

SB2453

Measure Title: RELATING TO ARBITRATION.

Report Title: Arbitration; Real Property; Appraisers; DCCA

Description: Establishes a process by which licensed or certified, unbiased real estate appraisers are used for arbitration proceedings to determine the fair market value, fair market rental, or fair and reasonable rent of real property. Requires the DCCA to provide a list of appraisers meeting certain criteria.

Companion:

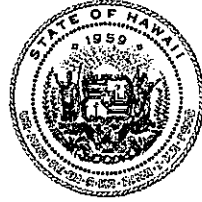
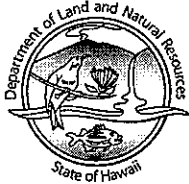
Package: None

Current Referral: CPN

Introducer(s): CHUN OAKLAND, GALUTERIA, Baker, Fukunaga, Nishihara, Ryan, Solomon, Taniguchi

<u>Sort by Date</u>		Status Text
1/20/2012	S	Introduced.
1/23/2012	S	Passed First Reading.
1/23/2012	S	Referred to CPN.
1/31/2012	S	The committee(s) on CPN has scheduled a public hearing on 02-22-12 9:00AM in conference room 229.

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

WILLIAM J. AILA, JR.
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

GUY H. KAULUKUKUI
FIRST DEPUTY

WILLIAM M. TAM
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**Testimony of
WILLIAM J. AILA, JR.
Chairperson**

**Before the Senate Committee on
COMMERCE AND CONSUMER PROTECTION**

**Wednesday, February 22, 2012
9:00 AM
State Capitol, Conference Room 229**

**In consideration of
SENATE BILL 2453
RELATING TO ARBITRATION**

Senate Bill 2453 proposes to require for arbitration proceedings to determine the fair market value, fair market rental, or fair and reasonable rent of real property, that the third arbitrator be jointly selected from a list of real estate appraisers provided by the Department of Commerce and Consumer Affairs (DCCA). The third arbitrator would ultimately prepare an appraisal report setting forth the final valuation. The Department of Land and Natural Resources (Department) opposes this measure.

Although the intent of Senate Bill 2453 is to establish a process by which licensed or certified, unbiased real estate appraisers are used for arbitration proceedings to determine the fair market value, fair market rent, or fair and reasonable rent of real property: the Department opposes this bill as unnecessary and may result in having an appraiser appointed to the deciding panel from the mainland who may not be familiar with Hawaii's unique real estate markets¹.

Chapter 466K, Hawaii Revised Statutes ("HRS"), already provides objective licensing requirements for real estate appraisers to practice in Hawaii. An "appraiser" cannot even perform appraisal work in the State of Hawaii without first passing a comprehensive appraisal examination administered by the DCCA and issued a license.

Moreover, Chapter 466K, HRS, also already requires real estate appraisers that are licensed or certified to practice in Hawaii to comply with the current Uniform Standards of Professional

¹ It is also questionable as to the amount of mainland appraisers that have taken the time to study and sit for the comprehensive appraisal examination administered by the DCCA and was awarded a license.

Appraisal Practice ("USPAP"). USPAP's Ethics Rule on conduct requires an appraiser to "perform assignments with impartiality, objectivity, and independence, and without accommodation of personal interests" and to "not perform an assignment with bias." Pursuant to Chapter 466K, HRS, any real estate appraiser, licensed or certified in Hawaii that violates USPAP is subject to disciplinary action by DCCA, which may include a fine, suspension or revocation of the appraiser's license. And Section 658A-23, HRS, already provides an avenue for arbitration awards to be overturned by the Circuit Court on the grounds of partiality, corruption or misconduct by any appointed neutral arbitrator.

Senate Bill 2453 further unilaterally disqualifies any real estate appraiser from serving as a third appraiser/arbitrator on the deciding panel if that appraiser previously provided any appraisal services to the lessee or lessor at any time in the past. The Department currently manages well over a thousand (1,000) leases, permits, or licenses that require some form of valuation to set the rent. As a result most of Hawaii's qualified real estate appraisers have provided appraisal services to the Department at some point in the past and would be disqualified from serving as the third appraiser/arbitrator on the deciding panel. Therefore, it is very likely that out-of-state real estate appraisers would be required if this bill in its current form was passed. The additional expenses for an out-of-state real estate appraiser (including but not limited to expenses related to extended travel, satisfying state professional licensing requirements, and most importantly to acquire the necessary expertise² to produce a credible appraisal) would be passed on to both the Department and its lessee, diverting the Department's limited funds away from critical programs that protect and preserve Hawaii's unique cultural, historic and natural resources.

As a practical matter, we do not believe this bill would result in a more accurate valuation of the fair market value of the land or fair market rental value. Costs of the arbitration will likely skyrocket and the time to complete arbitration will probably be delayed. For all of the foregoing reasons, the Department opposes Senate Bill 2453 and asks that it be deferred indefinitely.

² As it relates to the then current demand within the Hawaii real estate market.



NEIL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
LT. GOVERNOR

STATE OF HAWAII
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

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P.O. Box 541

HONOLULU, HAWAII 96809
Phone Number: 586-2850
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KEALI S. LOPEZ
DIRECTOR

**PRESENTATION OF THE
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION**

TO THE SENATE COMMITTEE ON
COMMERCE AND CONSUMER PROTECTION

TWENTY-SIXTH LEGISLATURE
Regular Session of 2012

Wednesday, February 22, 2012
9:00 a.m.

TESTIMONY ON SENATE BILL NO. 2453, RELATING TO ARBITRATION.

TO THE HONORABLE ROSALYN H. BAKER, CHAIR,
AND MEMBERS OF THE COMMITTEE:

My name is Alan Taniguchi, Executive Officer for the Real Estate Appraiser Program, Professional and Vocational Licensing Division ("PVL") of the Department of Commerce and Consumer Affairs ("Department"). Thank you for the opportunity to present testimony on Senate Bill No. 2453, Relating to Arbitration. The Department opposes this bill.

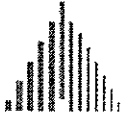
This bill seeks to establish a process to select unbiased real estate appraisers for arbitration proceedings and requires the Department to provide a list of these appraisers. Chapter 658A, Hawaii Revised Statutes ("HRS"), also known as the "Uniform Arbitration Act", already addresses the issues this bill seeks to resolve.

Section 658A-11 delineates the arbitrator selection process and Section 658A-12 outlines the disclosure requirements which will ensure the arbitrator's impartiality. Finally, the courts have jurisdiction over Chapter 658A and the authority to appoint an arbitrator (§658A-11), grant immunity to arbitrators (§658A-14), and vacate awards (§658A-23). For these reasons, issues regarding the selection of an arbitrator are more appropriately the function of the court rather than the Department.

Finally, section (d), page 2, lines 4-13, requires the Department to provide a list of "unbiased" appraisers to the lessor and lessee. That term is too vague and subjective for the Department to comply with this requirement.

The Department believes these issues are addressed in Chapter 658A and thus these amendments are not necessary.

Thank you for the opportunity to testify and we ask that this bill be held.



Appraisal Institute™

*Professionals Providing
Real Estate Solutions*

Hawaii Chapter

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February 21, 2012

Senator Rosalyn H. Baker, Chair
Senator Brian T. Taniguchi, Vice Chair
Committee on Commerce and Consumer Protection
Ted Yamamura, Government Relations Chair
The Hawaii Chapter of the Appraisal Institute
(808) 270-0604
Wednesday, February 22, 2012

Testimony against SB 2453, Relating to Arbitration

The Hawaii Chapter of the Appraisal Institute is part of an international organization of professional real estate appraisers with nearly 26,000 members and 91 chapters throughout the world. Its mission is to advance professionalism and ethics, global standards, methodologies, and practices through the professional development of property economics worldwide.

We speak against SB 2453, Relating to Arbitration, which proposes to amend Chapter 658A, Hawaii Revised Statutes, by adding a new section regarding real property appraisals. Leases are bonafide contracts between Lessor and Lessee and lease documents typically provide provisions for establishment of rents, appraisal and the selection of appraisers to act as arbitrators.

Regarding the proposed language under §658A-_____ Real property appraisals.

(a) requiring that the appraiser-arbitrators selected by the lessor and lessee to select a third appraiser-arbitrator from a list provided by the Department of Commerce and Consumer Affairs **usurps the contractual provisions already contained in leases.**

(b) Requiring the third appraiser-arbitrator to review appraisal valuations prepared by the arbitrators, and prepare a separate appraisal setting forth the final valuation. Clearly there is misunderstanding regarding the process of arbitrators and arbitrations. **Arbitrators typically do not prepare appraisal reports, and arbitrators may or may not be appraisers.**

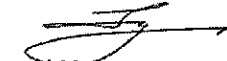
(d)(3) Legislation passed last year (Act 227) requires appraiser-arbitrators to comply with the current edition of the Uniform Standards of Professional Appraisal Practice (USPAP). <http://www.appraisalfoundation.org/>.

In the **Ethics Rule, Conduct section, USPAP** mandates that an appraiser **"must not perform an assignment with bias", and "must not advocate the cause or interest of any party or issue"**.

The language in this Bill requires the Department of Commerce and Consumer Affairs to maintain and provide a list of "unbiased" appraisers. Regardless of definition, an opinion of "unbiased" is subjective at best. The fact that HRS 466K already provides objective qualification and licensing requirements for appraisers, there is no need to maintain an additional subjective list of "unbiased" appraisers.

In conclusion, there is no necessity for government intervention in a process with contractual provisions and ample precedence. We urge the Committee to deny the passage of SB 2453.

Thank you for this opportunity to testify.



Ted Yamamura
Government Relations Chair



LAND USE RESEARCH
FOUNDATION OF HAWAII
700 Bishop Street, Ste. 1928
Honolulu, Hawaii 96813
Phone 521-4717
Fax 536-0132



February 16, 2012

Senator Rosalyn H. Baker, Chair
Senator Brian T. Taniguchi, Vice Chair
Committee on Commerce and Consumer Protection

Opposition to SB 2453, Relating to Arbitration; Appraisers. (Establishes a process by which real estate appraisers are used for arbitration proceedings to determine fair market value, rental, or reasonable rent of real property.)

Wednesday, February 22, 2012 at 9:00 a.m. in CR 229

My name is David Arakawa, Executive Director of the Land Use Research Foundation of Hawaii (LURF), a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. One of LURF's missions is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources and public health and safety.

SB 2453. This bill proposes to establish a process by which licensed or certified, unbiased real estate appraisers are used for arbitration proceedings to determine the fair market value, fair market rental, or fair and reasonable rent of real property. The measure also requires the State Department of Commerce and Consumer Affairs (DCCA) to provide a list of appraisers meeting certain criteria.

LURF's Position. LURF **strongly opposes** this bill based on the following:

Given the Passage of Act 227 (2011), No Justification For, or Example of Necessity Exists to Support this Measure.

Proponents of SB 2453 fail to cite any necessity for, or examples of existing problems or issues which would necessitate state-wide legislation such as this bill. In fact, just last year, in an effort to address similar concerns raised by the same proponents, this Legislature passed Act 227 (2011) which mandates that real estate appraisers, when acting as arbitrators in lease renegotiation arbitration proceedings, comply with the Uniform Standards of Professional Appraisal Practice (USPAP) when acting as

arbitrators. Rather than allowing Act 227 the time and opportunity needed to address and resolve the concerns that reportedly underlie both Act 227 and the current bill, those same proponents now prematurely seek to go even further with this bill, to attempt to require that only appraisers be allowed to serve as arbitrators in lease renegotiation proceedings. LURF believes Act 227 (2011) should be given a chance to work.

Allowing Only Appraisers to Serve as Arbitrators in Proceedings to Determine Fair Market Value or Rental of Real Property is Unwarranted and Contrary to the Intent of the State's Arbitration Law (Hawaii Revised Statutes Chapter 658A).

There is no rational or legal reason to limit the group of qualified arbitrators in proceedings to determine fair market value or rental of real property strictly to appraisers, regardless of whether such appraisers are certified, licensed, or otherwise.

➤ **Limiting Arbitrators to Appraisers Would Restrict the Parties' Will, Further Delays, and Increase Costs, Thereby Violating the Intent and Purpose of Arbitration.**

The Hawaii Arbitration Law (HRS Chapter 658A), premised upon the national Uniform Arbitration Act, is the law governing arbitration proceedings, which are not appraisals, but alternative dispute resolution proceedings entered into voluntarily by parties who agree to submit their cases to an impartial person or panel for a binding decision.

The intent underlying the Hawaii Arbitration Law, and the arbitration process in general, is primarily to provide an alternative to judicial proceedings by which the parties involved may ideally secure more control over the outcome of any dispute resolution proceeding which may arise from their relationship, and also save time and expenses by avoiding litigation.

The establishment of a process which commands the use of real estate appraisers (qualified by the DCCA) in arbitration proceedings is therefore directly contrary to the intent of the law, as it disallows the parties themselves to appoint the individual or panel which will make the final decision. Moreover, potential challenges to the procedures proposed, and appeals of the decisions generated by SB 2453 would negate the advantages of arbitration altogether, as there would arguably be no cost or time saving benefits to gain by electing the dispute resolution alternative for property valuation matters.

➤ **There is No Logical Basis to Allow Only Appraisers to Serve as Arbitrators in Proceedings to Determine Fair Market Value or Rental of Real Property.**

The passage last year, of Act 227 (2011), which mandates that real estate appraisers comply with the Uniform Standards of Professional Appraisal Practice (USPAP) **when acting as arbitrators** was, in the opinion of the bill's opponents, misdirected and

contrary to case law in view of the fact that appraisers who serve as arbitrators are **not**, in such capacity, engaging in the practice of real estate appraisal.

There may, nevertheless, have arguably been some logic behind the passage of Act 227 in that the requirement applies only to appraisers, and only when acting as arbitrators, purportedly to ensure their professionalism particularly while acting in a decision making capacity. It appears, however, that proponents of SB 2453 now seek to take legally questionable Act 227 yet a step further to direct that **ONLY** appraisers are allowed to serve as arbitrators in real property valuation proceedings, as though no other individual or profession could possibly be qualified to serve as a competent decision maker in such proceedings. If this line of reasoning is followed, decisions in all different types of arbitration proceedings, and in all different types of cases in all courts and tribunals would rightly need to be made by judges and juries who are qualified experts or specialists in each specific subject matter involved in each different proceeding or case.

Arbitrations and appraisals are quite different and distinct. "Arbitration" is an alternative dispute resolution process used to reach a compromise solution – it is **NOT** an "appraisal," which is the process of estimating value. As such, while familiarity with appraisals may be one beneficial qualification for real property valuation proceedings, the proficiencies even more valuable and ideally applicable are impartiality, good judgment, and the ability to fairly evaluate information and come to a sound and just decision.

As such, there is a number of other equally, if not perhaps better qualified individuals who are competent in their own right, including attorneys, economists, and realtors, who are also able to serve well as arbitrators and render fair decisions. It is therefore unwarranted and unreasonable to disqualify these people from being allowed to serve as arbitrators, even in proceedings which relate to the valuation of real property.

Lessee proponents of another bill pending this session, SB 2938, in fact take a **completely contradictory position** in support of that that measure which requires unresolved questions of law in arbitrations to be submitted for judicial relief (i.e., by attorneys), when at the same time, with respect to the current bill (SB 2453), the same lessee proponents inconsistently refuse to allow anyone except appraisers to serve as arbitrators. The direct opposition in positions taken by the lessee proponents on the respective bills is irreconcilable, and completely undermines their credibility, as well as their support for both bills.

➤ **There are a Number of Legal and Practical Issues and Consequences Relating to the Proposed Bill.**

One significant legal concern relating to the implementation of SB 2453 is the effect of the bill on existing agreements such as leases in which the parties have already mutually agreed upon an arbitration process which does not conform to the new process set out in the bill. To now require these parties to comply with the new arbitration process

prescribed by the bill is in effect, forcing the parties to modify the terms of their original agreement, which raises serious legal issues affecting the validity of the amendment, as well as the underlying agreement.

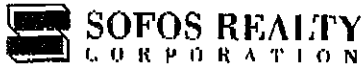
From a practical perspective, a consequence of limiting the pool of qualified arbitrators only to licensed or certified appraisers, especially in a small community like Hawaii which already houses a limited number of appraisers, is the likely need to go outside of the state to retain appraisers due to the shortage of qualified local candidates, or as a result of the disclosure of prior dealings or conflicts of interest between an appraiser and parties to the proceeding or transaction. While these out-of-state appraisers may well be qualified professionally, they will not likely have extensive experience dealing with local real property and real property transactions, or knowledge relating to unique underlying and/or intangible factors which may affect their assessment of Hawaii property values. Given these potential shortcomings and concerns, it makes even less sense to limit the group of qualified arbitrators just to appraisers.

The process set out in SB 2453 relating to the selection/appointment of the appraiser-arbitrators is also impractical and suspect. According to the process described in the bill, the appraiser-arbitrators respectively appointed by the lessor and lessee, then select the third appraiser-arbitrator from the list provided by the DCCA). That third appraiser-arbitrator then becomes the "supreme" arbitrator who may alone review the valuations of the two other arbitrators and prepare a report setting forth the final valuation. Such a process is contrary to the process generally followed in an arbitration involving more than one arbitrator, in which the final decision is usually mutually agreed upon by all of the arbitrators. A lone decision also lends itself to scrutiny by the other arbitrators and challenge or appeal by the parties, and leads to cost considerations and delays as discussed above.

Finally, there are also many questions and issues relating to the process by which the DCCA will qualify appraisers. By way of example, how will a potential appraiser be determined to be "unbiased," and once placed on the list and/or selected in a proceeding, could the appraiser be challenged or rejected by the parties, and what would that process entail?

Conclusion. For all of the reasons set forth above, LURF believes that the intent and application of SB 2453 is unreasonable, unwarranted, and anti-business, and should therefore **be held in this Committee.**

Thank you for the opportunity to express our **strong opposition to SB 2453.**



Commercial Brokerage + Property Management

February 7, 2012

VIA FACSIMILE (808) 586-6071

Honorable Senator Rosalyn H. Baker, Chair
Honorable Senator Brian T. Taniguchi, Vice Chair
Senate Members of Committee on Commerce and Consumer Protection

**RE: TESTIMONY IN SUPPORT OF SENATE BILL SB2453 - RELATING TO
ARBITRATION - HEARING SCHEDULED FOR WEDNESDAY, 02/22/2012, AT
9:00 A.M., STATE CAPITOL, CONFERENCE ROOM 229**

Dear Honorable Chair Rosalyn Baker, Vice Chair Brian Taniguchi, and Members of the Senate Committee on Commerce and Consumer Protection:

PETITION:

We support passage of Senate Bill SB2453 which provides for the establishment of a process in which the third licensed or certified, unbiased real estate appraisers appointed in arbitration proceedings to determine the fair market value, fair market rental or fair and reasonable rent of real property is selected from a list of appraisers provided by the DCCA and which allows for out of state appraisers to be utilized as long as such appraisers meets statutory and other requirements.

Hawaii has historically had a small number of real estate appraisers that have been involved in rent arbitration proceedings. In many cases, the appointed appraisers were advocates of either the lessor and/or the lessee. This inevitably led to possible conflicts of interest or bias resulting in very disparate values. This bill if passed would allow for valuation of rents that are fair and reasonable.

We urge your approval of this bill.

Print Name

Signature

Address

Stuun Sofos

*3228 Ashu Avenue
Honolulu, HI 96822*

JAMES W. Y. WONG

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ANCHORAGE OFFICE
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Anchorage, Alaska 99501
Phone: (907) 278-3263
FAX: (907) 222-4852

February 2, 2012

VIA FACSIMILE
586-6071

VIA EMAIL

Honorable Senator Rosalyn H. Baker, Chair
Honorable Senator Brian T. Taniguchi, Vice Chair
Senate Members of Committee on Commerce and Consumer Protection

RE: TESTIMONY IN SUPPORT OF SENATE BILL SB2453 - RELATING TO
ARBITRATION - HEARING SCHEDULED FOR WEDNESDAY, 02/22/2012, AT 9:00 A.M.,
STATE CAPITOL, CONFERENCE ROOM 229

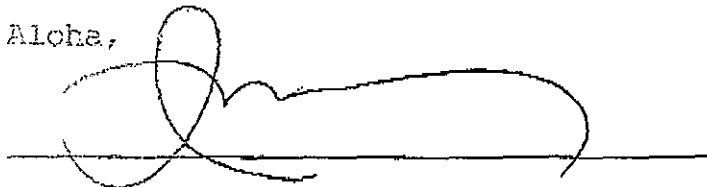
Dear Honorable Chair Rosalyn Baker, Vice Chair Brian Taniguchi,
and Members of the Senate Committee on Commerce and Consumer
Protection:

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Please approve SB2453.

Aloha,



COLIN LAU
47-695 Hui Ulili St.,
Kaneohe, HI 96744

February 2, 2012

VIA FACSIMILE 586-6071

VIA EMAIL

Honorable Senator Rosalyn H. Baker, Chair
Honorable Senator Brian T. Taniguchi, Vice Chair
Senate Members of Committee on Commerce and Consumer Protection

**RE: TESTIMONY IN SUPPORT OF SENATE BILL SB2453 - RELATING TO
ARBITRATION**

HEARING DATE: February 22, 2012 – 9:00am, Conference Room #229

Dear Honorable Chair Rosalyn Baker, Vice Chair Brian Taniguchi, and Members of the Senate
Committee on Commerce and Consumer Protection

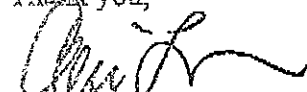
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rent arbitration proceedings. In many cases, the appointed appraisers were advocates of either
the lessor and/or the lessee. This inevitably led to possible conflicts of interest or bias resulting in
very disparate values. This bill if passed would bring equity and fairness to the process of
determining fair market value or fair and reasonable rent of real property.

I urge your approval of this bill.

Please approve SB2453.

Thank you,


Colin Lau

February 3, 2012

VIA FACSIMILE
586-6071

VIA EMAIL

Honorable Senator Rosalyn H. Baker, Chair
Honorable Senator Brian T. Taniguchi, Vice Chair
Senate Members of Committee on Commerce and Consumer Protection

**RE: TESTIMONY IN SUPPORT OF SENATE BILL SB2453 - RELATING TO
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very disparate values. This bill if passed would allow for valuation of rents that are fair and
reasonable.

We urge your approval of this bill.

Print Name	Signature	Address
Ok Taek Sim	<i>[Handwritten Signature]</i>	1624 Kanunu St #402
Rodney Yamamoto	<i>[Handwritten Signature]</i>	3228 Wianam Ave

February 3, 2012

VIA FACSIMILE
586-6071

Honorable Senator Rosalyn H. Baker, Chair
Honorable Senator Brian T. Taniguchi, Vice Chair
Senate Members of Commerce and Consumer Protection

RE: TESTIMONY IN SUPPORT OF SENATE BILL SB2453 - RELATING TO
ARBITRATION - HEARING SCHEDULED FOR WEDNESDAY, 02/22/2012, AT
9:00 A.M., STATE CAPITOL, CONFERENCE ROOM 229

Dear Honorable Chair Rosalyn Baker, Vice Chair Brian Taniguchi, and Members of the Senate
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reasonable.

Please approve SB2453.

Aloha,



Linda Tom, 1469 Kanapuu Drive, Kailua, Hawaii 96734

February 3, 2012

VIA FACSIMILE
586-6071

Honorable Senator Rosalyn H. Baker, Chair
Honorable Senator Brian K. Taniguchi, Vice Chair
Senate Members of Committee on Commerce and Consumer Protection

RE: TESTIMONY IN SUPPORT OF SENATE BILL SB2453 - RELATING TO
ARBITRATION - BEING SCHEDULED FOR WEDNESDAY, 02/22/2012, AT
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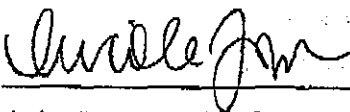
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reasonable.

Please approve SB2453.

Aloha,



Nicole Tom, 1469 Kanapuu Drive, Kailua, Hawaii 96734

February 7, 2012

VIA FACSIMILE 586-6071

Honorable Senator Rosalyn H. Baker, Chair
Honorable Senator Brian T. Taniguchi, Vice Chair
Senate Members of Committee on Commerce and Consumer Protection

RE: TESTIMONY IN SUPPORT OF SENATE BILL SB2453 - RELATING TO
ARBITRATION - HEARING SCHEDULED FOR WEDNESDAY, 02/22/2012, AT
9:00 AM., STATE CAPITOL, CONFERENCE ROOM 209

Dear Honorable Chair Rosalyn Baker, Vice Chair Brian Taniguchi, and
Members of the Senate Committee on Commerce and Consumer Protection:

PETITION:

We support passage of Senate Bill SB2453 which provides for the establishment of a process in which the third licensed or certified, unbiased real estate appraisers appointed in arbitration proceedings to determine the fair market value, fair market rental or fair and reasonable rent of real property is selected from a list of appraisers provided by the DCCA and which allows for out of state appraisers to be utilized as long as such appraisers meets statutory and other requirements.

Hawaii has historically had a small number of real estate appraisers that have been involved in rent arbitration proceedings. In many cases, the appointed appraisers were advocates of either the lessor and/or the lessee. This inevitably led to possible conflicts of interest or bias resulting in very disparate values. This bill if passed would allow for valuation of rents that are fair and reasonable.

We urge your approval of this bill.

Print Name	Signature	Address
Anthony P. Mantzjak	<i>A. Mantzjak</i>	520 Lunalilo Home Rd. #115 96825
Linda L. Mantzjak	<i>Linda L. Mantzjak</i>	520 Lunalilo Home Rd. #115 96825

FEBRUARY 16, 2012

VIA FACSIMILE 508-333-3333

Honorable Senator ROSALYN M. Baker, Chair
Honorable Senator BRIAN T. Taniguchi, Vice Chair
Senate Members of Committee on Commerce and Consumer Protection

RE: TESTIMONY IN SUPPORT OF SENATE BILL SB2453 - RELATING TO
ARBITRATION - HEARING SCHEDULED FOR WEDNESDAY, 02/22/2012, AT
9:00 AM., STATE CAPITOL, CONFERENCE ROOM 229

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Members of the Senate Committee on Commerce and Consumer Protection:

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We urge your approval of this bill.

Print Name	Signature	Address
DAVID LAU	<i>[Signature]</i>	535 PARKER ST. HONOLULU, HI 96816
PATRICIA LAU	<i>[Signature]</i>	535 PARKER ST. HONOLULU, HI 96816
CHARLOTTE WONG	<i>[Signature]</i>	535 PARKER ST. HONOLULU, HI 96816

February 7, 2012

VIA FACSIMILE 586-6071

Honorable Senator Rosalyn H. Baker, Chair
Honorable Senator Brian T. Taniguchi, Vice Chair
Senate Members of Committee on Commerce and Consumer Protection

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This inevitably led to possible conflicts of interest or bias resulting in very
disparate values. This bill if passed would bring equity and fairness to the
process of determining fair market value or fair and reasonable rent of real
property.

I urge your approval of this bill.

Please approve SB2453.

Aloha,



ANTHONY MARRYAK, 520 Lunalilo Home Road, #115, Honolulu, Hawaii 96825

February 7, 2012

VIA FACSIMILE 586-9873

Honorable Senator Rosalyn H. Baker, Chair
Honorable Senator Brian T. Taniguchi, Vice Chair
Senate Members of Committee on Commerce and Consumer Protection

RE: TESTIMONY IN SUPPORT OF SENATE BILL SB2453 - RELATING TO
ARBITRATION - HEARING SCHEDULED FOR WEDNESDAY, 02/22/2012, AT
9:00 AM, STATE CAPITOL, CONFERENCE ROOM 229

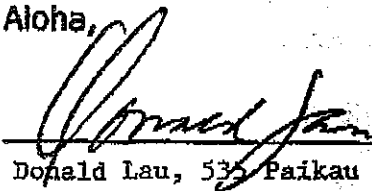
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This inevitably led to possible conflicts of interest or bias resulting in very
disparate values. This bill if passed would allow for valuation of rents that
are fair and reasonable.

Please approve SB2453.

Aloha,



Donald Lau, 535 Paikau Street, Honolulu, Hawaii 96816

February 7, 2012

VIA FACSIMILE
586-6071

Honorable Senator Rosalyn H. Baker, Chair
Honorable Senator Brian T. Taniguchi, Vice Chair
Senate Members of Committee on Commerce and Consumer Protection

**RE: TESTIMONY IN SUPPORT OF SENATE BILL SB2453 - RELATING TO
ARBITRATION - HEARING SCHEDULED FOR WEDNESDAY,
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Please approve SB2453.

Aloha,



Martin Lee, 2206 University Avenue, Honolulu, Hawaii 96822

February 6, 2012

VIA FACSIMILE
586-6071

Honorable Senator Rosalyn H. Baker, Chair
Honorable Senator Brian T. Taniguchi, Vice Chair
Senate Members of Committee on Commerce and Consumer Protection

RE: TESTIMONY IN SUPPORT OF SENATE BILL SB2453 - RELATING TO
ARBITRATION - HEARING SCHEDULED FOR WEDNESDAY, 02/22/2012, AT
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Members of the Senate Committee on Commerce and Consumer Protection:

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I urge your approval of this bill.

Please approve SB2453.

Aloha,



DALE RHEE, 1729 Nalulu Place, Honolulu, Hawaii 96821

TERESA BRINK WONG

1836 Punahou Street, Honolulu, Hawaii 96822

February 3, 2012

VIA FACSIMILE
586-6071

VIA EMAIL

Honorable Senator Rosalyn H. Baker, Chair
Honorable Senator Brian T. Taniguchi, Vice Chair
Senate Members of Committee on Commerce and Consumer Protection

**RE: TESTIMONY IN SUPPORT OF SENATE BILL SB2453 - RELATING TO
ARBITRATION - HEARING SCHEDULED FOR WEDNESDAY, 02/22/2012, AT
9:00 A.M., STATE CAPITOL, CONFERENCE ROOM 229**

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I urge your approval of this bill.

Please approve SB2453.

Aloha,



JENNA WONG

1836 Punahou Street, Honolulu, Hawaii 96822

February 3, 2012

VIA FACSIMILE
586-6071

VIA EMAIL

Honorable Senator Rosalyn H. Baker, Chair
Honorable Senator Brian T. Taniguchi, Vice Chair
Senate Members of Committee on Commerce and Consumer Protection

**RE: TESTIMONY IN SUPPORT OF SENATE BILL SB2453 - RELATING TO
ARBITRATION – HEARING SCHEDULED FOR WEDNESDAY, 02/22/2012, AT
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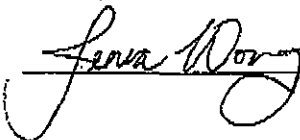
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I urge your approval of this bill.

Aloha,



AUDREY SAKAGUCHI

P. O. Box 240100, Honolulu, Hawaii 96824

February 2, 2012

VIA FACSIMILE
586-6071

VIA EMAIL

Honorable Senator Rosalyn H. Baker, Chair
Honorable Senator Brian T. Taniguchi, Vice Chair
Senate Members of Committee on Commerce and Consumer Protection

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I urge your approval of this bill.

Please approve SB2453.

Aloha,



GILBERT SAKAGUCHI

P. O. Box 240100, Honolulu, Hawaii 96824

February 2, 2012

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586-6071

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Please approve SB2453.

Aloha,



DARRYL P. WONG

1836 Punahou Street, Honolulu, Hawaii 96822

February 3, 2012

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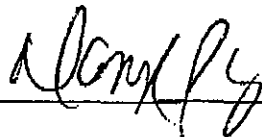
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Please approve SB2453.

Aloha,



NAPUALANI V. WONG

1577 Nehoa Street, Honolulu, Hawaii 96822

February 2, 2012

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586-6071

VIA EMAIL

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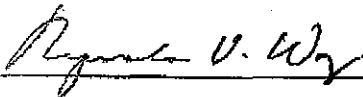
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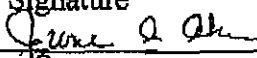

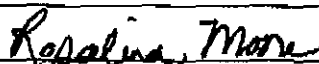

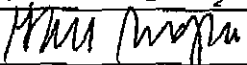
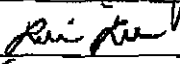


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Print Name	Signature	Address
JUNE A. AKINA		46298 Kahuapepe St Kaneohe 96744
Misty Torres		PO Box 25843 Honolulu 96825
ROSALIND MOORE		3358 ALOHA AVE. HONOLULU HI 96816
Ross Isaac		45507 Halekani St Kaneohe 96744
AMM MURPHY		1044 17th Ave Honolulu HI 96816
Lori Lee		906 6th Ave., Honolulu, HI 96816
Kayli Wong		1469 Kamehameha Dr. Kailua, HI 96734
Adeline Spencer		2004 Kulekole Dr. Honolulu HI 96816