

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, November 8, 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
Annette Aiona, Broker/Hawaii Commissioner
Carol Ball, Broker/Maui Commissioner
Frances Gendrano, Salesperson/Honolulu Commissioner
Trudy Nishihara, Broker/Honolulu Commissioner
Mark Suiso, Public/Honolulu Commissioner

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

Others: None

Absent: William Chee, Broker/Honolulu Commissioner
Stanley Kuriyama, Broker/Honolulu Commissioner

Call to Order: The Chair called the meeting to order at 9:04 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 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.

The Chair reported that the Hawaii Association of REALTORS' Pacific Rim Conference, which was held in October 2006 was very educational.

SEO's Report: **Additional Distribution**

The following material was distributed to the Commissioners prior to the start of the meeting:

5. ARELLO, Other Organizations and Jurisdictions
 - a. ARELLO
 - 2) Meetings, Workshops and Reports

Minutes of Previous Meetings

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Ball, it was voted on and unanimously carried to accept the minutes of the October 10, 2006 Laws and Rules Review Committee meeting.

Program of Work, FY07:

Neighbor Island Outreach

The next neighbor island outreach is tentatively scheduled for January 10, 2007, in Maui. The meetings will be held at the REALTORS Association of Maui, located at 441 Ala Makani Place, Kahului, Maui.

Licensing Renewal

The real estate license renewal deadline is November 30, 2006. An online discount was approved for all of the licenses except for branch offices. Those renewing their licenses online will receive at the least a \$30 discount, depending on the type of license being renewed. All licenses are encouraged to renew their licenses online.

The statistics for the online renewals are as follows:

<u>2004</u>	<u>2006</u>
540 online renewals processed as of this time two years ago	4,696 online renewals processed to date.

Renewal workshops are being planned for Honolulu and the neighbor islands. Information on the workshops will be posted on the Commission's website at: www.hawaii.gov/hirec. Neighbor island workshops are being coordinated with the local boards. The Specialists' Office of the Day will be held in conjunction with the workshops.

Commissioners' Education Program

A copy of the October 2006 issue of The High Road was distributed to the Commissioners for their information.

Subcommittee on Agency and Other Related Issues

Subcommittee Chair Abrams reported that the next meeting will be held on December 6, 2006, at 1 p.m., in the Queen Liliuokalani Conference Room.

The Commissioners felt that an agency brochure informing consumers of their rights would be beneficial. The Commission is seeking better ways to educate the consumers. It was suggested that the Commission's website could be used as a tool to provide more information to the consumers. It was also suggested that the Commission could work with Kendall Hirai in developing a workshop for first-time home buyers.

It was felt that the Commission should address agency, minimum services, discount brokerages and customer expectations. Does the consumer understand what is expected of a licensee under agency?

The Federal Trade Commission and the Department of Justice are coming down on real estate practices and disclosure. It was suggested that staff request permission from the FTC and DOJ to link to their website as both have information that may benefit the consumer and licensee.

The REC Chair and the SEO will be meeting with representatives of the National Association of REALTORS ("NAR") and the Association of Real Estate License Law Officials ("ARELLO") at NAR's Annual Convention in November 2006.

The subject of agency has been taught for many years, but the Commission is discovering that the answers are not always consistent.

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

1. "Judge denies motion to dismiss DOJ lawsuit against NAR," Inman Real Estate News, October 3, 2006;
2. "FTC Charges Real Estate Groups with Anticompetitive Conduct in Limiting Consumers' Choice in Real Estate," FTC News Release, October 12, 2006;
3. "FTC Releases New Facts for Consumers Publication on Selecting a Real Estate Professional," FTC News Release, October 13, 2006; and
4. "A Critical Assessment of the Standard, Traditional, Residential Real Estate Broker Commission Rate Structure," Mark S. Nadel, October 2006.

Subcommittee on Background Issues and Criminal History Records

Upon a motion by Commissioner Loudermilk, seconded by Commissioner Ball, it was voted on and unanimously carried to recommend that Commissioners Aiona and Gendrano be appointed to the Subcommittee on Background Issues and Criminal History Records and that the references materials be given to them.

If the Commission is considering requiring a background check, it was felt that it should be done prior to submitting the application for licensure. The Commission has initiated discussions with the testing provider to see if they could handle the added responsibility of conducting background checks. The Commissioners felt that it was important that the licensees undergo a background check as a requirement for licensure as licensees have access to keys, security codes, personal information and other confidential information of clients and consumers.

ARELLO, Other Organizations and Jurisdictions:

ARELLO

Upon a motion by Commissioner Ball, seconded by Commissioner Loudermilk, it was voted on and unanimously carried to recommend approval to send up to three participants to the ARELLO District IV meeting and the Midyear Meeting, to

be held on April 24 to 28, 2007, in Banff, Alberta, Canada, subject to budget and DCCA approval. The REC Chair and SEO are to determine the attendees.

Special Issues: None.

Open Forum: None.

Budget and Finance Report: None.

Next Meeting: Wednesday, December 6, 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 9:37 a.m.

Reviewed and approved by:

/s/ Calvin Kimura
Calvin Kimura
Supervising Executive Officer

December 6, 2006
Date

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