Honolulu, Hawaii

February 27 , 2014

RE: H.B. No. 2043
        H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

        Your Committee on Consumer Protection & Commerce, to which
was referred H.B. No. 2043 entitled:

        "A BILL FOR AN ACT RELATING TO REAL ESTATE APPRAISERS,"

begs leave to report as follows:

        The purpose of this measure is to support the openness and
transparency originally contemplated in Act 227, Session Laws of
Hawaii 2011, by:

    (1)   Specifying that arbitration awards issued by a licensed
           or certified real estate appraiser to determine the fair
           market value, fair market rental, or fair and reasonable
           rent of real property shall be open to the public;

    (2)   Requiring real estate appraisers acting as arbitrators
           to record arbitration awards, records of the awards, and
           any supplementary, dissenting, or explanatory opinions
           with the Bureau of Conveyances; and

    (3)   Clarifying that failure to comply with reporting
           requirements shall be a violation of the license or
           certification requirements applicable to real estate
           appraisers.

        Citizens for Fair Valuation; Bacon Universal Company, Inc.;
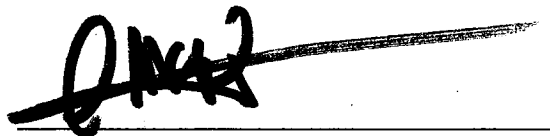and an individual testified in support of this measure.

HB2043 HD1 HSCR CPC HMS 2014-2039

Your Committee has amended this measure by:

(1) Inserting substantive content into the relevant existing statutory section, rather than creating a new section, and:

   (A) Specifying that all information required to be recorded in the Bureau of Conveyances shall be public records;

   (B) Specifying that recording requirements apply to real estate appraisers named or appointed as arbitrators in a submission agreement to appraise or arbitrate entered after July 1, 2014;

   (C) Prohibiting agreements between parties or appraisers that attempt to circumvent recording requirements; and

   (D) Deleting references to deeming a violation of recording requirements to be a violation of license or certification requirements;

(2) Changing its effective date to July 1, 2112, to encourage further discussion; and

(3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2043, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2043, H.D. 1, and be placed on the calendar for Third Reading.

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

ANGUS L.K. McKELVEY, Chair

State of Hawaii
House of Representatives
The Twenty-seventh Legislature

HSCR 668-14

Record of Votes of the Committee on Consumer Protection and Commerce

Bill/Resolution No.: HB 2043	Committee Referral: CPC	Date: 02/19/14

❏ The committee is reconsidering its previous decision on the measure.

The recommendation is to: ❏ Pass, unamended (as is) ☑ Pass, with amendments (HD) ❏ Hold
❏ Pass short form bill with HD to recommit for future public hearing (recommit)

CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	/			
2. KAWAKAMI, Derek S.K. (VC)	/			
3. BELATTI, Della Au	/			
4. BROWER, Tom	/			
5. CACHOLA, Romy M.	/			
6. CREAGAN, Richard	/			
7. EVANS, Cindy	/			
8. HAR, Sharon E.	MOX			/
9. ITO, Ken	/			
10. LEE, Chris	/			
11. NAKASHIMA, Mark M.	/			
12. OSHIRO, Marcus R.	/			MOX
13. TSUJI, Clift	/			
14. YAMANE, Ryan I.	/			
15. MCDERMOTT, Bob	/			
16. THIELEN, Cynthia	/			
TOTAL (16)	15			1

The recommendation is: ❏ Adopted ❏ Not Adopted

If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: _____

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