

STAND. COM. REP. NO. 3220

Honolulu, Hawaii

MAR 22 2024

RE: H.B. No. 2641
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred H.B. No. 2641, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO APPRAISAL MANAGEMENT COMPANIES,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Reestablish beginning September 30, 2024, the Appraisal Management Company Registration Program within the Department of Commerce and Consumer Affairs to conform with the minimum standards of the Appraisal Management Companies Final Rule and federal Dodd-Frank Wall Street Reform and Consumer Protection Act;
- (2) Reestablish registration requirements, standards, and penalties for violations; and
- (3) Make appropriations from the Compliance Resolution Fund.

Your Committee received testimony in support of this measure from the Hawai'i Association of REALTORS, Hawaii Financial Services Association, Real Estate Valuation Advocacy Association, Mortgage Bankers Association of Hawaii, Hawaii Bankers Association, Hawaii Credit Union League, and one individual.



Your Committee received comments on this measure from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs.

Your Committee finds that in 2017, the Legislature enacted Act 118, Session Laws of Hawaii 2017 (Act 118), formerly codified as chapter 466L, Hawaii Revised Statutes, to establish a regulatory framework for appraisal management companies in Hawaii in conformance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. However, the framework established by Act 118 was subject to a statutory sunset, and has since been repealed as of June 30, 2023. Your Committee finds that the continuation of the Appraisal Management Company Registration Program established by Act 118 is in the public's best interest, and that the lack of regulatory framework could result in serious unintended and adverse consequences for Hawaii consumers and others involved in the residential appraisal process in the State. Therefore, this measure permanently reenacts the Appraisal Management Company Registration Program established by Act 118.

Your Committee has amended this measure by:

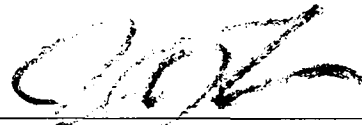
- (1) Changing the commencement date for the reestablishment of the Appraisal Management Company Registration Program from September 30, 2024, to September 1, 2024;
- (2) Inserting language that repeals chapter 466L, Hawaii Revised Statutes; for the purposes of clarity; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes the testimony received from the Professional and Vocational Licensing Division of the Department of Commerce and Consumer Affairs, requesting that the sums of \$23,000 each for fiscal years 2023-2024 and 2024-2025 be appropriated out of the Compliance Resolution Fund to cover the costs of reestablishing and maintaining the Program. Therefore, your Committee respectfully requests that your Committee on Ways and Means consider inserting these appropriation amounts, should it choose to deliberate on this measure.



As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2641, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2641, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

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




JARRETT KEOHOKALOLE, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2641, HD1	CPN, WAM	3/14/24		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
MCKELVEY, Angus L.K.	✓			
RICHARDS, III, Herbert M. "Tim"	✓			
AWA, Brenton	✓			
TOTAL	5			
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

*Only one measure per Record of Votes