Organizations And  
Jurisdictions:

**ARELLO Boundaries and Other Informational Reports**

RESPA Anti-Kickback Enforcement Action Taps Real Estate Brokerage Firms

The article from the March 2017 issue of ARELLO Boundaries was distributed for informational purposes.

Next Meeting:

Wednesday, May 10, 2017  
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 9:37 a.m.

Reviewed and approved by:

/s/ Neil K. Fujitani

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Neil K. Fujitani  
Supervising Executive Officer

April 18, 2017

\_\_\_\_\_  
Date

Approved as is.  
 Approved with amendments. See minutes of \_\_\_\_\_ meeting.

NF:tn