

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, September 13, 2006

Time: 9:00 a.m.

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

Present: Louis Abrams, Chair, Broker/Kauai Commissioner
Michele Sunahara Loudermilk, Vice Chair, Public/Honolulu Commissioner (Late Arrival)
Annette Aiona, Broker/Hawaii Commissioner
William Chee, Broker/Honolulu Commissioner
Frances Gendrano, Salesperson/Honolulu Commissioner
Stanley Kuriyama, Broker/Honolulu Commissioner
Trudy Nishihara, Broker/Honolulu Commissioner
Mark Suiso, Public/Honolulu Commissioner (Late Arrival)

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

Others: Myoung Oh, Hawaii Association of REALTORS
Bernice Littman, Attorney
Esther Han, Attorney

Absent: None

Call to Order: The Chair called the meeting to order at 9:00 a.m., at which time quorum was established.

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

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.

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

Upon a motion by Commissioner Nishihara, seconded by Commissioner Ball, it was voted on and unanimously carried to accept the minutes of the August 9, 2006 Laws and Rules Review Committee meeting.

Program of Work, FY07: **Licensing, Registration and Certification Administration**

A copy of excerpts from the latest Geographic Report, dated July 28, 2006, was distributed to the Commissioners for their information.

Commissioner Loudermilk arrived.

Legislative and Government Participation Report

Information on the draft budget adjustment requests for the Real Estate Education Fund and the Condominium Management Education Fund for the FB 2007-09 Biennium Budget was distributed to the Commissioners for their information.

Commissioner Suiso arrived.

Neighbor Island Outreach

The next neighbor island outreach is tentatively scheduled for January 10, 2007, in Maui, subject to room availability and quorum. REB staff will work with Commissioner Ball on the arrangements.

Licensing Renewal

In August 2006, a notice was sent out to the principal brokers informing them of the licensees that are associated with them and also whether or not they have completed the continuing education requirements.

The SEO announced that the Commission's request for a customer appreciation credit was approved by the administration, which would result in a savings of approximately \$30 for those renewing online. The targeted date for online renewals is October 30, 2006.

Entities, principal brokers and brokers-in-charge are encouraged to submit their renewals early so that they do not affect the licensees that are associated with them.

The Commission will be working with the neighbor island boards to get information out to the licensees. Updated renewal information is also available on the Commission's website at www.hawaii.gov/hirec and in the Real Estate Bulletin that is mailed to all licensees.

Commissioners' Education Program

The following was distributed to the Commissioners for their information:

1. The High Road, July 2006
2. Campaign Restrictions for State Officials and State Employees, Hawaii State Ethics Commission

3. Information on declaratory relief and informal opinions
4. "No \$50M tax credit for new racing park," The Honolulu Advertiser, April 12, 2006
5. Ethics Guide for Elected Officials, Employees, Members of Boards and Commissions, State Ethics Commission
6. Information on ex-parte communication
7. Information on the Sunshine Law
8. Information on procurement issues

The Commissioners discussed their ability to discuss issues/concerns with members of the public and whether or not it would be a violation of the Sunshine Laws or other laws. The Commissioners feel that it is important to have discussions with licensees or the public to obtain their viewpoints and concerns.

Some people may think that if they talk with one Commissioner, that is the opinion of the Commission as a whole. The Commission can only act as a body if there is a quorum. If the Commission has already had discussions on matters, it is public record and the Commissioners can speak on behalf of the Commission.

The Commissioners will need to render an unfair and unbiased opinion.

The Deputy Attorney General stated that the Commissioners are not expected to make a decision in a vacuum. They all bring their expertise and backgrounds with them. The Office of Information Practices said that you can talk with a board member outside of the meeting. The gray area is when someone may have information about a topic and they may be chosen as a provider. Does the information exchanged with the Commission gives them an advantage?

The Procurement Law says that if someone talks to one person, but not the other, they can protest and nothing will get done until the matter is settled.

The Commissioners normally recuse themselves when these situations arise. It does not limit them from talking to people in their field.

Subcommittee on Agency and Other Related Issues

Subcommittee Chair Abrams reported that the Committee discussed the things that should be included in the core course. The list will be finalized at their September 22, 2006 meeting. The information will be presented to the Education Evaluation Task Force Committee meeting on October 4, 2006.

John Reilly, Lynn Madison, and James Stone, Esq., will be on the panel for the Hawaii Association of REALTORS' Pacific Rim Conference.

The following materials were distributed to the Commissioners for their information:

The following article was distributed to the Commissioners for their information:

Inman Real Estate News, July 26, 2006, "Real estate licensees can get a better deal on houses.

ARELLO, Other
Organizations and
Jurisdictions:

Consumer Guides and Mandatory Disclosures

A copy of a press release from the State of Nevada, announcing their New Disclosure Guide, effective July 1, 2006, was distributed to the Commissioners for their information.

A copy of Oregon's Property Buyer Advisory brochure was distributed to the Commissioners for their information.

Special Issues:
Open Forum:

None.
None.

Budget and Finance
Report:

None.

Next Meeting:

Tuesday, October 10, 2006
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 10:08 a.m.

Reviewed and approved by:

/s/ Calvin Kimura
Calvin Kimura
Supervising Executive Officer

October 10, 2006
Date

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