

January 7, 2011

State of Hawaii  
House of Representatives  
Committee on Economic Revitalization & Business  
Honolulu, HI

RE: HB 847  
Hearing Date: February 8, 2011

Dear Honorable Chair McKelvey, vice Chair Choy, and Members of the House Committee on Economic, Revitalization, and Business,

Please pass HB 847

The valuing of real estate, is too important of an issue to leave to a undocumented and “black-box” process – Yet this is exactly the current process that is and has been taking place within the State of Hawaii.

In many types of disputes it is often “one person’s word vs. another person’s word” in which to arrive at a decision or conclusion as to what should take place – and as a result, often, an arbitration process is put in motion to resolve this dispute.

However, when dealing with the valuing of real estate (including rental rates), there is a process that has been put in place since the 1980’s by the U.S. Congress. This process is call the Uniform Standards of Professional Appraisal Practice (USPAP). And, the reason this real estate valuation process was put in place was specifically to reduce the amount of abuse in valuing real estate; Abuses that almost brought down our banking system (even back then).

Since the 1980’s, this real estate valuation process has been utilized very effectively. It was only when this process was not enforced during the past several years, that - once again, the running amok of the real estate valuation process – almost destroyed our entire banking and financial system.

In Hawaii, where oligopolies are often the rule and not the exception, the use of a tried-and-true valuation process for real estate is imperative.

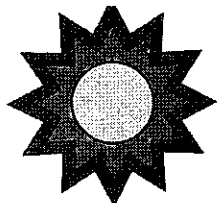
When real estate valuations or rental rates are being determined, and as a result “set” in a arbitration process, the necessity of an open and transparent process is even much more important, as the arbitration determination is almost impossible to change, once made.

Please help reduce the rampant abuses in the real estate valuation process, particularly in the real estate rental rate arena, that has plagued this state for many years, by passing this bill.

This bill will add much needed accountability and transparency to the valuation process, when a real estate value or a real estate rental rate is being determined via an arbitration.

Thank you

A handwritten signature in black ink, appearing to be 'R. K. ...', is written over the 'Thank you' text.



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Feb 8, 8AM, room 312

COMMITTEE ON ECONOMIC REVITALIZATION & BUSINESS

Testimony in SUPPORT of HB847, relating to APPRAISAL

February 8, 2011

**AFTER 8AM  
LATE TESTIMONY**

Representative McKelvey, Choy, and members of the Committee,

My name is Meleana Judd, I am an Administrative Assistant at Inter-Island Solar Supply. I write in SUPPORT of HB847 on behalf of our Statewide forty or so employees.

A year ago I did not know anything about commercial leases, however after being involved with Citizens for Fair Valuation I have learned about the variety of challenges that can arise in negotiations and renewals. The passage of HB847 and availability of the suggested written report explaining commercial appraisal determinations will help reduce some of the challenge and ambiguity local business owners face in lease negotiations.

Please pass this measure to increase transparency in the expensive arbitration process.

Mahalo,

Meleana Judd  
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