

LAWS AND RULES REVIEW COMMITTEE
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: Thursday, December 11, 2003

Time: 9:00 a.m.

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

Present: Iris Okawa, Chair
Louis Abrams, Vice Chair
Mitchell Imanaka, Member
Kathleen Kagawa, Ph.D., Member
Trudy Nishihara, Member
John Ohama, Member
Peter Rice, Member
Vern Yamanaka, Member

Calvin Kimura, Supervising Executive Officer
Alan Taniguchi, Executive Officer
Cynthia Yee, Senior Condominium Specialist
Diane Choy Fujimura, Senior Real Estate Specialist
Lorene Kimura, Real Estate Specialist
Ryan Yamashiro, Real Estate Specialist
Cheryl Leong, Condominium Specialist
David Grupen, Condominium Specialist
Shari Wong, Deputy Attorney General
Irene Kotaka, Secretary
Karyn Takahashi, Clerk-Stenographer

Others: Karen Iwamoto, Hawaii Association of REALTORS®
Janice Lind, RE3LLC
Wayne Richardson III, RE3LLC
Jungin Kim, Osaka City University
Satoko Toda, Osaka City University
Keiko Ichida, Osaka City University

Excused: Marshall Chinen, 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: The Chair introduced the Commissioners and staff to those who were present at the meeting. She also stated that she believes that cross-cultural relations are important to the State of Hawaii.

SEO's Report:

Announcements, Introduction, Correspondence, and Additional Distributions

Additions to the Agenda

Upon a motion by Commissioner Abrams, seconded by Commissioner Nishihara, it was voted on and unanimously carried to add the following item to the agenda:

6. Special Issues – Agency Concerns – Hawaii Association of REALTORS

Additional Distribution

The following materials were distributed prior to the start of the meeting:

5. ARELLO, Other Organizations and Jurisdictions
 - a. ARELLO – Report on the ARELLO Annual Conference

Minutes of Previous Meetings

Upon a motion by Commissioner Abrams, seconded by Commissioner Rice, it was voted on and unanimously carried to accept the minutes of the November 12, 2003 Laws and Rules Review Committee meeting.

Program of Work, FY04:

Neighbor Island Outreach Organizations

The next neighbor island outreach is scheduled for Tuesday, January 6, 2004, on the island of Maui. The meetings will be held in the REALTORS Association of Maui's Conference Room, located at 441 Ala Makani Place, Kahului, Maui. The Committee meetings will be held as follows:

Laws and Rules Review Committee – 9:30 a.m.

Education Review Committee – Upon adjournment of the Laws and Rules Review committee, which convenes at 9:30 a.m.

Condominium Review Committee – Upon adjournment of the Education Review Committee, which is upon adjournment of the Laws and Rules Review Committee meeting, which convenes at 9:30 a.m.

ARELLO, Other Organizations and Jurisdictions:

ARELLO

The SEO's report on the ARELLO Annual Conference, which was held on October 24 to 28, 2003, in Portland, Oregon, was distributed to the Commissioners for their information. The SEO discussed some of the areas of concern, new trends in the regulation of real estate licenses, Commission's administration issues, VOWs, license recognition/reciprocity, real estate education, prelicense curriculum, internet, and the trend of real estate offerings and transactions crossing state lines. As a participant in the License reciprocity/recognition discussion groups, it was determined that although there appears to be a number of different

technical differences as to how States defined reciprocity versus recognition, there are hardly any substantive differences. The key justification is consumer protection as real estate transactions are crossing state lines and countries. License reciprocity and recognition agreements have helped consumers directly in filing complaints, the Commissions in exchange of information and enforcement assistance, recovery fund and mandatory E & O insurance claims, service of licensees, etc. The consensus of the group was that license reciprocity is more a license for license agreement while license recognition requires payment of fees and meeting some requirements. Presented the reference materials distributed at sessions which will be initially placed in REB's reading file for Commissioners and Staff, with the pertinent materials eventually placed in REB Library. The SEO's report will be forwarded to Licensing Administrator and the Director as required by policy.

Commissioner Imanaka added that from the trade organization's (ARDA) standpoint, they will be pursuing uniformity with more interfacing with ARELLO.

Commissioner Abrams also added that ARELLO has concluded that any rules relating to virtual office websites ("vows") should be flexible and broad. He recommended that the Commission resist the urge to adopt rules in response to situations that may arise. There was also concern that the consumers may be tied down to an agency relationship without being aware of it. The Commission will also have to decide whether or not to address broad advertising regulations.

The Chair stated that she realized while sitting in on the national discussion groups that not all states have the same definition for terms, such as reciprocity.

The REC Chair reported that he did not have any thing further to report since he stated that the reports submitted were outstanding. He will submit a written report to staff at a later time.

Special Issues:

Agency Concerns – Hawaii Association of REALTORS

A copy of a letter, dated November 3, 2003, from Tracy Stice, Chair of the Hawaii Association of REALTORS' Legislative Committee, was distributed to the Commissioners for their information.

Upon a motion by Commissioner Imanaka, seconded by Commissioner Yamanaka, it was voted on and unanimously carried to recommend that the Commission work with the Hawaii Association of REALTORS on the issues relating to agency. The REC Chair, the LRRC Chair, and the SEO shall determine which Commissioner will be assigned to work with the Hawaii Association of REALTORS.

Open Forum:

Ms. Iwamoto reported that members of the Hawaii Association of REALTORS will be meeting with the legislators on January 15, 2004.

Budget and Finance Report: Upon a motion by Commissioner Abrams, seconded by Commissioner Yamanaka, it was voted on and unanimously carried to approve the financial report for the Real Estate Recovery Fund for the month ending September 30, 2003.

Next Meeting: Tuesday, January 6, 2004
9:30 a.m.
Conference Room
REALTORS Association of Maui
441 Ala Makani Place
Kahului, Maui

Adjournment: With no further business to discuss, the Chair adjourned the meeting at 9:33 a.m.

Reviewed and approved by:

/s/ Calvin Kimura
Calvin Kimura
Supervising Executive Officer

January 6, 2004
Date

[X] Approved as is.
[] Approved with amendments. See minutes of _____ meeting.