

REAL ESTATE COMMISSION
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii

MINUTES OF PUBLIC HEARING

Date: December 31, 1990

Time: 9:00 a.m.

Place: Kuhina Nui Room, Second Floor
HRH Princess Victoria Kamamalu Building
1010 Richards Street
Honolulu, Hawaii

Present: Calvin Kimura, Supervising Executive Secretary
Christine Rutkowski, Executive Secretary

Others: Judy Gorman, Hawaii Association of Realtors
John Reilly, Real Estate Continuing Education Co.
Ed Gorman, Worrall-McCarter
Pauline Bertlin, Greenwich University
John Walsh, Greenwich University
Leslie T. Murai, Hawaii Institute of Real Estate

Call to Order: Supervising Executive Secretary, Calvin Kimura,
called the Hearing to order at 9:06 a.m. Mr.
Kimura stated the following:

"This Public Hearing is called to order. My name is Calvin Kimura, I am the Supervising Executive Secretary of the Real Estate Commission. Also present is Christine Rutkowski, Executive Secretary, who will act as Recording Secretary. The purpose of this hearing is to afford all interested persons an opportunity to submit data, views, or arguments, orally or in writing, to the Real Estate Commission, concerning the proposed amendments to Chapter 99, Real Estate Brokers and Salespersons.

A notice of this public hearing was published on November 30, 1990 in the Honolulu Advertiser, Maui News, West Hawaii Today, Hawaii Tribune Herald, and the Kauai Times. The notice describes the proposed amendments, and in summary, the proposed amendments:

- adds a new subchapter on Continuing Education and a new subchapter on Condominium Hotel Operators.

A copy of the notice and the proposed rules is submitted for the record.

I will briefly describe the procedure to be followed at this public hearing. If you have not yet signed up to present oral testimony at this hearing, please do so at this time. Testimony will be presented in the order in which you appear on the sign-up sheet. If you have written testimony, please submit it to the Recording Secretary immediately.

When your name is called to present oral testimony, please take the seat located across from me. We ask that you state your name, address, and if you represent a group or organization, please state its name. We ask that if you have submitted written testimony, you summarize it or for the record, state that you stand on your written testimony. The purpose of this public hearing is to hear your views and arguments regarding the proposed amendments to the Rules. I will not be discussing your testimony or be asking you questions during the hearing.

Let the record reflect that we have received written testimony from the following:

Judy Gorman - Hawaii Association of Realtors
John Reilly - Real Estate Continuing Education
Company

The Commission will be meeting on January 3, 1991 to consider all written and oral testimony submitted and to make its decision. The meeting is open to the public."

Testimony: Testimony was given by the following at this time:

Testimony of Judy Gorman - Hawaii Association of Realtors

Ten copies of written testimony were previously submitted by Ms. Gorman. Ms. Gorman stated that she stands on her written testimony. Summary of her testimony is as follows:

Chapter 16-99-106 states, in section b (5), that the fee set by the Director of the Department of Commerce and Consumer Affairs for each issued course completion certificate shall be five dollars (\$5.00).

Prior to this time, the fee charged to providers of continuing education for course completion certificates has been one dollar (\$1.00) each. Consequently, the proposed fee put forth in subchapter 9 represents an increase of 500 percent.

The Hawaii Association of Realtors, as provider for more than 12,500 continuing education attendees during the licensing biennium of 1989-1990, issued more than 6,000 certificates of completion at a cost of over \$12,500. Assuming the same attendance figures for the licensing biennium of 1991-1992, the Hawaii Association of Realtors would be forced to pay \$62,500 in fees for certificates of completion under the amendments proposed in subchapter 9.

The proposed fee increase, as stated in Chapter 16-99-107, section b(5), would cause excessive hardship for the Hawaii Association of Realtors, and respectfully requests that the Real Estate Commission retain the present fee of one dollar (\$1.00) for issuance of each course completion certificate.

Testimony of John Reilly- Real Estate Continuing Education

Ten copies of written testimony was submitted previously by Mr. Reilly. Summary of testimony given by Mr. Reilly was as follows:

Classrooms - It appears we are going back to the bureaucratic nightmare of obtaining clearances from the health, fire and building departments for each classroom location. This is fine for the handful of providers that teach out of one site, typically their already approved pre-license classroom. It is a tremendous burden on those of us who try to bring CE programs in outlying locations.

The effect is to discourage bringing CE to the licensee at convenient locations. The number one licensee complaint I heard about CE was the inconvenience

factor. We should be doing all we can to make these courses available at convenient locations. If students file a complaint about a facility that the provider maintains is an appropriate facility, then the Commission can require that the provider obtain proof of adequacy.

As proposed, I am not clear what level of proof a provider must produce. §16-99-99(a)(7) requires a notarized statement (from whom?); § 16-99-103(a)(2) and 16-99-123(b) require a certificate from the provider.

Fees - I can't figure out what I have to pay to renew my provider and instructor registrations. Do I pay the renewal fee plus the nonrefundable processing fees? What about the core course? The confusion stems from §16-99-105 which requires we satisfy the initial registration requirements. Why even have a renewal category if we have to complete the same paperwork as an initial registrant?

My biggest objection is to §16-99-107(b)(5). The course completion certificate fee should not jump from \$1.00 to \$5.00. This increase will be passed on to the consumer who is already complaining about the course price (not realizing the school net revenues are marginal due to administrative costs). I recall two years ago this fee was originally set at \$5.00 but was reduced to \$1.00 before the program started.

Exams - I am not clear whether exams are required or optional; likewise with pre-tests (§16-99-99(a)(23)). Please eliminate the pre-test evaluation system (§16-99-99-112(c)(3)). It doesn't work and yet it drains the energy of the Commission's administrative staff who can better use the time on other processing matters. What is an "objective evaluation" under §16-99-100(a)(6)?

Clock Hours - Won't the 60 minute definition create problems for community colleges whose programs are based on 50 minutes? Is break time included in the 60 minutes? If not, then I would suggest we use a 50-minute hour.

Adjournment: The Supervising Executive Secretary stated:

"That concludes the oral testimony on the proposed amendments to the Rules. Is there anyone else who wishes to present testimony at this time? If not, this public hearing is adjourned. The Commission's special meeting will be called to order on January 3, 1991, at 9:00 a.m., at which time the Commission intends to make a decision on the proposed amendments to the rule.

Thank you very much for attending and participating in today's public hearing."

The public hearing was adjourned at 9:20 a.m.

Respectfully submitted,

Christine Rutkowski
Recording Secretary

Reviewed and approved by:

Calvin Kimura
Supervising Executive Secretary

Date