
A BILL FOR AN ACT

RELATING TO BROKER PRICE OPINIONS.

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

1 SECTION 1. Chapter 467, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "~~§467-~~ Broker price opinions. (a) A real estate
5 broker or real estate salesperson licensed pursuant to this
6 chapter may prepare a broker price opinion that meets the
7 requirements of this section relating to the estimated price of
8 a specific parcel of real estate and information of varying
9 levels of detail about the property's condition and relevant
10 market factors, including the property's location, neighborhood,
11 and recent comparable sales for use by:

12 (1) An existing or potential seller to list and sell real
13 estate;

14 (2) An existing or potential buyer of real estate;

15 (3) A third party to determine the estimated potential
16 listing, offering, sale, exchange, option, lease, or
17 acquisition price of real estate; or

18 (4) An existing or potential lien holder;



1 provided that a broker price opinion shall not be referred to as
2 an appraisal or substituted for an appraisal by a licensed or
3 certified appraiser if an appraisal is required by applicable
4 law.

5 (b) A real estate broker or real estate salesperson
6 licensed pursuant to this chapter shall not represent that the
7 licensee is a certified or licensed real estate appraiser or
8 knowingly prepare a broker price opinion for use as an appraisal
9 where an appraisal is required by law or otherwise unless the
10 licensee is also so licensed under section 466-K.

11 (c) If a broker price opinion is provided for compensation
12 or valuable consideration by a real estate broker or real estate
13 salesperson licensed pursuant to this chapter, it shall be in
14 writing and include:

- 15 (1) A statement of the intended purpose of the price
16 opinion;
- 17 (2) A brief description of the subject property and the
18 property interest to be priced;
- 19 (3) The basis of reasoning used to reach the conclusion of
20 the price opinion, including the applicable market
21 data or capitalization computation, or both;



- 1 (4) Any assumptions or limiting conditions used to
- 2 determine the price opinion;
- 3 (5) A disclosure of any existing or contemplated interest
- 4 of the broker or sales person issuing the price
- 5 opinion;
- 6 (6) The licensee's name, signature, and license
- 7 identification number;
- 8 (7) The date of issuance of the price opinion; and
- 9 (8) The following disclosure statement:
- 10 "Notwithstanding any language to the contrary
- 11 contained in this document or elsewhere, this broker
- 12 price opinion is not an appraisal. If an appraisal is
- 13 desired, or if an appraisal is required by law, you
- 14 must obtain the services of a real estate appraiser
- 15 licensed or certified pursuant to chapter 466K, Hawaii
- 16 Revised Statutes."
- 17 (d) A broker price opinion prepared under this section
- 18 shall conform to the standards and guidelines published by a
- 19 nationally recognized association of providers of broker price
- 20 opinions. The commission shall adopt rules consistent with, but
- 21 not limited to the standards and guidelines of a nationally
- 22 recognized association of providers of broker price opinions.



1 (e) No real estate broker, real estate salesperson, or
2 other person involved for compensation in the sale of a property
3 shall charge additional compensation for a broker price opinion
4 on that property.

5 (f) No person aggrieved by a broker price opinion shall be
6 entitled to recovery under the real estate recovery fund
7 established pursuant to section 467-16."

8 SECTION 2. Section 466K-1, Hawaii Revised Statutes, is
9 amended to read as follows:

10 "**§466K-1 Findings and purpose[-]; scope.** (a) The
11 legislature finds that the regulation of real estate appraisers
12 is reasonably necessary to protect consumers. The legislature
13 further finds that Title 12 United States Code [~~§3301~~] Section
14 3301 et seq. requires that real estate appraisals [~~utilized~~]
15 used in connection with federally related transactions be
16 performed by individuals who are certified appraisers. The
17 purposes of this chapter are to implement the requirements of
18 Title 12 United States Code [~~§3301~~] Section 3301 et seq. and to
19 require that all real estate appraisals be performed by licensed
20 or certified appraisers.



1 (b) The requirements of this chapter [~~de~~] shall not apply
2 to any real estate appraiser employed by any county for purposes
3 of valuing real property for ad valorem taxation.

4 (c) Nothing in this chapter shall be construed to permit
5 the use of a broker price opinion under section 467- as an
6 appraisal under this chapter."

7 SECTION 3. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 4. This Act shall take effect on January 1, 2059.



Report Title:

Real Estate Brokers and Salespersons; Broker Price Opinion

Description:

Permits a licensed real estate broker or real estate sales person to prepare broker price opinions for use in real estate transactions where an appraisal is not required by law or otherwise; clarifies that recovery from the real estate recovery fund is not available for complaints regarding broker price opinions. Effective January 1, 2059. (SB154 HD1)

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