

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, November 13, 2002

Time: 9:00 a.m.

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

Present: Iris Okawa, Chair
Louis Abrams, Vice Chair
Marshall Chinen, Member (Late Arrival)
Mitchell Imanaka, Member
Kathleen Kagawa, Ph.D., Member
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
David Grupen, Condominium Specialist
Gordon Arakaki, Condominium Specialist
Shari Wong, Deputy Attorney General
Irene Kotaka, Secretary

Others: Merrily Leong, Hawaii Association of REALTORS
Brian Thomas

Excused: Patricia Choi, Member
Vern Yamanaka, Member

Call to Order: The Chair called the meeting to order at 9:07 a.m., at which time quorum was established.

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

SEO's Report: **Announcements, Introduction, Correspondence, Additional Distribution**

Commissioners Choi and Yamanaka are unable to attend the meeting.
Commissioner Chinen may be arriving late due to a prior commitment.

Minutes of Previous Meetings

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

Program of Work, FY03:

Rule Making, Chapter 99, Hawaii Administrative Rules, Real Estate Brokers and Salespersons

October 4, 1995 LRRC Decision on Advertising – At its August 30, 2002 Real Estate Commission Meeting, the Commission had discussed the All REALTOR Board situation and had made a decision based on that discussion. The Commission had also discussed repealing the requirement that licensees advertise the type of license that they hold as many consumers are not aware of the difference between a salesperson or a broker, a REALTOR or a REALTOR-Associate. Principal brokers should be held responsible for overseeing the advertising of the licensees who are under their supervision.

The SEO reminded the Commissioners that some of the Commission's previous decisions may have to be included in the next rule making procedure.

The Commission had previously gone through the proposed rule amendments to determine which could be considered under the SWAT program. Those amendments have already been approved. The Commission now needs to review the proposed amendments which were not included in the SWAT process to determine if they need to be clarified.

Upon a motion by Commissioner Imanaka, seconded by Commissioner Ohama, it was voted on and unanimously carried to recommend rescinding the Commission's prior recommendation for rule making, dated October 4, 1995, relating to the use of broker (B), salesperson (S), REALTOR (R), or REALTOR-Associate (RA) in advertising and incorporate the Commission's last decision, dated August 30, 2002, regarding advertising and all REALTOR boards into the next rule making process.

Neighbor Island Outreach

The next neighbor island outreach is scheduled for January 10, 2003, on the island of Maui, subject to room availability.

Licensing Renewal

Workshops - Real estate license renewal workshops will be held on the neighbor islands. REB staff will also be available to answer questions from licensees, consumers, and other interested parties as a part of the Specialists' Office of the Day program. The schedule for the workshops and the Specialists' Office of the Day are as follows:

November 14, 2002 – REALTORS Association of Maui
November 18, 2002 – Kona Board of REALTORS
November 19, 2002 – Hawaii Island Board of REALTORS

The workshops and the Specialists' Office of the Day will be from 9 a.m. to 12 Noon.

A renewal workshop/Specialists' Office of the Day was held on the island of Kauai on November 8, 2002. Staff accepted 75 renewal applications and there were 25 to 30 people in attendance. The Commission and staff congratulated Karen Ono and Toni Souza-Ishimoto for the number of participants. Commissioner Abrams was also congratulated for the response from the island of Kauai.

Statistics – The Commissioners were updated on the real estate license renewal statistics. Staff reported that 9.2% of the licensees have renewed online. The Commission and staff were hoping that approximately 30% of the licensees will renew on line by the end of the year. Those who renew early are more than likely to renew online, while those who wait are more than likely to submit the renewal application. The fees for online renewals are identical to the paper renewal fee.

The State used an outside vendor to handle the processing of online renewals. A percentage fee is taken off the top by the private vendor. If the online renewal statistics do not improve, then the costs may have to be passed on to the licensees.

Commissioner Imanaka stated that it should be the Commission's goal to encourage licensees to renew online.

It was suggested that the cost of paper renewals could be increased to encourage online renewals.

Commissioner Rice stated that we need to ensure that there is an adequate amount of time to assess the feasibility of online renewals.

EASLA reported that 23 to 24% of their licensees renewed their licenses online.

Approximately 65% of the real estate licensees have not renewed their licenses as of today. The renewal deadline is November 30, 2002.

Commissioners' Education Program

A copy of the October 2002 issue of OpenLine was distributed to the Commissioners for their information.

Division and Department Programs

The latest copies of the following were distributed to the Commissioners for inclusion in their reference binders:

- Time Sharing Plans, Chapter 514E, HRS

- Professional and Vocational Licensing Act, Chapter 436B, HRS

RICO Real Estate Advisory Committee – Upon a motion by Commissioner Abrams, seconded by Commissioner Rice, it was voted on and unanimously carried to recommend approval to add L. Richard Melcher and P. J. Moore to the RICO Real Estate Advisory Committee.

ARELLO, Other
Organizations and
Jurisdictions:

ARELLO Meeting Report

A copy of the reports submitted by Commissioner Ohama, Commissioner Okawa, and the SEO on the ARELLO Annual Conference were distributed to the Commissioners for their information.

Commissioner Ohama said that he thought it was a good meeting. He also mentioned that ARELLO had developed a new Commissioner training disc and asked if the Commissioners had received their copy. Commissioner Imanaka and Rice stated that they had not received a copy. Staff will provide them with a copy of the training.

Commissioner Ohama also reported that the Hawaii Real Estate Commission did not win the award for continuing education. The margin of loss was very small.

Commissioner Okawa thanked Commissioner Imanaka for attending the conference on his own and for participating in the conference.

The SEO reported that a fantastic case law update was provided. There were over one hundred cases. He reported that in one of the cases mentioned, a person's body language may have a chilling effect on the decision. In the Eidson case it was found that the misplacement of records and later finding the records cannot be used as a part of the defense.

Other states' continuing education requirements were also discussed.

Special Issues:

Kentucky Real Estate Commission

A copy of Kentucky's standards for internet advertising was distributed to the Commissioners for their information.

Commissioner Chinen arrived.

California Department of Real Estate

A copy of the Summer 2002 issue of the California Department of Real Estate's Real Estate Bulletin was distributed to the Commissioners for their information. It was noted that the California Department of Real Estate has one of the best consumer-oriented websites.

A copy of California's new rules for those with disciplinary actions or criminal convictions was distributed to the Commissioners for their information.

Open Forum:

Ms. Leong reported that she had just attended the National Association of REALTORS Conference in New Orleans. An insurance task force was established to include natural disasters, floods, mold and terrorism issues. The task force would be a resource for the states. They recognize that it is a state-regulated industry. There are a number of REALTORS sitting on the task force and membership was asked to provide horror stories.

The NAR is still pushing the banking issue but realizes that this is a "lame duck" session on Capitol Hill. They will renew their lobbying efforts next year.

Ms. Leong reported that she will be leaving the Hawaii Association of REALTORS at the end of the year and will be retiring. She thanked the Commission and staff for their attention and consideration. She appreciated the camaraderie and friendship.

Budget and Finance
Report – RERF:

No report was presented.

Next Meeting:

Wednesday, December 12, 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 9:47 a.m.

Reviewed and approved by:

/s/ Calvin Kimura
Calvin Kimura
Supervising Executive Officer

December 12, 2002
Date

[X] Approved as is.

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