

SB 2447

**PRESENTATION OF THE
REAL ESTATE COMMISSION**

**TO THE SENATE COMMITTEE ON
COMMERCE AND CONSUMER PROTECTION**

**TWENTY-FIFTH LEGISLATURE
Regular Session of 2010**

**Wednesday, February 17, 2010
9:15 a.m.**

**TESTIMONY ON SENATE BILL NO. 2447, RELATING TO REAL ESTATE
BROKER LICENSING.**

**TO THE HONORABLE ROSALYN H. BAKER, CHAIR,
AND MEMBERS OF THE COMMITTEE:**

My name is Trudy Nishihara and I am the Chairperson of the Real Estate Commission ("Commission"). The Commission appreciates the opportunity to present testimony on Senate Bill No. 2447, Relating to Real Estate Broker Licensing. The Commission does not support Senate Bill No. 2447.

Senate Bill No. 2447 lowers the requirement of full-time Hawaii real estate salesperson licensees wishing to take the Hawaii real estate broker licensing examination by proposing to allow part-time salespersons the opportunity to take the examination.

The Commission does not support this bill for the following reasons:

- The proposed amendment is a step in the wrong direction for Hawaii real estate licensed professionals. Since its initial codification in 1973, the experience requirement has always mandated Hawaii real estate salesperson licensees have at least two years full time experience or its equivalent. This requirement is

due to the tremendous responsibilities placed upon Hawaii real estate broker licensees. Once licensed as a broker, these licensees are allowed to operate their own real estate brokerage firms without supervision and may also supervise other licensees. For the protection of the public, the requirements are considered the minimal competency level necessary for professional salesperson licensees to practice in the industry as a broker; and

- As drafted, Senate Bill No. 2447 is problematic because it does not provide for a definition of part-time. In a broad interpretation of the term, the definition of part-time may range from, on a weekly basis, a low of one hour to a high of 39 hours.

Based on these reasons, the Commission does not support Senate Bill No. 2447 and requests that it be held.

Thank you for the opportunity to provide testimony on this measure.



**Hawai'i
Association of
REALTORS®**
www.hawaii Realtors.com

The REALTOR® Building
1136 12th Avenue, Suite 220
Honolulu, Hawaii 96816

Phone: (808) 733-7060
Fax: (808) 737-4977
Neighbor Islands: (888) 737-9070
Email: har@hawaii Realtors.com

February 16, 2010

The Honorable Rosalyn H. Baker, Chair
Senate Committee on Commerce and Consumer Protection
State Capitol, Room 229
Honolulu, Hawaii 96813

RE: S.B. 2447 Relating to Real Estate Broker Licensing

HEARING: Wednesday, February 17, 2010 at 9:00 a.m.

Aloha Chair Baker, Vice Chair Ige and Members of the Committee:

I am Margaret Murchie, a member of the Subcommittee on Business, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 8,800 members in Hawai'i. HAR **opposes** S.B. 2447 that changes the real estate salesperson experience requirement for a real estate broker license to include full-time and part-time real estate sales experience.

HAR believes in fostering real estate brokers who possess adequate knowledge and experience in the real estate industry. Full-time real estate salespersons develop the appropriate practical experience with a variety of transactions, problem-solving skills, and client interaction skills to qualify as brokers.

Once licensees becomes brokers, they are given significant additional responsibilities and privileges, including the ability to establish a real estate firm and supervise other licensees. As such, HAR believes it would not be in the best interests of the consumer to allow a part-time real estate salesperson to qualify as a broker, until they receive the appropriate knowledge and experience that full-time training provides.

HAR looks forward to working with our state lawmakers in building better communities by supporting quality growth, seeking sustainable economies and housing opportunities, embracing the cultural and environmental qualities we cherish, and protecting the rights of property owners.

Mahalo for the opportunity to testify.

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Helen M. Smith

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February 15, 2010

To: Commerce and Consumer Protection Committee

Senator Rosalyn H. Baker, Chair

Senator David Y. Ige, Vice-Chair

Members: Senator Will Espero
Senator Josh Green
Senator Les Ihara
Senator Norman Sakamoto
Senator Fred Hemmings

Date: Wednesday, February 17, 2010 Time: 9:15 a.m.

Regarding Testimony in Favor

SB2447 Changes the real estate salesperson experience requirement for a real estate broker license to include full-time and part-time real estate sales experience.

Aloha Senator Baker, Senator Ige and Members:

I have had the pleasure to work with many full time and part time sales agents. There is a broad definition of what a full time agent is. Is it considered full time when you work at least 40 hrs. per week being an agent or is it if you have no other employment that would have an income?

In today's economy just about all real estate salespersons that I would consider full time also have another source of income whether it is an additional job or bring in retirement pay. At a recent office meeting one of the attractive incentives mentioned to being a real estate salesperson was the openness of the working day.

Many part-time agents spend hours updating their information on homes available on the market, making client matches along with taking courses. Salespersons that demonstrate the ability to work with people, are knowledgeable to work on transactions and have the guidance of a good broker of record should be allowed to gain the additional knowledge given by taking the broker course and the broker exam.

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One real estate company can be biased and not sign the forms necessary for their agent to take the broker test as they feel the full time requirement was not met while another real estate company may have no problem verifying that the agent was full time because their definition of full-time may be different.

The broker course and exam proves to be challenging and the exam itself weeds out many unqualified agents.

I previously worked in real estate administration and I obtained my real estate license in Hawaii to satisfy job requirements. I would previously have been considered a part time agent but the knowledge acquired in all phases of real estate and the knowledge I acquired just from work experience has given me the edge over many full-time agents that have worked three plus years.

By no means is this letter to suggest that real estate administration work should be used for the broker qualification but it does make you think if someone is licensed and in the business for many years their knowledge is definitely a good basis for a qualification to further their knowledge by taking the broker course and broker exam.

As we have all recently witnessed today's real estate market has evolved and the need for further education in all different phases of sales, short sales and foreclosures would be most beneficial to full time and part time agents.

Please note that I fully support this bill. Thank you for your time and for your consideration in making the application process for taking the broker exam fair to all individuals.

Mahalo,

Helen M. Smith

hmsmithhi@yahoo.com