

Honolulu, Hawaii

MAR 03 2016

RE: S.B. No. 2328
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 2328 entitled:

"A BILL FOR AN ACT RELATING TO REAL ESTATE LICENSEE
ADVERTISING,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Provide definitions of "advertising" and "solicitation materials" as they apply to the regulation of real estate brokers and salespersons; and
- (2) Specify information that must be included on advertising and solicitation materials.

Your Committee received testimony in support of this measure from the Hawai'i Association of REALTORS. Your Committee received testimony in opposition to this measure from the Real Estate Commission.

Your Committee finds that traditional advertising and marketing materials include physical media, such as business cards, brochures, and flyers, and electronic media, such as electronic mail messages and websites. However, there is a difference between marketing materials that are intended to solicit business and other branded items that are not intended to do so.



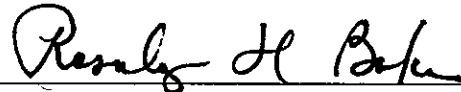
Your Committee further finds that a clear definition regarding advertising materials and how these materials may be used do not currently exist in statute or in proposed Hawaii Administrative Rules. This measure defines "advertising" and "solicitation materials" and clarifies what information must be included on advertising and solicitation materials, including the legal or trade name of a brokerage firm and the license number of the brokerage. These requirements benefit consumers, who will have access to important identifying information for brokerage firms, and licensees, who may otherwise be at risk for citation of licensing violations despite best efforts to comply with the law.

Finally, your Committee appreciates the concerns raised in testimony by the Real Estate Commission. However, your Committee believes this measure represents an immediate, practical approach to real estate advertising and solicitation requirements.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2328, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2328, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Health,



ROSALYN H. BAKER, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2328	CPH	2-19-16		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
KIDANI, Michelle N. (VC)	/			
ESPERO, Will	/			
IHARA, Jr., Les	/			
NISHIHARA, Clarence K.	/			
RUDERMAN, Russell E.	/			
SLOM, Sam	/			
TOTAL	7			
Recommendation:				
<input checked="" type="checkbox"/> Adopted		<input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:				
<i>Michelle N. Kidani</i>				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes