

JAN 18 2008

A BILL FOR AN ACT

RELATING TO REAL ESTATE APPRAISALS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 436B, Hawaii Revised Statutes, is
2 amended by adding a new section in part VI to be appropriately
3 designated and to read as follows:

4 "§436B- Unlawful influence of appraisers. (a) Pursuant
5 to section 466K- , any licensee with an interest in a real
6 estate transaction involving an appraisal shall not improperly
7 influence the development, reporting, result, or review of a
8 real estate appraisal if the licensee's compensation is
9 dependent on or affected by the value conclusion generated by
10 the appraisal.

11 (b) If a licensee violates section 466K- , the director,
12 after a hearing in accordance with chapter 91, may order one or
13 more of the following remedies as appropriate relief:

- 14 (1) Refund the money paid as fees for services;
15 (2) Correct the work done in providing services;
16 (3) Revoke the license or certificate;
17 (4) Suspend the license or certificate;



- 1 (5) Impose a fine; or
- 2 (6) Any other reasonable means to secure relief as
- 3 determined by the director.
- 4 (c) Any fine imposed by the director, after a hearing in
- 5 accordance with chapter 91, shall be no less than \$1,000 for
- 6 each violation."

7 SECTION 2. Chapter 466K, Hawaii Revised Statutes, is
8 amended by adding a new section to be appropriately designated
9 and to read as follows:

10 "§466K- Unlawful influence of appraisers. (a) No
11 licensee with an interest in a real estate transaction involving
12 an appraisal shall improperly influence or attempt to improperly
13 influence, through coercion, extortion, or bribery, the
14 development, reporting, result, or review of a real estate
15 appraisal if the licensee's compensation is dependent on or
16 affected by the value conclusion generated by the appraisal.

17 (b) Subsection (a) shall not apply to a licensee with an
18 interest in a real estate transaction from asking an appraiser
19 to do any of the following:

- 20 (1) Consider additional, appropriate property information;
- 21 (2) Provide further detail, substantiation, or explanation
- 22 for the appraiser's value conclusion; or



1 (3) Correct errors in the appraisal report.

2 (c) If a licensee violates this section within the course
3 and scope of the duties as a licensee, the licensee shall be
4 disciplined under section 436B-_____.

5 (d) Nothing in this section shall be construed to
6 authorize communications that are not otherwise prohibited under
7 existing law.

8 (e) For the purposes of this section, "licensee" means any
9 person holding a license who is subject to this chapter or
10 chapter 444, 454, 464, 467, or 467A."

11 SECTION 3. This Act does not affect rights and duties that
12 matured, penalties that were incurred, and proceedings that were
13 begun, before its effective date.

14 SECTION 4. New statutory material is underscored.

15 SECTION 5. This Act shall take effect upon its approval.

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Report Title:

Real Estate Appraisal Reports; Improper Influence

Description:

Prohibits licensees with an interest in a real estate transaction involving an appraisal from improperly influencing the reporting, result, or review of a real estate appraisal.

