

School Files

Hawaii Real Estate Commission

August 2006

<http://www.hawaii.gov/hirec>

RENEWAL MATTERS

Remember, the renewal deadline is **NOVEMBER 30, 2006**. All real estate licenses, course certifications, prelicense school, instructor, and substitute instructor registrations, and continuing education provider registrations must be renewed by the renewal deadline to be assured that there is no break in the validity of your license or registration.

In late August, the Licensing Branch will send out a listing to all Principal Brokers of all associated agents and if they have completed their CE requirement.

Based on Hawaii Revised Statutes, Section 467-1.6, "Principal brokers. (a) The principal broker shall have direct management and supervision of the brokerage firm and its real estate licensees. (b) The principal broker shall be responsible for: . . . (6) Setting a policy on continuing education requirements for all associated real estate licensees in compliance with the statutory requirement; . . . (7) ensuring that the licenses of all associated real estate licensees and the brokerage firm license are current and active; . . ." This means that all principal brokers may include in their policies and procedures manual procedures regarding keeping track of CE courses associated agents have taken during the biennium. For instance, a PB may require that copies of CE course completion certificates be submitted to the PB or BIC.

Core courses – The Commission has its core course available in both a live classroom presentation and an **on-line version**. "Real Estate Law Review and Update 2005-2006" was developed for the Commission by ProSchools, Inc.

Check the continuing education course schedule in the Bulletin or go to the Commission's website: www.hawaii.gov/hirec.

The Commission will be sponsoring renewal workshops in November on each major island as the renewal deadline nears. Commission staff and Licensing Branch staff will assist licensees in the renewal process. Specific information will be available at a later date.

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(‘Renewal Matters’ continued from Page 1)

On-line renewal will be offered again! For the 2004 renewal period, only 37% of eligible real estate salesperson licensees, and 43% of eligible real estate broker licensees chose the on-line route. For an industry that uses electronic technology in its day-to-day business, the on-line renewal option should be every licensee’s first choice. Ninety-eight percent of Hawaii’s licensed architects, engineers, and landscape architects renewed on-line in 2006. There will be a discount on renewal fees for those licensees who choose the on-line renewal route. More information will be posted on the Commission’s website, www.hawaii.gov/hirec, click on Real Estate License Renewals.

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LICENSEE NUMBERS CONTINUE TO CLIMB



The number of real estate licensees in Hawaii topped 19,000 in January 2006. Not since 1995 has the number of real estate licensees reached 19,000. That number is history as of July 28, 2006, as the total number of real estate licensees is now 20,626, an increase of 1,530 licensees.

There are now 5,994 brokers, of which 653 are inactive. There are 14,496 salespersons, of which 5,513 are inactive.

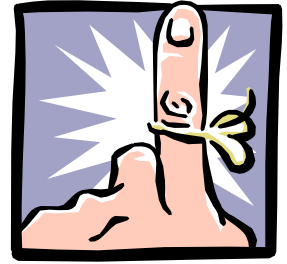
There are 11,893 licensees on Oahu, 2,862 on the Big Island, 3,366 on Maui, 1,552 on Kauai, 45 on Molokai, and 19 on Lanai. The total number of licensees also includes hundreds that reside on the mainland or in foreign countries.

Further breaking down the latest number of *active* licensees, Oahu has 3,414 brokers, the Big Island has 811 brokers, Maui has 708 brokers, Kauai has 332, Molokai has 18 brokers, and Lanai comes in with 6 brokers. There are 5,273 active salespersons on Oahu, 1,359 salespersons on the Big Island, 1,745 on Maui, 792 on Kauai, 25 on Molokai, and 5 on Lanai.

There are now 1,117 licensed corporations, partnerships, LLC’s or LLP’s, and 1,119 sole proprietors.

In 1990, the number of licensees hit an all-time high of just over 26,000.

CONTINUING EDUCATION PROVIDER REMINDERS



The following reminders are for all continuing education providers.

- 1) Please order course completion certificates prior to stopping by the Real Estate Branch to pick up the certificates you need. This will save you time waiting for the certificates to be prepared by Toa, the REB education clerk. You can call Toa to order the certificates at telephone (808) 586-2643.
- 2) Submit the CE course offering form 14 days **prior** to the offering date of the CE course. All CE courses need an assigned course number which will be included on the door certificate for the course which must be posted at the course site on the day of the offering of the course. (See Hawaii Administrative Rules (HAR) Section 16-99-103, Section 16-99-98, and Section 16-99-103(b))
- 3) All rosters of course attendees must be submitted to the Real Estate Branch within ten days of the end of the course. (See HAR Section 16-99-112(c))
- 4) When **renewing** CE courses this year, please ensure the course does not contain outdated or incorrect information (See HAR Section 16-99-108). The CE provider is responsible for certification of the instructors who teach its courses and should not allow its instructors to use outdated course information and material (See HAR Section 16-99-109(1), (2)).
- 5) All providers shall verify the identification of the licensee upon entering a CE course. “At minimum, the continuing education provider shall require a picture identification and a current real estate pocket card or notification of licensed status from the commission.”

Providers may also verify the licensee and license status via a current, legible, printed copy of the Professional and Vocational Licensing Division’s “license screen” or actual on-line review of the “license screen” by the Provider that, at the minimum, reflects the licensee’s name, license number, license expiration date, and license status, for continuing education course entrance requirement purposes, and is accepted as “notification of license status from the commission” pursuant to HAR Section 16-99-115, subject to verification with a picture identification of the licensee.

- 6) HAR Section 16-99-96 states, “An instructor who is a licensee. In satisfying the continuing education hours of a license period, an instructor who is a real estate licensee, may use once in any biennium, the clock hours for each course taught. The one time use applies even when the instructor has taught the course more than once.” Submit written notification to the Real Estate Branch if you intend to request CE credit for a course(s) you taught.
- 7) Licensees will receive CE credit and course completion certificates from only those CE courses certified by the Hawaii Real Estate Commission and offered by a Hawaii-registered CE provider. Do not assume that ALL National Association

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(‘Continuing Education Provider Reminders’ continued from Page 3)

of REALTORS’ courses offered outside Hawaii are good for Hawaii CE credit. The Hawaii Association of REALTORS has submitted several national courses for Hawaii CE approval. Check the CE course schedule at the Commission website www.hawaii.gov/hirec for courses offered.

- 8) “A licensee who is issued a Hawaii real estate salesperson license during an even-numbered year shall be deemed to have completed equivalent to the ten hours of continuing education required. . .” (See HAR Section 16-99-89(c))



CURRENT PRELICENSE SCHOOLS

Abe Lee Seminars
Akahi Real Estate Network LLC
All Islands Real Estate School
Coldwell Banker Pacific Properties
Real Estate School
Dower School of Real Estate
Dower School of Real Estate Windward
Fahrni School of Real Estate
Hawaii Academy of Real Estate LLC
Hudson Real Estate School

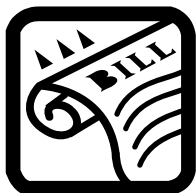
Leeward Community College – OCEW
Maui Community College – VITEC
Premier Realty 2000 Inc.
ProSchools, Inc.
Ralph Foulger’s School of Real Estate
REEF Inc., Hawaii Institute of Real Estate
Seiler School of Real Estate
University of Hawaii at Manoa
Vitousek Real Estate Schools, Inc.

CURRENT CONTINUING EDUCATION PROVIDERS

Abe Lee Seminars
Akahi Real Estate Network LLC
Americas Best
BOMA-Hawaii
Brian R. Thomas dba Edventures
Career Webschool
Charles Barnes School of Real Estate
CLE International
Coldwell Banker Pacific Properties
Real Estate School
Continuing-Ed-Online.org
Dower School of Real Estate
Dower School of Real Estate Windward
Duplanty School of Real Estate
Eddie Flores Real Estate
ERA School of Real Estate
Fahrni School of Real Estate
Hawaii Association of REALTORS
Hawaii CCIM Chapter
Hayloft Climbers, LLC
Hawaii Island Board of REALTORS, Inc.
Hogan School of Real Estate

Honolulu Board of REALTORS.
John Reilly
Kapiolani Community College
Kauai Board of REALTORS
Kingman Winslow First American School
Kona Board of REALTORS
Leeward Community College – OCEW
Lorman Education Services
Lynn W. Carlson
Pacific Real Estate Institute
Premier Realty 2000, Inc.
ProSchools, Inc.
Ralph Foulger’s School of Real Estate
Realtors Land Institute ID Chapter
REEF, Inc.
Russ Goode Seminars
Seiler School of Real Estate
Servpro Industries, Inc.
Terabiz
University of Hawaii at Manoa
Vitousek Real Estate Schools, Inc.

2006 LEGISLATION



The following acts that are relevant to the real estate industry and passed the 2006 Legislature are listed below. The full text of the specified acts may be found at www.capitol.hawaii.gov, click on Bill Status and Documents.



Act 76 HB 1233 HD1 SD1 Relating to civil rights. Prohibits discrimination in public accommodations on the basis of gender identity or expression, or sexual orientation. Includes consistent definition for gender identity or expression and sexual orientation.

Act 276 HB 1935 HD1 SD1 CD1 Relating to planned community associations. Amends Chapter 508D, Hawaii Revised Statutes (HRS), Mandatory Seller Disclosures in Real Estate Transactions. Requires that the disclosure statement to the buyer of a property in a planned community, include the planned community's declaration and association documents as those terms are defined in Section 421J-2. HRS.

Act 271 HB 2146 HD1 SD1 CD1 Relating to land use. Allows agricultural lands used for certain activities to be subdivided and leased without having to satisfy county subdivision ordinances or the Uniform Land Sales Practice Act; provided the land shall be used for agricultural uses only. Amends Chapters 205 and 484, HRS.

Act 49 HB 2331 Relating to an inactive status for professional and vocational licenses. Amends Chapter 436B, HRS, Professional and Vocational Licensing Act. Authorizes affected licensing authorities to allow licensees to go on inactive status when they are currently not engaged in the practice of their profession or vocation and to allow licensees to reactivate their licenses at any time during the licensure period or at renewal. (NOTE: the real estate laws (Chapter 467, HRS) and rules (Chapter 99, HAR) already address inactive status and reactivation of license.)

Act 72 HB 2898 SD1 Relating to arbitration. Allows the district courts to have jurisdiction over cases subject to arbitration agreements where the disputed amount is \$10,000 or less. Amends Chapter 658 HRS.

Act 275 HB 3100 HD1 SD1 Relating to mortgage foreclosures. Limits down payment in event of power of sale foreclosure auction to not more than 10 percent of successful bid. Adds planned community associations to the list of entities that receive notice of power of sale foreclosure. Amends Chapter 667, HRS.

Act 273 HB 3225 HD1 SD1 CD1 Relating to condominiums. Amends provisions relating to exemptions from the Uniform Land Sales Practices Act. Provides an exemption for offers or dispositions of an interest in land registered as a condominium property regime under the condominium law. Amends provisions relating to condominium property regimes; applicability of chapter. Provides that this chapter (Chapter 514A, HRS) shall not apply to condominiums created on or after July 1, 2006, or that are registered with the real estate commission of the state Department of Commerce and Consumer Affairs; and from and after July 1, 2006, this chapter shall apply only to condominiums created prior to July 1, 2006; and to a developer's sale of condominiums in a project for which a notice of intention was filed with the commission prior to July 1, 2006, except where the developer elects to register an existing project with the commission.

Provides that an amendment to the declaration, bylaws, condominium map or other constituent documents may be adopted by the vote or written consent of a majority of the owners, provided that any amendment shall not invalidate the reserved rights of a developer.

Amends provisions relating to common elements. Provides that each unit owner may use the common elements in accordance with the purposes permitted under the declaration, subject to the right of owners to amend the declaration to change the permitted uses of the common elements; provided that changing common element open spaces or landscaped spaces to other uses shall not require an amendment to the declaration; and minor additions to or alteration of the common elements for the benefit of individual units are permitted if the additions or alteration can be accomplished without substantial impact on the interests of other owners in the common elements, as reasonably determined by the board of commerce and consumer affairs.

Amends provisions relating to association; powers. Provides that if the bylaws are silent, pursuant to a resolution adopted by the board that establishes a fining procedure that states the basis for the fine and allows an appeal to the board of the fine with notice and an opportunity to be heard and providing that the fine is paid, the unit owner shall have the right to initiate a dispute resolution process as provided, or by filing a request for an administrative hearing under a pilot program administered by the Department of Commerce and Consumer Affairs.

Amends provisions relating to association; limitations on powers. Provides that the financing of insurance premiums by the association within the policy period shall not be deemed a loan if it provides that at the end of the lease the association may purchase the leased equipment for its fair market value.

Amends provisions relating to restatement of declaration and bylaws. Provides that an association at any time may restate the declaration or bylaws of the association to amend the declaration or bylaws as may be required in order to conform with the provisions of this chapter or of any other statute, ordinance, or rule enacted by any governmental authority, or to correct the percentage of common interest for the project so it totals 100 per cent, by a resolution adopted by the board. Further provides that if the restated declaration is to correct the percentage of common interest for the project so that it totals 100 per cent, the proportion of each unit owner's percentage of common interest shall remain the same in relation to the other unit owners.

Amends provisions relating to association fiscal matters; lease rent renegotiation. Provides that if some, but not all of the unit owners have already purchased the leased fee interest appurtenant to their units as of the earlier of any date specified in the lease or sublease for the commencement of lease rent renegotiation or 9 months prior to the commencement of the term for which rent is to be renegotiated, all costs and expenses of the renegotiation shall be assessed to the remaining lessees whose lease rent is to be renegotiated in the same proportion that the common interest appurtenant to each lessee's unit bears to the common interest appurtenant to all remaining lessees' units whose lease rent is to be renegotiated. Amends Act 164, session laws of 2004, as amended by Act 93, session laws of 2005. Amends Act 93, session laws of 2005, which completed the recodification of Chapter 514A, HRS, and delayed effective date to July 1, 2006.

Act 206 SB 1223 SD1 Relating to negotiable instruments. Amends Chapter 490, HRS, Uniform Commercial Code. Amends the service charge for a dishonored check, draft, or order to not more than \$30.

Act 312 SB 2193 SD1 HD1 CD1 Relating to planned community associations. Amends Chapter 421J, HRS, Planned Community Associations. Amends provisions relating to meetings of the board of directors; committee or subcommittee. Provides that all meetings of the board of directors of planned community associations, other than executive sessions, shall be open to all members to provide input on the matters being discussed. Amends provisions relating to documents of the association. Provides that association documents, the most current financial statement of the association, and the minutes of the most recent meeting of the board of directors (other than the minutes of executive sessions) shall be made available for examination by any member at no cost, on 24 hour loan or during reasonable hours.

Act 137 SB 2293 SD2 HD1 CD1 Relating to social security number protection. Prohibits businesses, subject to limited exceptions, from disclosing an individual's social security number to the general public, printing the SSN on an identification card or in mailings to customers, requiring the transmission of an SSN to third parties; and selling or otherwise disclosing the SSN to third parties without written consent.

Act 278 SB 2454 SD1 HD2 Relating to out of state sales of time share interests. Amends Chapter 514E, HRS, Time Sharing Plans. Provides an exemption for time share use plans containing time share interests or units located in Hawaii and offered for sale outside the USA from the time share law, provided that the plan does not place blanket liens on its Hawaii units and complies with contractual resale restrictions and consumer disclosure requirements.

Act 277 SB 2545 SD2 HD2 CD1 Relating to condominiums. Extends for three years the pilot program for condominium management dispute resolution by establishing comparable provisions in the new condominium law, Chapter 514B, HRS.

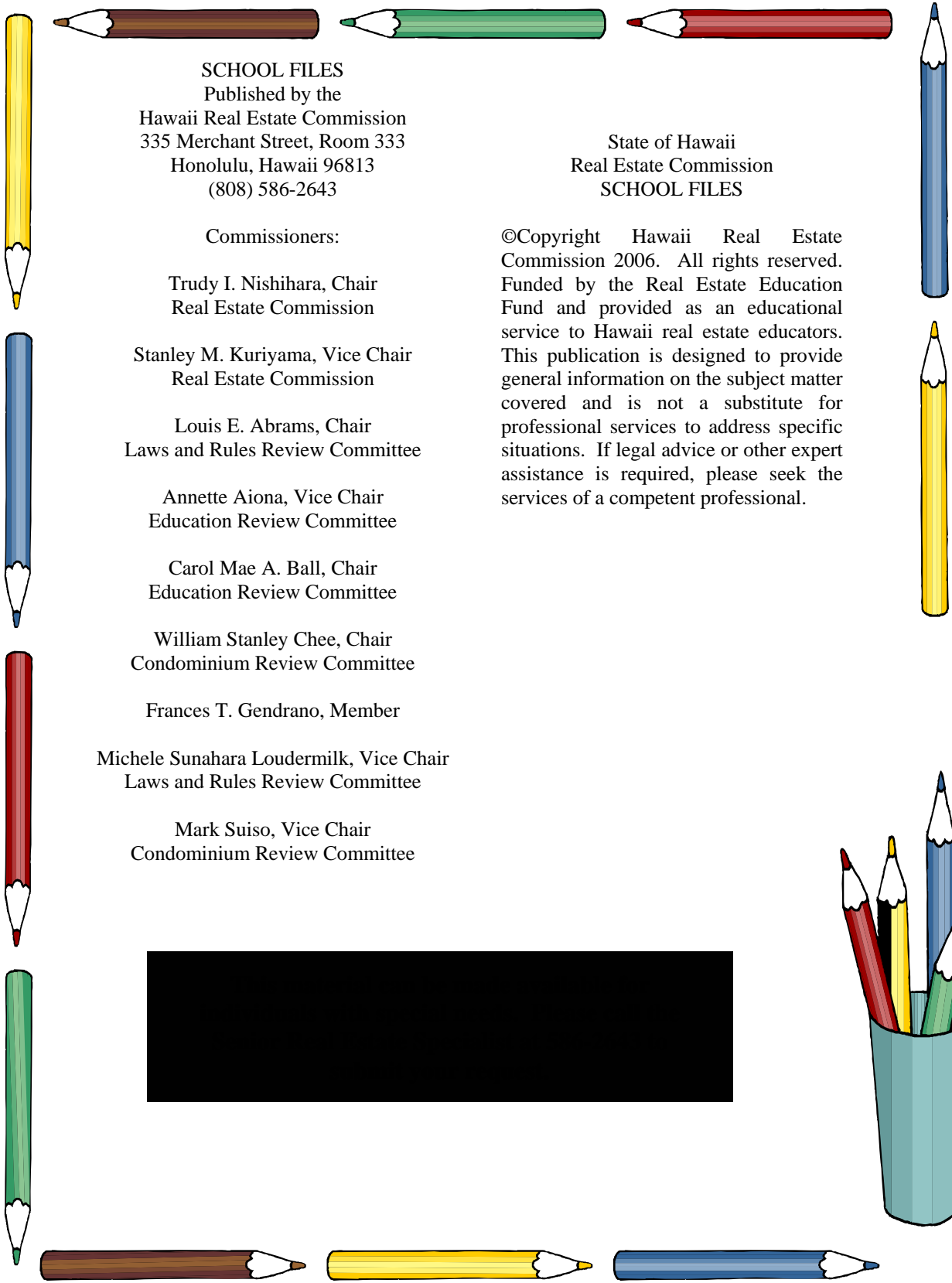
Act 7 SB 2489 Relating to forfeiture of property. Amends the current forfeiture law by adding the additional offenses to the Hawaii Penal Code that are subject to forfeiture: unlawful methamphetamine trafficking, manufacturing of a controlled substance with a child present. Amends Chapter 712A, HRS.



2006 REAL ESTATE COMMISSION MEETING SCHEDULE

Laws & Rules Review Committee – 9:00 a.m. Education Review Committee – Upon adjournment of the Laws & Rules Review Committee Meeting Condominium Review Committee – Upon adjournment of the Education Review Committee Meeting, which is upon the adjournment of the Laws & Rules Review Committee Meeting, which convenes at 9:00 a.m.	Real Estate Commission 9:00 a.m.
Wednesday, August 9, 2006	Friday, August 25, 2006
Wednesday, September 13, 2006	Friday, September 22, 2006
Tuesday, October 10, 2006	Friday, October 27, 2006
Wednesday, November 8, 2006	Wednesday, November 22, 2006
Wednesday, December 6, 2006	Friday, December 15, 2006

All meetings will be held in the Queen Liliuokalani Conference Room of the King Kalakaua Building, 335 Merchant Street, First Floor. *Meeting dates, locations and times are subject to change without notice. Please visit the Commission's website at www.hawaii.gov/hirec or call the Real Estate Commission Office at 586-2643 to confirm the dates, times and locations of the meetings.*



SCHOOL FILES

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