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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 comply with the uniform standards of  
3 professional appraisal practice when acting as an appraiser or  
4 an arbitrator in an arbitration proceeding.

5           SECTION 2. Chapter 466K, Hawaii Revised Statutes, is  
6 amended by adding two new sections to be appropriately  
7 designated and to read as follows:

8           "§466K- Definitions. For the purposes of this chapter,  
9 unless the context otherwise requires:

10           "Arbitrator" means an individual appointed to render an  
11 award in a controversy that is subject to an agreement to  
12 arbitrate.

13           "Uniform standards of professional appraisal practice"  
14 means the most recent iteration of the uniform standards of  
15 professional appraisal practice developed by the appraisal  
16 standards board of The Appraisal Foundation and approved by the  
17 director.



1           §466K- Appraisers in arbitration proceedings. (a) A  
2 real estate appraiser shall comply with the uniform standards of  
3 professional appraisal practice when acting as an arbitrator in  
4 an arbitration proceeding to determine the fair market value,  
5 fair market rental value, or fair and reasonable rent of real  
6 estate.

7           (b) In the event of any conflict between the uniform  
8 standards of professional appraisal practice and the rules of  
9 any arbitration process or chapter 658A, the uniform standards  
10 of professional appraisal practice rules and standards shall  
11 prevail."

12           SECTION 3. Section 466K-4, Hawaii Revised Statutes, is  
13 amended by amending subsection (a) to read as follows:

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



1 transaction[~~-~~] or in connection with any arbitration proceeding  
2 to determine the fair market value, fair market rental value, or  
3 fair and reasonable rent of real estate."

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

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

7



**Report Title:**

Real Estate Appraisal Arbitration; Uniform Standards of Professional Appraisal Practice

**Description:**

Requires a real estate appraiser to comply with the Uniform Standards of Professional Appraisal Practice when acting as an arbitrator in an arbitration proceeding to determine the fair market value, fair rental value, or fair and reasonable rent of real estate; clarifies that the Uniform Standards of Professional Appraisal Practice apply to appraisers providing appraisals in arbitration proceedings to determine the fair market value, fair rental value, or fair and reasonable rent of real estate. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

