

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: Wednesday, December 8, 2004

Time: Upon adjournment of the Education Review Committee meeting, which follows the Condominium Review Committee meeting scheduled to convene at 9:00 a.m.

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

Present: Louis Abrams, Vice Chair, Broker/Kauai Commissioner
Carol Ball, Broker/Maui Commissioner (Early Departure)
Mitchell Imanaka, Broker/Honolulu Commissioner (Early Departure)
Kathleen Kagawa, PhD, Broker/Honolulu Commissioner
Michele Sunahara Loudermilk, Public/Honolulu Commissioner
Trudy Nishihara, Broker/Honolulu Commissioner
John Ohama, Broker/Honolulu Commissioner
Vern Yamanaka, Broker/Hawaii Island Commissioner

Calvin Kimura, Supervising Executive Officer
Neil Fujitani, Executive Officer
Diane Choy Fujimura, Senior Real Estate Specialist
Cynthia Yee, Senior Condominium Specialist
Lorene Kimura, Real Estate Specialist
Cheryl Leong, Condominium Specialist
David Grupen, Condominium Specialist
Shari Wong, Deputy Attorney General (Early Departure)
Irene Kotaka, Secretary

Others: Nicki Ann Thompson, Hawaii Association of REALTORS®
Karen Iwamoto, Hawaii Association of REALTORS®
Tom Gill, Hawaii Association of REALTORS®
Myoung Oh, Hawaii Association of REALTORS®
Tracy Stice, Hawaii Association of REALTORS®
Jerry Bangerter, Hawaii Association of REALTORS®
Mary Begier, Hawaii Association of REALTORS®
Mary Wong, Hawaii Association of REALTORS®
Jo Ann Uchida, Regulated Industries Complaints Office

Absent: Iris Okawa, Chair, Public/Honolulu Commissioner

Call to Order: The Vice Chair called the meeting to order at 10:28 a.m., at which time quorum was established.

Chair's Report: No report was presented.

SEO's Report: **Minutes of Previous Meetings**

Upon a motion by Commissioner Yamanaka, seconded by Commissioner Imanaka, it was voted on and unanimously carried to accept the minutes of the November 10, 2004 Laws and Rules Review Committee meeting.

Commissioner's Schedule of Non-Availability

The Commissioners were asked to turn in their schedule of dates that they are unavailable to staff by December 30, 2004.

Program of Work, FY05: **License Renewal**

A report on the License Renewal Workshops that were held in November was distributed to the Commissioners for their information.

Specialist Kimura reported that as of December 6, 2004, there were a total of 12,861 real estate licensees, 8,243 real estate salespersons and 4,118 real estate brokers, who have renewed their license.

Commissioner's Education Program

A copy of the October 2004 issue of OpenLine was distributed to the Commissioners for their information.

ARELLO, Other
Organizations and
Jurisdictions:

ARELLO Disciplinary Action Data Bank and Licensee Database

Information on ARELLO's Disciplinary Action Data Bank and Licensee Database, including Hawaii's participation in the program, was distributed to the Commissioners for their information.

ARELLO Annual Meeting Report

A copy of the ARELLO Annual Meeting Report, which was submitted by Commissioners Okawa and Abrams and the SEO was distributed to the Commissioners for their information.

Vice Chair Abrams strongly urged the other Commissioners to attend the Annual Conference as it helped to heighten his awareness of what was happening in the industry.

Open Forum: No discussion presented.

Program of Work, FY05: **Subcommittee on Agency**

Subcommittee Chair Abrams stated that the Hawaii Association of REALTORS® ("HAR") and the Canadian Task Force on Agency ("CTF") have been looking at this issue for at least a year and have formulated laws and rules on this issue.

The Commission needs to discuss this issue further and take a position on this issue and/or make recommendations. Hawaii's agency law was enacted in 1985, with a delayed implementation date of 1987. The bill for the agency law was a collaboratively agreed upon bill between the Commission and the HAR. The actual law is one sentence in length. The Commission hired a consultant to do a study/report, which was utilized as the basis for the bill, and to draft the administrative rules. The rules on agency were approved in 1987 and have not been amended.

The Canadian Task Force on Agency presented its report at the ARELLO Annual Meeting in October 2004. On record, ARELLO's position is that United States and Canada are similar and almost identical as to how real estate licensees are regulated and how real estate transactions are handled and regulated. One of major differences between the countries is that in Canada almost 95% of all real estate licensees are members of the Canadian Association of Realtors and in a number of provinces, the licensing and education of real estate licensees are not under the authority of government.

Subcommittee Chair Abrams suggested that the best way to make a decision would be to follow the model law suggested by the CTF and compare it to Hawaii's laws. The report provided a good guideline to evaluate whether or not Hawaii's laws and rules need to be changed. He does not believe that the Commission has had enough input on HAR's proposed bill and other related issues to be able to support HAR's proposed bill when it is submitted to the Legislature. He would like to obtain feedback from other licensees who are not members of HAR and other industries or consumers who may be affected by the proposed legislation.

Subcommittee Chair Abrams mentioned two options. One option was to hire a consultant to research this issue and do something similar to what was done by the CTF. The second option would be to use the CTF report as a guide and compare it to Hawaii's situation. The first option might take a year or more to complete. The timelier option might be to use the CTF report as a guideline.

Commissioner Imanaka thanked and commended Subcommittee Chair Abrams for providing volumes of written materials on this important issue. Commissioner Imanaka asked if any of the CTF's recommendations have been adopted by any of the other states in the United States. If so, what has been their experience?

Subcommittee Chair Abrams mentioned that the model still needs to be adopted by the various Canadian provinces. A number of states are currently implementing portions of the model law.

Mr. Stice stated that HAR had looked at a number of different models that have not been adopted.

ARELLO has had the agency issue on its agenda for the past 10 years. Mike Gorham, former Director of Colorado's Division of Real Estate, considered one of the foremost regulatory experts on agency, participated in the CTF study, along with other experts in the United States on agency. It was the first time that so much thought was given to this issue.

Mr. Stice mentioned that he had reviewed the CTF report and the conclusions are similar to HAR's findings. One of the concerns that were not addressed was the firewall issue in which licensees would not be allowed to share information within the same firm. There is no language in the bill addressing that. Also, the only other difference was where a single agent would handle both the buyer and the seller. It was recommended that this be handled as a transaction brokerage on both sides. This would level the playing field for a sole proprietor and a bigger broker. HAR is proposing to make it more understandable for the licensee and the consumer as to what services they can expect from the licensee.

Ms. Wong stated that it is coincidental that the CTF is looking at the same material as HAR and that the end product is similar. With regards to the discussion on the firewall, Ms. Wong stated that it would not be difficult to quickly revise that portion of the bill to address the Commission's concerns and to add in provisions for that issue.

ARELLO is interested in what the CTF did as uniformity among its member jurisdictions would be in the interest of the industry and to the consumers. ARELLO will be researching this issue further but is uncertain as to what resources will be assigned to it.

The SEO stated that most model laws are developed after some states enacted laws on a particular issue and it is building a groundswell or there are influential advocates. ARELLO is seeking consistency in definitions and language among the jurisdictions and the model laws provide a starting base. Other jurisdictions are in support of developing model laws for these reasons also. The National Association of REALTORS® has asked for ARELLO's assistance with certain model laws. A lot of states are starting to review the CTF report. This issue will probably be discussed at ARELLO's Board of Director's Meeting in January and the MidYear Meetings in April 2005. This is an issue that needs further review by ARELLO as licensees may be licensed in more than one state, real estate transactions and parties to the transactions cross state borders, and the consumers needs simple and consistent laws when the real estate transactions crosses state borders.

Ms. Begier asked how many states were members of ARELLO.

Commissioner Ball was excused from the meeting.

Ms. Begier was informed that all states except three are not full active members of ARELLO. ARELLO includes all states, territories, Canadian

provinces, and other countries in their communications whether or not they are members.

Ms. Begier stated that Hawaii was the first state to pass the agency law in the United States and they did not need a study to do this.

Subcommittee Chair Abrams stated that the Commission is in the process of reviewing Chapter 99 of the Hawaii Administrative Rules in its entirety. Although the existing agency law is one sentence in length, the proposed legislation served as a catalyst to review the agency rules sooner. The size and complexity of the agency issue may warrant that it be a stand-alone issue.

Commissioner Imanaka was excused from the meeting.

Licensees may be having a more difficult time in carrying out their duties because they are expected to interpret the laws and rules and they are not clear.

Commissioner Ohama asked if HAR had a general plan to get the bill passed. He also asked what studies have been done on this issue, who is in support of the bill, who will be present to testify, and who will be submitting the bill to the Legislature.

Mr. Stice stated that HAR has been discussing the strategy for the bill and will be meeting with the House and Senate Chairs of the Consumer Protection Committees to discuss the reasons and merits of the bill. The bill will probably have to be considered by the Judiciary Committee. Mr. Stice stated that they have the support of the Speaker of the House. They are hoping to have consumers or the public who have had problems with this issue provide testimony in support of their bill. They are also hoping to go into their client databases to solicit testimony in support of their bill from their clients.

Ms. Begier stated that HAR was able to obtain funding from the Commission last year to assist them with the Landlord-Tenant Seminar that they had co-sponsored. She requested assistance from the Real Estate Education Fund again to provide education on this issue to the licensees if this bill passes.

Mr. Stice informed the Commissioners that HAR is not planning on introducing this as an administration bill. They are taking this bill forward without any alliances and want the bill to be able to stand on its own. They feel that this offers the best chance for them to gather support for this bill.

Subcommittee Chair Abrams asked Mr. Stice how HAR intended to gather feedback from its membership on this bill. Has the proposed bill been presented to the HAR membership for review and comment?

Mr. Stice informed the Commissioners that this bill has not been disseminated to their members for review as yet. They do not plan to

distribute it until it has been reviewed by their Board of Directors and the Commission. They wanted to have a clear sense of direction before releasing it to their members. Their legal counsel has put a lot of information into the bill and they wanted to make sure that the definitions used match the bill. They hope to disseminate the bill to their members some time next week.

Ms. Begier stated that prior to working on this, their members had indicated that this was a problem that existed in the industry. On the evaluation sheets that they had received back after seminars, their members had often requested more information/education on agency issues. Two years ago, a survey was conducted and 97% said that agency should be a major program of work. She also mentioned that at the Outreach Program that they had conducted, every person that had attended the Risk Management Session was there to listen to the discussion on agency.

NAR's Code of Ethics is not specific enough for Hawaii's marketplace, as it applies to not only Hawaii members, but also to the other national and international members.

Ms. Wong stated that the Code of Ethics does not have the force of law. It also does not offer protection to the consumer. It would hurt HAR and its members. It also would not be equitable that a licensee who was not a member of HAR would not be subject to the Code of Ethics. The purpose of the proposed legislation is to provide a level playing field. The consumer would benefit from this law even if the licensee was not a member of HAR. Ms. Wong said that she can understand the Commission's interest and desire to see what happens on a national level, but it seems like it might be a long time in coming. It would be better to have something that protects the consumer now.

Mr. Stice stated that they are not proposing that the law be changed to something completely different. The current practice is that disclosure is made. The proposed law specifies that there is a discussion of duties prior to entering into an agreement. Before the transaction is entered, the licensee would offer different ways of handling the transaction. It makes the current standard operating procedure clearer and puts it in writing. The customer is given a choice. Currently with multiple offices under one principal broker, knowledge is not passed from the principal broker. If the proposed bill is passed, it will make it clearer to the consumer what types of services they can expect, what the laws and rules are and what options available to them. The proposed bill defines relationship and ensures that the customer understands what they are entering in to and solidifies it in writing. It puts "teeth" into the law that if the rules are not followed, there will be repercussions.

Commissioner Loudermilk stated that according to the CTF Report, the transaction brokerage takes the place of the dual agency relationship. If the brokerage firm or agent represents both sides, it makes the licensee a transaction agent, which means that the consumer would then have no representation. She thinks that the laws are clear as it is now.

Mr. Gill stated that he agreed with Mr. Stice. At the beginning of the project, they reviewed many questions regarding dual agency. He cited an example of telling someone: "I am representing both of you. We are your agent, but here are a list of things we will not do."

Commissioner Loudermilk stated that the problem is the dual agency.

Mr. Gill said that there are problems with agency at the highest level. He is the principal broker of a large firm and is frustrated because he cannot teach the right law. With this kind of specificity, he can teach it more clearly. As the person who handles customer satisfaction for his company, he would like to eliminate the customer's frustration before it gets to the point of a complaint. The proposed changes would allow him to do so.

Commissioner Yamanaka stated that he is opposed to dual agency. He likes that the proposal does away with the dual agency relationship. However, he would prefer that there be no transaction brokerage and that the licensee represents either the buyer or the seller, not both.

Mr. Gill pointed out that there may be situations where a consumer chooses not to go to another agent.

Commissioner Yamanaka stated that the bonding is artificial. If the licensee was honest and talked about his responsibilities as a licensee, he would let the consumer know that he could not represent him and ask him to find another broker. Commissioner Yamanaka said that in his 30+ years of selling real estate, he has never felt that he did not develop a fiduciary responsibility with the consumer.

Mr. Gill stated that there were more issues where the buyer's broker walks in and is represented by someone else in that company. It is detrimental to the consumer to tell them that they cannot represent them. Single agency imposes on the consumer, taking away his right to work with the licensee of his choice.

Commissioner Loudermilk asked how the transaction brokerage applies in the single agency situation.

Mr. Gill said that the buyer's broker develops a relationship with the buyer who trusts his judgment. The broker takes the consumer into a listing represented by someone else in the company. In the transaction brokerage situation, they would have to back away from the consumer or the consumer would have to accept diminished services.

Commissioner Loudermilk asked how a transactional brokerage situation would help the consumer.

Mr. Gill stated that the broker would become a designated broker and could still advocate for the consumer. The other agent in the company would be the same thing for the seller.

Mr. Stice stated that the customer would be given a choice. The principal broker would have to appoint a representative by written agreement. In the case of a one person firm, the agent would be on one side and the transaction broker would be on the other side.

Commissioner Yamanaka stated that the same problem would occur in a two to three person firm. He suggested that the Commission compare the number of small firms versus the number of large firms to determine what would suit the general licensee population and the consumers.

Mr. Stice stated that there were more small firms.

The Deputy Attorney General was excused from the meeting.

Ms. Begier stated that looking at the size of the company does not answer the question. You may have a one person firm with five licensees but only two are active. They were concerned about having the fiduciary responsibility taken care of. Her concerns as a small business advocate were addressed. Ms. Begier stated that she allows her licensees to participate in dual agency because she feels that she, as the principal broker, can monitor the situation. She does not participate in dual agency transactions herself.

Commissioner Nishihara asked Ms. Uchida if the number of agency-related complaints have risen in the last ten years.

Ms. Uchida reported that there has been no change.

Ms. Wong stated that they had looked at articles and talked to people who revised their statutes. Their comments have been good. She was asked if there were materials that would justify the changes that they were making. She answered, "Yes." She has received comments from other states informing them of what problems still exist and what they would have done. They have tried to address the problems. She stated that the Commission's discussion is good because it shows the differences in opinions, such as a licensee not being allowed to represent both sides and that it is unfair to the sole proprietor. They tried to provide a compromise for both sides. The draft sets forth the guideline that they are involved in a transaction brokerage and what the differences are. The consumer has the option to cancel the contract. The small, single proprietorship was addressed in the proposed legislation. They feel that the changes are beneficial because the consumer can make the decision and it may result in the consumer paying a smaller commission.

Questions were raised regarding the default provisions.

Commissioner Nishihara stated that this opens the doors for limited service and it may change the method of doing business.

Commissioner Loudermilk stated that the licensee has the additional duty of promoting the client's interests. She could not see how it would provide more education to the licensee.

Ms. Wong stated that when the consumer receives the disclosure, the consumer would be educated on what the disclosure means.

Commissioner Ohama agreed with the concept but felt that it would not be beneficial to the consumer if the licensee was not able to explain it well. If the licensee could explain dual agency well, the consumer would be protected. There are licensees who cannot or will not explain dual agency. If it is not explained properly, the consumer is not protected.

Mr. Gill stated that the proposed bill is a consumer-oriented bill. The duties of the licensee are at a higher level than what is there now. The licensee will be obligated to provide a higher level of service to the consumer.

The laws and rules allow the principal broker to establish a standard of conduct on what their licensees should be doing. The principal brokers are responsible for the oversight of the licensees under them but they feel that the law is unclear.

Ms. Begier reported that seven years ago, the National Association of REALTORS® ("NAR") discussed dual agency and agency issues. It was felt that as a result of the various cultural situations in the United States, it was wrong for NAR to mandate how the states should handle agency and dual agency situations. Fiduciary was established by common law.

Subcommittee Chair Abrams asked Mr. Stice to explain why they selected the transaction brokerage as the default. Why did they allow this situation if they were trying accomplish clarity. It would be like saying, "If you do nothing, we will give you the easy way out."

Ms. Wong said that if the consumer does not want someone designated as their agent, the default situation should be the situation that doesn't create that. In a transaction relationship, if the Commission does not think that the transaction broker has duties that they should be having, it could be added.

Subcommittee Chair Abrams stated that looking at it from the licensee and the law's perspective, namely all agreements must be in writing; it is a clear breach of law. It is clear for RICO to ascertain the law.

Ms. Wong agreed that the best situation was to always have a written agreement.

If the licensee does not step up to the plate, the consumer still does not have a clear understanding of who is representing them.

Ms. Uchida reported that RICO has been issuing warnings to licensees for not putting things in writing. HAR tried to amend the bill to address

the situation. If the provision could be addressed more clearly, everyone would be better off.

Commissioner Ohama questioned if the proposed bill had been reviewed or discussed with any other discipline, such as leasing agents or commercial brokers as this would apply across-the-board to all licensees.

Ms. Begier stated that the residential property managers are in favor of having the duties delineated.

Mr. Stice stated that they are open to that kind of guidance. Mr. Stice likened the situation to shopping in a grocery store. If you met someone in the store and had a piece of property for sale, you would have to sign a disclosure before you could discuss it. If the law required that, they would do it. He also noted that 90% of what is in the CTF's proposed legislation is included in HAR's proposed bill.

Subcommittee Chair Abrams asked if HAR could submit a copy of the relevant forms dealing with agency for review. He also asked if HAR's Governmental Affairs Committee had looked at how they will implement the changes in the law. Mr. Stice was also asked if they were currently in the process of reviewing the forms.

Mr. Stice informed the Commissioners that after the laws are enacted, the forms will be sent to the Standard Forms Committee for review and revision.

Ms. Begier reported that Florida's Disclosure form is included in their laws and as a result, the laws have had to be amended each year.

HAR was again asked to submit a copy of the forms to the Commission staff for distribution to the Commissioners.

A question was raised as to what forms licensees who are not members of HAR will use.

Ms. Begier noted that all the local boards under HAR use the standard forms. She reported that she had a friend who lives in the Delaware, Pennsylvania, and New Jersey area, who does not drive more than 20 miles in each direction. Since each area has separate standard forms, the person has to use the appropriate form for the area.

Commissioner Ohama stated that he had received a letter of intent that follows the DROA form but the letter did not address the agency issues as the HAR forms does. He recommended that if the law were passed, there should be a model to follow. Allowing licensees to interpret the law does not benefit the consumer. All commercial brokerages use their own form.

Mr. Stice stated that HAR would be willing to work on the implementation of forms if they did not have to be revised through the Legislature every time there is a change.

Commissioner Ohama wanted to know what the proposed law was based on and what the intent of the proposed law is.

With reference to the selection of the default, Ms. Wong informed the Commissioners that if they felt that the wrong default option was used, it could be changed. They had presented reasons why there should be a default. Ms. Wong stated that she did not feel that the Commission could not support the proposed legislation. She asked if the Commission would come out with a model form of the contract.

Subcommittee Chair Abrams answered that they may possibly do so as they want to ensure that the licensee is carrying out their duties properly.

Ms. Wong asked if it were more likely to have the model forms on the disclosure items but not the actual terms of the contract.

Commissioner Ohama informed her that it would be on the types of agency relationships.

Subcommittee Chair Abrams added that the Commission is not interested in producing forms.

Mr. Stice pointed out that HAR drafted the forms on the seller disclosure laws that are being used by others who are non-members. The seller disclosure laws required a change in practice. The proposed agency laws are not as major as those changes were.

It was suggested that the Commission list what should be in the form and then leave it up to everyone to follow. The proposed changes will raise the standard of licensing.

Mr. Gill stated that he would not recommend that approach based on the level of practicality. He felt that it was more practical to take the other approach. If he had to become a designated broker before he could give the information in the grocery store, it would not happen.

Commissioner Ohama suggested taking into consideration Commissioner Loudermilk's comments because she is a non-licensee and a public member. She has concerns as a consumer advocate.

Subcommittee Chair Abrams stated that he could not support this bill because he does not believe that all of the issues have been laid out to his satisfaction. There is still a lot of work that needs to be done. His intent is to have meetings on this issue every month. He also intends to use the CTF model as a textbook. He said that the Committee will be looking at it and making recommendations to HAR regarding their proposed draft. He said that he has been hearing that the laws and rules are not clear. The Commission needs to articulate to the licensees what

their conduct should be. The Committee will discuss this issue further at its next meeting on January 12, 2005.

Commissioner Yamanaka asked Subcommittee Chair Abrams if he were considering hiring a consultant.

Subcommittee Chair Abrams stated that most states hire a consultant to study issues of this size.

Commissioner Yamanaka stated that he supports Subcommittee Chair Abram's concerns. He supports the intent of the bill. He especially supports the position of eliminating dual agency relationships. However, he does have concerns about the transaction brokerage situation. He is also concerned about the number of people practicing dual agency. He also is in favor of conducting a study to see how it would apply to Hawaii.

Ms. Begier stated that money and time have already been spent on researching this issue. They have come forward out of their concern that the consumer does not know what question to ask. They are concerned about the consumers.

Subcommittee Chair Abrams asked Ms. Begier if she felt that the licensees are still continuing to take advantage of the consumers. She answered, "Yes." She said that it was important to reach the licensees who are only doing the basics.

Commissioner Abrams said that he understands the issues and that the problems are overwhelming. He asked if it was a problem for RICO.

Ms. Uchida raised her concerns about the firewall. She stated that in order to assist RICO from the enforcement perspective, she would like to request guidelines on what is expected of the principal brokers as both the Commission and RICO hold the principal brokers to a higher standard. If the firewall were created, they are uncertain as to how the principal broker would fit into that situation.

Subcommittee Chair Abrams stated that the principal broker would supervise and would insure confidentiality.

Subcommittee Chair Abrams asked if the Commission could be given more time to review the issue.

Mr. Stice stated that they would appreciate it if the Commission could communicate their concerns to HAR as soon as possible so that they can address their concerns.

Commissioner Yamanaka stated that there are a lot of licensees who are not educated about agency and non-disclosure.

Ms. Begier stated that there needs to be a standard of care in the industry. The law was passed during the 1985 session and there was a

need for the law at that time. The law has not grown with the industry since it was first passed.

Commissioner Yamanaka expressed his concerns that the education problem will still exist. He asked if the continuing education requirement could be increased and if it could be added to the bill.

Mr. Stice stated that Section 22 of the proposed bill recommends that mandatory education be required on this change. They left the door open in the bill to allow for that. They feel that it would take a minimum of six hours to offer a primer on the changes.

Commissioner Yamanaka stated that the Commission would like to increase the number of hours, but feels that this should come from the industry.

Mr. Stice said he felt that this proposed bill would be a good vehicle to do so.

Ms. Begier stated that while she would like to see the number of required hours of continuing education increased, she is hesitant about using this bill to do so. She would like to see this bill passed this year and would like to have the CE bill passed next year.

Also on the issue of education, Ms. Begier stated that she would like to be able to take the course offered by the National Association of REALTORS and to receive credit for completing it. She was informed that HAR, as a CE provider and as with any NAR course, could request for approval and handle all the administrative issues.

Jerry Bangerter, the new Chair of HAR's Legislative Committee introduced himself to those present. He thanked the Commissioners for giving the bill a professional review of what was done. He promised that he would be understanding and supportive in making the changes to ensure that they have the very best bill possible.

The Subcommittee on Agency will continue to discuss and meet on this issue. Subcommittee Chair Abrams will work with staff on comparing what is in the law and what is being proposed by HAR. Subcommittee Chair Abrams stated that he would use the CTF Report, starting on page 37, as a guide.

Commissioner Nishihara strongly believes that the intent is good and also that the definition of agency needs to be defined more clearly. She does not fully agree with how it is written now but feels that it is a good starting point. She hopes that the Commission's input can help to support the bill at some point in time. She also mentioned that she felt that they were headed in a good direction.

Next Meeting: Wednesday, January 12, 2005
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 12:36 p.m.

Reviewed and approved by:

Calvin Kimura
Supervising Executive Officer

Date

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

CK/isk/041213