

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, May 10, 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
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
Benedyne Stone, Condominium Specialist
Dathan Choy, Condominium Specialist
Shari Wong, Deputy Attorney General
Tammy Norton, Recording Secretary

Others: None

Absent: Nikki Senter, Public / Honolulu Commissioner
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.

Commissioners Pang and Senter were excused from today's meeting. Prior notice of their non-attendance was received.

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

Upon a motion by Commissioner Faulkner, seconded by Commissioner Lee, it was voted on and unanimously carried to accept the minutes of the April 12, 2017, Laws and Rules Review Committee meeting as circulated.

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

House Bill No. 165, HD1 SD2 CD1 Relating to Public Meetings – requires state and county boards to make meeting documents available to the public. Clarifies notice requirements. Accounts for electronic documents and notices.

The SEO noted that due to personal and private information, license applications included in Board packets will not be required to be made available for public inspection. The CD1 version also amends the number of days in which the board minutes shall be made available following a meeting from thirty to forty days.

Senate Bill No. 292, SD1 HD1 CD1 Relating to Condominiums – repeals chapter 514A, HRS, relating to condominium property regimes, and ensures that all condominiums in the State are governed under chapter 514B, HRS, relating to condominiums. Effective 1/1/2019.

SEO reported that the safe harbor language drafted by the Commission was adopted in the final version of the bill and has been enrolled to the Governor. If the bill becomes law, staff is working on a letter to developers on how the passage will affect those Ch. 514A projects.

It was noted that this session began with approximately 30 bills relating to real estate and approximately 130 relating to condominiums.

House Bill No. 1033, HD1 SD1 CD1 Relating to Administrative Procedures - Allows state and county agencies to participate in administrative procedures under chapter 91, Hawaii Revised Statutes, by including "agencies" within the definition of "persons" in section 91-1, Hawaii Revised Statutes.

Chair Arakaki questioned if HB No. 1033 would have any immediate impact on the Commission.

SEO Fujitani responded that it does not appear that it would.

Senate Bill 119 SD1 HD1 CD1 Relating to Payment of Rent - Establishes a cap of eight per cent on late rent payment fees, applicable to all new rental agreements and rental agreement renewals entered into on or after the effective date of this measure. Effective 11/1/2017.

It was noted that this bill would pertain to residential tenants as it amends the Residential Landlord-Tenant Code, Ch. 521, HRS.

Senate Bill No. 611, SD1 HD2 CD1 Relating to Fire Sprinklers - Extends the prohibition on county requirements for automatic sprinklers or sprinkler systems in one- and two-family detached dwelling units and non-residential agricultural and aquacultural structures located outside urban areas.

Commissioner Faulkner questioned whether this impacts Honolulu only, or statewide?

SEO Fujitani responded that it appears to impact statewide.

Neighbor Island Outreach

It was announced that the June 14, 2017 committee meetings and Specialist Office for the Day program will be held in Kona at the West Hawaii Association of REALTORS® office.

ARELLO, Other
Organizations And
Jurisdictions:

ARELLO Boundaries – April 2017

The following articles from the April 2017 issue of ARELLO Boundaries was distributed for informational purposes: "Nebraska Implements Comprehensive Real Estate Team Rules," "Texas Rules Clarify Prohibition Against Showings by Unlicensed Persons, and Permit Controlled Unescorted Access to Vacant Rentals," "Scam Updates: Real Estate Schemes Continue to Target Consumers, Licensees," "Minnesota Real Estate Licensee Fined for Referral Kickbacks," and "Federal Court: Real Estate Team's Unlicensed Assistant Can't Sue Brokerage."

Executive Officer Ino reported that the Commission will pursue team rules once the advertising rules have been completed.

Budget and
Finance Report:

Upon a motion by Commissioner Klein, seconded by Commissioner Faulkner, it was voted on and unanimously carried to accept the Real Estate Recovery Fund Financial Report for the period ending December 31, 2016.

Next Meeting:

Wednesday, June 14, 2017
9:30 a.m.
West Hawaii Association of REALTORS®
75-5995 Kuakini Hwy., #221
Kailua-Kona, HI 96740

Adjournment:

With no further business to discuss, the Chair adjourned the meeting at 9:32 a.m.

Reviewed and approved by:

/s/ Neil K. Fujitani

Neil K. Fujitani
Supervising Executive Officer

May 16, 2017

Date

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