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# A BILL FOR AN ACT

RELATING TO APPRAISALS.

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

1           SECTION 1. The purpose of this Act is to require a real  
2 estate appraiser to rely on the Uniform Standards of  
3 Professional Appraisal Practice when acting as an appraiser in  
4 an arbitration to guide the appraiser's decision in determining  
5 an arbitration award.

6           SECTION 2. Section 466K-4, Hawaii Revised Statutes, is  
7 amended by amending subsection (a) to read as follows:

8           "(a) No person may practice as a real estate appraiser in  
9 this State unless that person has been licensed or certified to  
10 practice in accordance with this chapter and rules adopted by  
11 the director of commerce and consumer affairs pursuant to  
12 chapter 91. All real estate appraisers who are licensed or  
13 certified to practice in this State shall comply with the  
14 current uniform standards of professional appraisal practice  
15 approved by the director when performing appraisals in  
16 connection with a federally or non-federally related real estate  
17 transaction. A real estate appraiser shall comply with the  
18 uniform standards of professional appraisal practice when acting

1 as an appraiser or as an arbitrator in an arbitration proceeding  
2 to determine the fair market value or fair market rental of real  
3 estate."

4 SECTION 3. Section 658A-19, Hawaii Revised Statutes, is  
5 amended to read as follows:

6 "[~~f~~]**S658A-19**[~~f~~] **Award.** (a) An arbitrator shall make a  
7 record of an award. The record shall be signed or otherwise  
8 authenticated by any arbitrator who concurs with the award. The  
9 arbitrator or the arbitration organization shall give notice of  
10 the award, including a copy of the award, to each party to the  
11 arbitration proceeding.

12 (b) In an arbitration proceeding to determine the fair  
13 market value or fair market rental of real property where the  
14 arbitrator is a real estate appraiser licensed under chapter  
15 466K, the record of an award shall include but not be limited to  
16 findings of fact, the appraiser's rationale for the award, and  
17 information regarding the evidence which provided the basis for  
18 the award.

19 [~~b~~] (c) An award shall be made within the time  
20 specified by the agreement to arbitrate or, if not specified  
21 therein, within the time ordered by the court. The court may  
22 extend or the parties to the arbitration proceeding may agree in

1 a record to extend the time. The court or the parties may do so  
2 within or after the time specified or ordered. A party waives  
3 any objection that an award was not timely made unless the party  
4 gives notice of the objection to the arbitrator before receiving  
5 notice of the award."

6 SECTION 4. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8 SECTION 5. This Act shall take effect on July 1, 2020.

**Report Title:**

Real Estate Appraisal Arbitration; Uniform Standards of Professional Appraisal Practice

**Description:**

Requires a real estate appraiser to rely on the Uniform Standards of Professional Appraisal Practice when acting as an appraiser in an arbitration to guide the arbitrator's decision regarding an award. (SD1)