

LAWS AND RULES REVIEW COMMITTEE
REAL ESTATE COMMISSION
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, July 14, 2010

Time: 9:00 a.m.

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

Present: Frances Gendrano, Chair, Broker/Honolulu Commissioner
Walt Harvey, Vice Chair, Broker/Honolulu Commissioner
Michele Sunahara Loudermilk, Public/Honolulu Commissioner
Stanley Kuriyama, Broker/Honolulu Commissioner
Carol Ball, Broker/Maui Commissioner
Mark Suiso, Public/Honolulu Commissioner
Scott Sherley, Broker/Hawaii Commissioner

Neil Fujitani, Supervising Executive Officer
Jon Ellis Pangilinan, Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Amy Endo, Real Estate Specialist
David Grupen, Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Cheryl Leong, Condominium Specialist
Benedyne Stone, Condominium Specialist
Shari Wong, Deputy Attorney General
Tammy Norton, Recording Secretary

Others: Aron Espinueva, Hawaii Association of REALTORS®
Milton Motooka, Community Associations Institute Hawaii Chapter

Absent: Trudy Nishihara, Broker/Honolulu Commissioner

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

Chair's Report: The Chair announced that the Committee 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.

Commissioner Nishihara was excused from today's meeting. Prior notice of her non-attendance was received.

Organization of the Commission

A copy of Chair Nishihara's memo dated July 7, 2010 regarding the organization of the Commission for fiscal year 2011 was distributed to the Commissioners for their information.

The leadership positions are as follows:

Real Estate Commission - Stanley Kuriyama, Vice Chair
Laws and Rules Review Committee – Frances Gendrano, Chair; Walter Harvey, Vice Chair
Condominium Review Committee – Michele Sunahara Loudermilk, Chair; Mark Suiso, Vice Chair (voluntary holdover until replacement is confirmed)
Education Review Committee – Carol Ball, Chair; Scott Sherley, Vice Chair.

SEO's
Report:

SEO Fujitani introduced the newest Commission member, Scott Sherley, as the Hawaii Island Member. Commissioner Sherley has been in the real estate industry for 25 years and specializes in property management and condominium management.

SEO Fujitani also noted that Commissioner Suiso has volunteered to be a hold-over Commissioner until the Governor appoints a new commission public member. The Commission still has a vacant Kauai commission member position awaiting appointment by the Governor.

Additional Distribution

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

4. Program of Work, FY 11

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 June 9, 2010, Laws and Rules Review Committee meeting as circulated.

Program of
Work, FY11:

The final Fiscal Year 2011 Program of Work and Budget was distributed to the Commissioners.

Rulemaking, Chapter 99, HAR, Real Estate Brokers and Salespersons

Executive Officer Pangilinan reported that the current rulemaking process is intended to update HAR Chapter 99 as necessary and to draft new rules to implement HRS Chapter 467. The Commission will consider appropriate comments or suggestions regarding any updates to or proposals for HAR Chapter 99 as they relate to the real estate salesperson and broker licenses. Written comments and proposals, with justifications, should be sent to the Commission by close of business Tuesday, August 31, 2010.

SEO Fujitani noted that Commission staff has been collecting proposed changes over the years to incorporate into the Chapter 99 rulemaking and will be moving forward in great part due to Act 9 which increased the continuing education hours requirement from 10 to 20 hours.

Legislative Participation with Organizations

An email request for information from Rachel Hibbard, contracted by the State Auditor, to conduct a sunrise analysis of the regulation of real estate appraisal management companies in Hawaii was received.

SEO Fujitani noted that the Commission is receiving this request because it provided testimony on Senate Concurrent Resolution 53, SLH 2009 requesting the Auditor to conduct a sunrise review of the regulation of real estate appraisal management companies and SB 1606 relating to the real estate appraisal management companies.

Chair Gendrano informed the committee that a real estate appraisal management company is a third party. If an appraiser is needed, you need to go through the real estate appraisal management company which then randomly selects the appraiser from a list of approved appraisers.

Commissioner Loudermilk noted that the Real Estate Commission is not familiar with the issues and the laws faced by Appraisers to be able to respond.

Deputy Attorney General Wong questioned if there is an overall substantive conflict, and if so it would not be appropriate for the Commission to respond.

Commissioner Kuriyama noted that the Commissioners would have to be educated in the role of the real estate appraisal management companies before it would be able to provide any feedback.

Subcommittee on Background Issues and Criminal History Records

A copy of Senate Bill. No. 1248, Legislature of the State of Idaho, relating to Idaho Real Estate license law, providing an exemption review process to determine suitability for licensure for certain revoked licenses was distributed for informational purposes.

ARELLO's 2010 Annual Conference, Anchorage Alaska, Sept. 16-18, 2010

Information on ARELLO's 2010 Annual Conference to be held September 16-18, 2010 in Anchorage, Alaska was distributed for informational purposes.

ARELLO Mid Year Meeting - Report

Report on the ARELLO Mid Year Meeting held in Colorado Springs, Colorado, April 7 – 10, 2010 was submitted for the committee's information. The report was prepared by Commissioner Nishihara, Commissioner Abrams, and Supervising Executive Officer Fujitani. It was also noted to the committee that REC Chair Nishihara traveled to the Mid-Year Conference on her own. The Governor's and Department's travel restrictions prevented the REC from paying for her travel.

SEO Fujitani noted that Idaho reported that they went through a year of not printing their newsletter and just posting it online and noted that their readership dropped to 10%. Idaho has since reverted back to printing and mailing its newsletter.

ARELLO,
Other
Organizations
And
Jurisdictions:

Special Issues: None reported.

Budget and Finance Report: Upon a motion by Commissioner Kuriyama, seconded by Commissioner Suiso, it was voted on and unanimously carried to accept the Real Estate Recover Fund Financial Report for the period ending March 31, 2010.

Next Meeting: Wednesday, August 11, 2010
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 9:20 a.m.

Reviewed and approved by:

/s/ Neil K. Fujitani

Neil K. Fujitani
Supervising Executive Officer

July 26, 2010

Date

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