

LAWS AND RULES REVIEW COMMITTEE
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, October 13, 2004

Time: 9:00 a.m.

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

Present: Iris Okawa, Chair, Public/Honolulu Commissioner
Louis Abrams, Vice Chair, Broker/Kauai Commissioner
Carol Ball, Broker/Maui Commissioner
Mitchell Imanaka, Broker/Honolulu Commissioner
Kathleen Kagawa, PhD, Broker/Honolulu Commissioner
Michele Sunahara Loudermilk, Public/Honolulu Commissioner
Trudy Nishihara, Broker/Honolulu Commissioner
John Ohama, Broker/Honolulu Commissioner

Calvin Kimura, Supervising Executive Officer
Neil Fujitani, Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Lorene Kimura, Real Estate Specialist
Cheryl Leong, Condominium Specialist
David Grupen, Condominium Specialist
Shari Wong, Deputy Attorney General
Irene Kotaka, Secretary

Others: Joanna Markle, Hawaii Association of REALTORS

Absent: Vern Yamanaka, Broker/Hawaii Island Commissioner

Call to Order: The Chair called the meeting to order at 9:05 a.m., at which time quorum was established.

Chair's Report: No report was presented.

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

Upon a motion by Commissioner Abrams, seconded by Commissioner Nishihara, it was voted on and unanimously carried to accept the minutes of the September 8, 2004 Laws and Rules Review Committee meeting.

2005 Real Estate Commission Meeting Schedule

A copy of the 2005 Real Estate Commission Meeting schedule was distributed to the Commissioners for their information. The Commissioners were asked to notify staff as soon as possible if they were unable to make the meetings.

Program of Work, FY05:

Neighbor Island Outreach

The next neighbor island outreach is scheduled for Wednesday, November 10, 2004, at the offices of the REALTORS Association of Maui, located at 441 Ala Makani Place, Kahului, Maui. The Committee meetings will be held as follows:

Laws and Rules Review Committee Meeting – 9:30 a.m.

Education Review Committee Meeting – Upon adjournment of the Laws and Rules Review Committee meeting, which convenes at 9:30 a.m.

Condominium Review Committee Meeting – Upon adjournment of the Education Review Committee Meeting

License Renewal

License Renewal Workshops are being held in conjunction with the Commission's Specialists' Office of the Day program on the neighbor islands and Oahu, from 9:30 a.m. to 12:30 p.m., as follows:

Maui – Wednesday, November 10, 2004
REALTORS Association of Maui, Inc., 441 Ala Makani Place, Kahului

Kauai – Monday, November 15, 2004
Kauai Board of REALTORS, 4359 Kukui Grove, Suite 103, Lihue

Kona – Tuesday, November 16, 2004
Kona Board of REALTORS, 74-5620 Palani Court, # 106, Kailua-Kona

Oahu – Thursday, November 18, 2004
Honolulu Board of REALTORS, 1136 12th Avenue, Holomua Room, Honolulu

Hilo – Tuesday, November 23, 2004
Hawaii Island Board of REALTORS, 26 Waiuanue Avenue, Hilo

Specialist Kimura reported that the renewal applications should be mailed out on October 18, 2004. Online renewals should be available on October 18, 2004.

Commissioner's Education Program

A copy of the August-September 2004 issue of OpenLine was distributed to the Commissioners for their information.

ARELLO, Other
Organizations and
Jurisdictions:

AARP and CFA

A copy of the brochure, "Buying a Home: What Buyers and Sellers Need to Know About Real Estate Agents," which was developed by the American Association of Retired Persons and the Consumer Federation of America, was distributed to the Commissioners for their information.

Special Issues:

Inquiry About Services Requiring Real Estate Licensing

Mr. Donn Terada, owner of Rental Finders, wrote to the Commission to inquire if a real estate license was needed. In his letter, Mr. Terada stated that he has a rental search and tracking service company that looks up listings for clients and sends them listings and other available information daily that closely match their requirements. He stated that he had already predetermined from prior communications with staff that a real estate license was not necessary for his situation. But he said that his clients have been asking them to expand their services and he was requesting further clarification as to whether or not a real estate license was needed.

Commissioner Ball pointed out that Mr. Terada was walking a real fine line.

It was suggested that Mr. Terada consult an attorney to determine if a license is needed for the services that he proposes offering. The line gets blurry when it affects someone who is licensed. Consumers may not go back to the homeowner but may go to the intermediary instead.

Historically, the Commission has always been concerned if the information presented is manipulated and wrong information is given out to consumers. There have been questions as to what kind of information non-licensees can pass out to callers. The answer is only the name, address and phone number.

If a hostess were showing the property, it would be difficult for them not to answer questions and to only provide the basic information. In this situation, the person would be providing information. If the person is not licensed, there could be consumer harm.

Commissioner Abrams noted that in their letter, RICO said that they did not require a real estate license. He stated that he would like to have more information on what Mr. Terada will be doing because there is a difference between just giving out information and advertising like they are a rental agency.

Chair Okawa stated that it was up to the individual licensee to see when the line is crossed. If the concern is not to cross the line, they might consider becoming licensed.

Upon a motion by Commissioner Abrams, seconded by Commissioner Kagawa, it was voted on and unanimously carried to recommend that staff respond to Mr. Terada's inquiry.

Open Forum: No discussion presented.

Budget and Finance Report: Specialist Grupen reported that the Commission had submitted a supplemental budget request of \$175,000, for the Real Estate Education Fund during the FY2005-2006 biennium. The request was to update the existing education programs of work during the current biennium. The request was denied.

Investment

Specialist Grupen also reported that there are still some outstanding issues relating to the Bank of Hawaii investment contract which needs to be resolved and they hope to have more information available at the next Commission meeting.

Next Meeting: Wednesday, November 10, 2004
9:30 a.m.
REALTORS Association of Maui
441 Ala Makani Place
Kahului, Maui

Adjournment: With no further business to discuss, the Chair adjourned the meeting at 9:18 a.m.

Reviewed and approved by:

/s/ Calvin Kimura
Calvin Kimura
Supervising Executive Officer

November 10, 2004
Date

[X] Approved as is.
[] Approved with amendments. See minutes of _____ meeting.

CK/isk