

LAWS AND RULES REVIEW COMMITTEE
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
State of Hawaii
www.state.hi.us/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, February 13, 2002

Time: 9:00 a.m.

Place: Kapuaiwa Room
Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii

Present: Alfredo Evangelista, Chair
Iris Okawa, Vice Chair
Charles Aki, Member (Late Arrival)
Patricia Choi, Member
Mitchell Imanaka, Member (Late Arrival)
John Ohama, Member
Peter Rice, Member

Calvin Kimura, Supervising Executive Officer
Alan Taniguchi, Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Lorene Arata, Real Estate Specialist
Cheryl Leong, Condominium Specialist
Gordon Arakaki, Condominium Recodification Attorney
Shari Wong, Deputy Attorney General
Irene Kotaka, Secretary

Others: Merrily Leong, Hawaii Association of REALTORS
Wayne Gordon, ASI
Brian Thomas

Excused: Michael Ching, Member

Absent: Casey Choi, Member

Call to Order: The Chair called the meeting to order at 9:02 a.m., at which time quorum was established.

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

SEO's Report:

Minutes of Previous Meetings

Commissioner Aki arrived.

Upon a motion by Commissioner P. Choi, seconded by Commissioner Rice, it was voted on and unanimously carried to accept the minutes of the January 4, 2002 Laws and Rules Review Committee meeting as circulated.

Additional Distribution

The SEO's Legislative Report No. 02 was distributed to the Commissioners prior to the meeting for their information.

April Committee Meeting

The SEO announced that the April Committee meetings have been rescheduled as follows:

Tuesday, April 9, 2002

9:00 a.m. – Laws and Rules Review Committee

10:00 a.m. – Education Review Committee

11:00 a.m. – Condominium Review Committee

Kapuaiwa Room

HRH Princess Victoria Kamamalu Building

1010 Richards Street, Second Floor

Honolulu, Hawaii

ASI Report – Wayne Gordon

Wayne Gordon, National Director of Regulatory Sales/Government Relations for CAT*ASI provided those present with an overview of the ownership of ASI. As a result of a merger between Computer Adaptive Technologies ("CAT") and Assessment Systems Inc. ("ASI"), ASI is now known as CAT*ASI.

The Deputy Attorney General arrived.

Mr. Gordon stated that the merger would be very beneficial to their clients as both companies (CAT and ASI) offer services that the other does not have.

Mr. Gordon was asked if the testing platform will change due to the merger. Mr. Gordon stated that the platform would be PC-based. CAT is Internet driven and information is communicated through a secure, encryption process. If the Commission decided that it needed to make changes to the examination or to procedures, the information could be communicated to their staff more efficiently and changes could be implemented more expeditiously. Candidates would be able to register for the examination using the toll-free number or also online. Candidates would have the option of using a mouse, touch-screen, or keyboard to

take the examination. Candidates would still be able to see their results immediately. If the licensing agency desired to, it could allow the candidates of failed examinations to view the questions that they answered incorrectly.

Mr. Gordon stated that once the transition is completed, they would meet with staff to discuss testing options. When asked how long the transition is anticipated to last, Mr. Gordon stated that he anticipates that the merger between the two companies will take four to six months. They started three days after the purchase was completed to discuss the transition from the ExPro system to the PC-based platform. He anticipates that implementation will occur in early Fall, possibly by September 1.

Commissioner Ohama stated that he would like the examination to be offered in another format. He is not satisfied with the current multiple choice format.

Mr. Gordon stated that will have video and graphic capability. It would not be available in September, but eventually they will be able to offer it.

The candidate could be shown a house plan and could be asked to determine the square footage and whether or not there is progress egress and ingress. The candidate could also be shown a video and then be asked to explain what the licensee did that was correct and incorrect. The Commission will have more choices in selecting the format of the examination.

Mr. Gordon was asked if they have licensing programs to assist the States with their licensing records and if they were planning to offer CE courses online.

Mr. Gordon stated that Vivendi Universal Publishing owns the USA Network and they are looking into offering educational courses. ASI will not be offering the educational courses because there is a possibility of a conflict of interest. The Commission could notify ASI staff that they are interested in educational courses and ASI staff will refer them to the individuals who will be able to assist them.

Mr. Gordon stated that Ho Mun sent his regrets. He hopes to come to Hawaii at a later date.

When asked about the continuity of staff, Mr. Gordon stated that there would be some changes. The majority of their staff is in place. The Commissioners were assured that Ho Mun, Oyin Hatchett Brown and he will be remaining. There will probably be minimal changes.

Mr. Gordon was informed that REB staff is in the process of updating the Candidate Handbook and he was asked if they should proceed or if they should wait until the transition is complete. REB staff was advised to start the process. When the updates have been completed or are near completion, ASI will advise REB staff of the options available to them.

Mr. Gordon stated that ASI is moving forward under normal circumstances. If they reach a roadblock, they will contact staff.

Program of Work, FY02: **Legislative and Government Participation**

Legislative Report No. 2 was distributed to the Commissioners for their information. The SEO highlighted the bills that affected the Commission.

Application, Processing and Forms

Information on the Licensing Branch statistics for FY01 was distributed to the Commissioners for their information. It was noted that the increase in real estate licensees is an indication that the real estate market is rising.

Commissioners' Education Program

A copy of the December 2001 issue of Openline was distributed to the Commissioners for their information.

REB staff is researching the Office of Information Practices opinions to see whether or not the names of those appealing the Commission's decision can be published in the Real Estate Bulletin or if it should remain confidential.

Division and Department Programs

A copy of the pertinent portions of the 2001 Annual Compliance Resolution Fund Report to the Legislature was distributed to the Commissioners for their information.

Special Issues:

Website and Internet Advertising

A copy of Commissioner Ching's memorandum, dated January 8, 2002, regarding website and Internet advertising was distributed to the Commissioners for discussion.

Commissioner Ohama stated that the Commission could discuss what Commissioner Ching submitted or they could defer discussion until Commissioner Ching could be present.

Commissioner P. Choi stated that Commissioner Ching has done a thorough job in presenting the information for discussion.

Commissioner P. Choi also stated that the National Association of REALTORS is against the downloading of listings from the Internet. Listings must contain the listing agent's name and the company's name. The listing agent and the seller's agent must be a part of the agreement.

Commissioner Ohama suggested that Commissioner Ching convene the subcommittee to discuss and propose amendments.

Commissioner Imanaka arrived.

It was recommended that Commissioner Ching, members of the subcommittee, and REB staff draft proposed rules on websites and Internet advertising for discussion at the March 13, 2002 Laws and Rules Review Committee meeting. Commissioner Ohama will communicate this information to Commissioner Ching.

The Commissioners were asked to retain their copies of Commissioner Ching's handouts for discussion at the March 13, 2002 meeting.

ARELLO, Other
Organizations and
Jurisdictions:

Referral Fee Policy

A copy of ARELLO's Referral Fee Policy was distributed to the Commissioners for their information.

Upon a motion by Commissioner Ohama, seconded by Commissioner Aki, it was voted on and unanimously carried that Commissioners P. Choi and Okawa co-chair a subcommittee to look into adopting ARELLO's Referral Fee Policy.

Project Updates

A copy of ARELLO's update on projects was distributed to the Commissioners for their information.

Minutes of Memphis Meeting

A copy of the minutes of the ARELLO meeting, which was held on October 16, 2001, in Memphis, Tennessee, was distributed to the Commissioners for their information.

Chair Evangelista congratulated the SEO on his appointment as an ARELLO Director.

California Department of Real Estate

A copy of the State of California's Disciplinary Action Report, which appeared in the Fall 2001 issue of the California Department of Real Estate's Real Estate Bulletin was distributed to the Commissioners for their information.

Hawaii Realtor Journal

A copy of an article entitled, "Hawaii's Megan's Law declared unconstitutional", which appeared in the January/February 2002 issue of the Hawaii REALTOR Journal, was distributed to the Commissioners for their information.

Open Forum:

Mr. Thomas stated that he felt the Commission should take into consideration websites that "cockroach" information from other sites without notifying the agents when they draft the rules relating to websites and Internet advertising.

Ms. Leong informed the Commissioners that the Hawaii Association of REALTORS is tracking the hurricane bills this session. HAR is trying to keep the Hurricane Relief Fund in tact and are not supporting the return of moneys to the contributors.

The Commission thanked Ms. Leong, HAR and Bill Ramsey for supporting the Commission's SWAT bill and the bill relating to the Condominium Management Education Fund. The Commission hopes that HAR will be active participants in condominium legislation.

Budget and Finance
Report – RERF:

No report presented.

Next Meeting:

Wednesday, March 13, 2002
9:00 a.m.
Kapuaiwa Room
HRH Princess Victoria Kamamalu Building
1010 Richards Street, Second Floor
Honolulu, Hawaii

Adjournment:

With no further business to discuss, the Chair adjourned the meeting at 9:58 a.m.

Reviewed and approved by:

/s/ Calvin Kimura
Calvin Kimura
Supervising Executive Officer

March 13, 2002
Date

[X] Approved as is.

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