STAND. COM. REP. NO. 2224

Honolulu, Hawaii

FEB 1 7 2016

RE: S.B. No. 2865

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. 2865 entitled:

"A BILL FOR AN ACT RELATING TO THE REAL ESTATE EDUCATION FUND,"

begs leave to report as follows:

The purpose and intent of this measure is to remove statutory language that imposes a moratorium on the collection of real estate license renewal fees if the balance in the real estate education fund exceeds \$1,200,000 at the end of any fiscal biennium.

Your Committee received testimony in support of this measure from the Real Estate Commission.

Your Committee finds that the Real Estate Commission (Commission) has a statutory mandate to protect the general public in its real estate transactions. Toward this end, the real estate education fund was established in 1967 to sustain the Commission's operations and advance real estate education and research in the State. The Commission administers and expends monies in the real estate education fund to support comprehensive educational and research programs for the benefit of the public and those licensed under chapter 467, Hawaii Revised Statutes, relating to real estate brokers and salespersons.

Your Committee further finds that the vast majority of the Commission's real estate education fund operating budget is received at the beginning of the year following a license renewal

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year. Renewal years occur every even-numbered year, and the renewal fees collected must sustain operations for two years, until the next license renewal cycle. If the statutory ceiling on the real estate education fund is reached and a moratorium is imposed, the real estate education fund operational budget must continue to fund programs for four years, rather than the typical two year period.

According to testimony from the Commission, although the Commission has over \$700,000 currently in the real estate education fund, the Commission projects the fund may hit its cap in 2018. After further discussion with the Commission, your Committee is persuaded that the Commission needs the flexibility and means to carry out its educational purposes without the statutory limitation attached to the real estate education fund. Failure to remove the statutory limitation now may prevent the Commission from being able to collect fees and fund programs in furtherance of its statutory mandate.

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. 2865 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

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 Hawaiʻi

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

Bill / Resolution No.:*	Committee Referral:			Date:		
SB 2865	CPH, WAM			2-10-14		
The Committee is reconsidering its previous decision on this measure.						
If so, then the previous decision was to:						
The Recommendation is:						
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313						
Members		Aye	Aye (W	'R) N	lay	Excused
BAKER, Rosalyn H. (C)	-					
KIDANI, Michelle N. (VC)	"			•		
ESPERO, Will						
IHARA, Jr., Les	:					
NISHIHARA, Clarence K.			/	_		
RUDERMAN, Russell E.						
SLOM, Sam	-					
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TOTAL			L L			<u>つ</u>
Recommendation: Adopted Not Adopted						
Chair's or Designee's Signature: Michelle A. Kelani'						
Distribution: Original File with Committee Rep	Yellow Pink Goldenrod eport Clerk's Office Drafting Agency Committee File Copy					

*Only one measure per Record of Votes