

STAND. COM. REP. NO.

1495

Honolulu, Hawaii

April 8, 2011

RE: S.B. No. 975
S.D. 1
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and
Judiciary, to which was referred S.B. No. 975, S.D. 1, H.D. 1,
entitled:

"A BILL FOR AN ACT RELATING TO APPRAISALS,"

beg leave to report as follows:

The purpose of this bill is to require real estate appraisers
to comply with the Uniform Standards of Professional Appraisal
Practice (USPAP) when acting as an arbitrator in an arbitration
proceeding to determine the fair market value, fair market rental
value, or fair and reasonable rent of real estate.

Sentinel Silent Alarm Co., Sony Hawaii, the Sand Island
Business Association, and numerous concerned individuals supported
this measure. The Department of Land and Natural Resources, the
Department of Commerce and Consumer Affairs, the Hawaii Chapter of
the Appraisal Institute, the Land Use Research Foundation of
Hawaii, and a concerned individual opposed this bill.

Your Committees have amended this bill by:

- (1) Mandating appraisers participating in an arbitration to
certify compliance with USPAP in the arbitration rather
than only being required to comply with USPAP;

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- (2) Allowing the parties to an arbitration to agree that the USPAP should prevail over the State Arbitration Act;
- (3) Providing that an agreement to arbitrate shall govern in the event of a conflict between USPAP and Chapter 658A, Hawaii Revised Statutes;
- (4) Deleting reference to "The Appraisal Foundation" as the developer of the USPAP; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 975, S.D. 1, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 975, S.D. 1, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committees on Consumer
Protection & Commerce and
Judiciary,



GILBERT KEITH-AGARAN, Chair



ROBERT N. HERKES, Chair



