

STAND. COM. REP. NO. **410**

Honolulu, Hawaii

FEB 20 2009

RE: S.B. No. 1606

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1606 entitled:

"A BILL FOR AN ACT RELATING TO REAL ESTATE APPRAISAL
MANAGEMENT COMPANIES,"

begs leave to report as follows:

The purpose of this measure is to require all entities engaged in business in the State as a real estate appraisal management company to register with the Real Estate Commission and to abide by standards for management, quality control, ethical behavior, and fair employment practices.

Your Committee heard testimony in support of this measure from the Real Estate Commission and the Hawaii Chapter of the Appraisal Institute. Written testimony presented to the Committee may be reviewed on the Legislature's website.

Your Committee finds that appraisal management companies perform many important functions including appraisal review, quality control, market value dispute resolution, warranty administration, and record retention. Because of the importance of these functions and the rapid growth of the appraisal management industry in recent years, it is important that appraisal management companies be held to high standards of professionalism and ethical behavior.

Your Committee notes that, pursuant to section 26H-6, Hawaii Revised Statutes, new regulatory measures that "would subject unregulated professions and vocations to licensing or other

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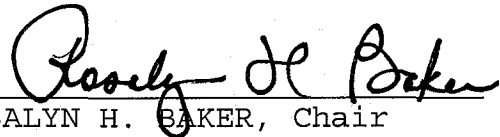


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regulatory controls shall be referred to the auditor for analysis" of the new regulatory scheme and potential alternatives. Your Committee recognizes the need to advance this measure to the Committee on Judiciary and Government Operations for further consideration before the drafting of the required resolution. Your Committee further recognizes that this issue should be considered as thoroughly as possible so that the Auditor may conduct the best possible sunrise study and make the most appropriate recommendations.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, Your Committee is in accord with the intent and purpose of S.B. No. 1606 and recommends that it pass Second Reading and be referred to the Committee on Judiciary and Government Operations.

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


ROSALYN H. BAKER, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1606	CPN, J90	02/12/09		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input 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)	✓			
IGE, David Y. (VC)	✓			
ESPERO, Will	✓			
GREEN, M.D., Josh	✓			
IHARA, Jr., Les				✓
SAKAMOTO, Norman				✓
HEMMINGS, Fred	✓			
TOTAL	5	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; font-family: cursive; font-size: 1.2em;">David Y. Ige</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes