

# LATE TESTIMONY

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, March 22, 2011 6:17 PM  
**To:** ERBtestimony  
**Cc:** karl.okemura@am.sony.com  
**Subject:** Testimony for SB975 on 3/22/2011 8:00:00 AM  
**Attachments:** Sony Testimony SB975 Mar 22 2011.pdf

Testimony for ERB 3/22/2011 8:00:00 AM SB975

Conference room: 312

Testifier position:

Testifier will be present: Yes

Submitted by: Karl Okemura

Organization: Sony Electronics, Inc.

Address:

Phone:

E-mail: karl.okemura@am.sony.com

Submitted on: 3/22/2011

Comments:

March 22, 2011

COMMITTEE ON ECONOMIC REVITALIZATION & BUSINESS  
Chairman Angus McKelvey  
Vice Chairman Isaac Choy  
Members of the Committee

**RE: Testimony in Support of SB 975 – Relating to Appraisals – Use of USPAP  
Hearing: March 22, 2011**

Aloha Chair McKelvey, Vice Chair Choy, and Members of the Committee:

I write on behalf of Sony Hawaii, a division of Sony Electronics Inc. that has been doing business in Honolulu since 1968 and since 1985 has maintained operations in the Mapunapuna area under a ground lease. In addition to being a proud member of the Hawaiian business community, Sony Hawaii, along with Sony Corporation, sponsors the Sony Open golf tournament, the largest charity event in Hawaii and a tournament that has raised over \$10 million for local not-for-profits since 1999.

Sony Hawaii supports passage of Senate Bill 975 (SB 975). If enacted, SB 975 will provide companies like Sony Hawaii with the market certainty and consistency necessary to continue to invest and create jobs in Hawaii.

Senate Bill 975 would require real estate appraisers to comply with the Uniform Standards of Professional Appraisal Practices (USPAP) when acting as an appraiser or an arbitrator in an arbitration proceeding to determine the fair market value, fair market rental or fair and reasonable rents of real estate.

Although current law requires all real estate appraisers to comply with USPAP when performing appraisals in connection with federally or non-federally related real estate transactions, it is appropriate that the Hawaii Revised Statutes mandate the same ethical consideration when an appraiser is sitting on a panel that will ultimately determine the value or rental rates for real estate.

As suggested above, companies like Sony Hawaii cannot make important decisions that affect their ability to properly plan for future investment or hiring needs unless they have confidence that those directly affecting their cost of doing business act in a consistent and transparent manner. Indeed, with rents higher than ever and leases covering terms of a decade or more, the cost of such leases is one of the most important variables affecting the cash flow and profitability of a company doing business in Hawaii. How can a company be expected to take the risk inherent in building a new plant or hiring new employees when those determining one of its primary costs – arbitration appraisers – are not required to follow a fundamental set of standards?

Simply put, there should be a single standard that real estate appraisers follow whether they are performing appraisals in or outside of an arbitration proceeding. Applying

USPAP in all such circumstances would provide additional transparency and trust in the process and results.

Sony Hawaii urges you to support SB 975.

Mahalo,

A handwritten signature in black ink, appearing to read 'Karl Okemura', with a long horizontal flourish extending to the right.

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