

Honolulu, Hawaii

APR 07 2011

RE: H.B. No. 320
H.D. 2
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 320, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO BROKER PRICE OPINIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to permit and establish requirements for a licensed real estate broker or sales person to prepare broker price opinions for use in real estate transactions where an appraisal is not required.

Your Committee received testimony in support of this measure from the Hawai'i Association of REALTORS and the Hawaii Chapter of the Appraisal Institute. Your Committee received testimony in support of the intent of this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs.

Your Committee finds that real estate professionals often estimate the probable sales price of property by analyzing local market information, neighborhood information, and comparable properties. Your Committee further finds that while these broker price opinions are useful tools based on careful analysis of market data, they are not appraisals. Your Committee also finds that the role of a real estate licensee has evolved from that of a traditional listing agent to a role that includes the provision of market-based data to lenders, mortgage companies, mortgage servicers, asset managers, loss mitigation companies, trusts,



private equity investors, and hedge funds. In this expanded role, real estate licensees often provide broker price opinions outside of transactions for the sale of property. Your Committee finds that real estate licensees should be eligible for compensation for these professional services.

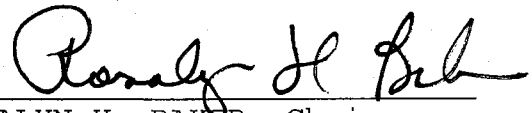
Your Committee has amended this measure by:

- (1) Deleting its contents and replacing them with language that amends section 466K-4, Hawaii Revised Statutes, to specify, among other things, that a real estate licensee who provides broker price opinions shall not be required to be licensed or certified as a real estate appraiser; and
- (2) Inserting an effective date of upon approval.

Your Committee finds that this measure as amended is the result of collaboration and agreement among stakeholders, including the State's regulatory entity.

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 H.B. No. 320, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 320, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

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



ROSALYN H. BAKER, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
HB320, HD2	CPN	04-05-11		
<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 type="checkbox"/> Pass, unamended 2312 <input checked="" 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)	✓			
TANIGUCHI, Brian T. (VC)	✓			
GALUTERIA, Brickwood	✓			
GREEN, M.D., Josh	✓			
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama	✓			
SLOM, Sam				✓
TOTAL	6	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes