

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: Thursday, September 14, 2005

Time: 9:30 a.m.

Place: Meeting Room No. 2
Planning Commission
County of Kauai
Mo'ikeha Building
4444 Rice Street
Lihue, Kauai

Present: Louis Abrams, Chair, Broker/Kauai Commissioner
Kathleen Kagawa, Vice Chair, Broker/Honolulu Commissioner
Carol Ball, Broker/Maui Commissioner
Stanley Kuriyama, Broker/Honolulu Commissioner
Michele Sunahara Loudermilk, Public/Honolulu Commissioner

Diane Choy Fujimura, Senior Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Shari Wong, Deputy Attorney General
Irene Kotaka, Secretary

Others: Marsha Shimizu, Hawaii Association of REALTORS®

Absent: Trudy Nishihara, Broker/Honolulu Commissioner
Iris Okawa, Public Member/Honolulu Commissioner
Vern Yamanaka, Broker/Hawaii Island Commissioner

Call to Order: The Chair called the meeting to order at 9:31 a.m., at which time quorum was established.

Chair's Report: No Chair's report was presented.

SEO's Report: **Announcements, Introduction, Correspondence, and Additional Distribution**

Minutes of Previous Meetings

Upon a motion by Commissioner Kuriyama, seconded by Commissioner Loudermilk, it was voted on and unanimously carried to accept the minutes of the August 11, 2005 Laws and Rules Review Committee meeting.

Program of Work
FY06:

Division and Department Programs

Acceptance of the RICO Real Estate Advisory Committee members was deferred to the September 23, 2005 Real Estate Commission meeting.

Subcommittee on Agency

Subcommittee Chair Abrams provided an update of the ongoing discussions with the Hawaii Association of REALTORS® on the consumer relationship symposium. The Commission is concerned that participating in a HAR-sponsored symposium in which HAR bears the cost of the symposium might lead to a possible conflict of interest if there is discussion and appears to be support of HAR's proposed legislation.

Subcommittee Chair Abrams mentioned that Chapter 6 of the Hawaii Commercial Manual, which was produced by the Hawaii Real Estate Research and Education Center, was written by John Reilly. The material discussed cases related to agency. He had requested that staff provide him with a copy of the cases discussed and he is willing to share that information with the Commissioners if they were interested.

Subcommittee Chair Abrams also noted that consumer relationships/agency is a big issue that is being looked into by the U.S. Department of Justice. Subcommittee Chair Abrams mentioned that he hoped to have more to report after he attends the Association of Real Estate License Law Officials (ARELLO) Annual Conference at the end of the month. In the meantime, he will continue discussions with the Hawaii Association of REALTORS® and with staff on this issue.

A copy of the following articles was distributed to the Commissioners for their information:

1. "Agency Law Could Harm Real Estate Consumers" – Inman News
2. "British Columbia Postpones Action on Canadian Agency Task's Recommendations" – Report from Real Estate Council of British Columbia

Subcommittee on Applicants with Criminal and Other Legal Background Issues

Information on how to conduct a criminal history records check through the Hawaii Criminal Justice Data Center was distributed to the Commissioners for their information.

The Chair reported that he would be asking staff to look into how other jurisdictions evaluate applicants with a criminal background history.

Special Issues: The following articles were distributed to the Commissioners for their information:

1. "Economic Analysis of Residential Real Estate Brokerage," AEI-Brookings Joint Center
2. "Realtor Leadership Should Focus on Consumers," Inman News
3. "Antitrust Debate Gives Voice to Real Estate Discounters," Inman News
4. "Competition in Residential Real Estate Brokerage Industry," The American Antitrust Institute
5. "Fee Splitting, Rebates, and Other Incentives," Worldwide ERC and ARELLO
6. "South Dakota Rebates and Inducements," Department of Justice
7. "Modify Department of Justice Consent Decree to Allow Public Access to More Information on Brokerage Fees," Department of Justice

Budget and Finance Report: No report was presented.

Open Forum: None.

Next Meeting: Wednesday, October 12, 2005
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 9:45 a.m.

Reviewed and approved by:

/s/ Diane Choy Fujimura
Diane Choy Fujimura
Senior Real Estate Specialist

October 12, 2005
Date

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