

# SB2865

Measure Title:	RELATING TO THE REAL ESTATE EDUCATION FUND.
Report Title:	Real Estate Education Fund; Real Estate
Description:	Removes the ambiguity caused by the mandatory and discretionary language; allows the continuity of Real Estate Education Fund operations; brings the Real Estate Education Fund in line with other operational funds within the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs; allows the Real Estate Education Fund's budget scrutiny to occur through the rulemaking process.
Companion:	<a href="#">HB2336</a>
Package:	Governor
Current Referral:	CPH, WAM
Introducer(s):	KOUCHI (Introduced by request of another party)

**PRESENTATION OF THE  
REAL ESTATE COMMISSION**

TO THE SENATE COMMITTEE ON  
COMMERCE, CONSUMER PROTECTION, AND HEALTH

TWENTY-EIGHTH LEGISLATURE  
Regular Session of 2016

Monday, February 1, 2016  
9:00 a.m.

**TESTIMONY ON SENATE BILL NO. 2865, RELATING TO THE REAL ESTATE  
EDUCATION FUND.**

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

My name is Nikki Senter and I am the Chairperson of the Hawaii Real Estate Commission ("Commission"). The Commission supports passage of Senate Bill No. 2865, which is an Administration Bill.

The purpose of this bill is to remove the statutory limitation of the Real Estate Education Fund ("REEF") and to provide the Commission with the flexibility and means to continue to carry out educational purposes by removing the language for a potential moratorium on the collection of real estate license renewal fees found in section 467-19, Hawaii Revised Statutes ("HRS").

The Commission is statutorily mandated to protect the general public in its real estate transactions. Towards this end, the REEF was created in 1967 to sustain its operations and to advance real estate education and research. Further, the Commission administers and expends the REEF for support of comprehensive educational and research programs for the benefit of the public and those licensed under the provisions of Chapter 467, HRS. All of the programs administered by the

Commission may be found in its Annual Report to the Legislature and viewed on its website here: <http://cca.hawaii.gov/reb/reports/>. In funding its programs through REEF, the Commission was recently reported on by the Auditor, in its 2015 report to the Governor and the Legislature of the State of Hawaii, that the Commission and REEF continue "to serve the purpose for which it was created."

The vast majority of the Commission's REEF operating budget is received at the beginning of the year following a renewal year. Renewal years occur in every even-numbered year and the renewal fees collected must sustain operations for two years and until the next license renewal. Unfortunately, if the statutory ceiling is reached and a moratorium imposed, the REEF operational budget must continue to fund unsustainable programs for four years and not the typical two years.

In addition, currently, no other operational fund within the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs exists with an operational limitation.

For these reasons, we strongly support this Administration Bill and thank you for the opportunity to present testimony on Senate Bill No. 2865.