STAND. COM. REP. NO. 1495

Honolulu, Hawaii Aoril 8, 2011

RE: S.B. No. 975 S.D. 1 H.D. 2

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Sixth State Legislature Regular Session of 2011 State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and Judiciary, to which was referred S.B. No. 975, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO APPRAISALS,"

beg leave to report as follows:

The purpose of this bill is to require real estate appraisers to comply with the Uniform Standards of Professional Appraisal Practice (USPAP) when acting as an arbitrator in an arbitration proceeding to determine the fair market value, fair market rental value, or fair and reasonable rent of real estate.

Sentinel Silent Alarm Co., Sony Hawaii, the Sand Island Business Association, and numerous concerned individuals supported this measure. The Department of Land and Natural Resources, the Department of Commerce and Consumer Affairs, the Hawaii Chapter of the Appraisal Institute, the Land Use Research Foundation of Hawaii, and a concerned individual opposed this bill.

Your Committees have amended this bill by:

 Mandating appraisers participating in an arbitration to certify compliance with USPAP in the arbitration rather than only being required to comply with USPAP;



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- (2) Allowing the parties to an arbitration to agree that the USPAP should prevail over the State Arbitration Act;
- (3) Providing that an agreement to arbitrate shall govern in the event of a conflict between USPAP and Chapter 658A, Hawaii Revised Statutes;
- (4) Deleting reference to "The Appraisal Foundation" as the developer of the USPAP; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 975, S.D. 1, H.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 975, S.D. 1, H.D. 2.

> Respectfully submitted on behalf of the members of the Committees on Consumer Protection & Commerce and Judiciary,

GILBERT KEITH-Chair AN.

ROBERT N. HERKES, Chair



State of Hawaii House of Representatives The Twenty-sixth Legislature



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB975 SD1 HD1	ERB, UC	JUD Date:	3/30/	2011			
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. HERKES, Robert N. (C)							
2. YAMANE, Ryan I. (VC)							
3. BROWER, Tom							
4. CABANILLA, Rida T.R.							
5. CARROLL, Mele							
6. ITO, Ken							
7. KEITH-AGARAN, Gilbert S.C.							
8. LUKE, Sylvia	<u> </u>						
9. McKELVEY, Angus L.K.							
10. MORITA, Hermina M							
11. OSHIRO, Blake K.							
12. SOUKI, Joseph M.			~				
13. TSUJI, Clift							
14. CHING, Corinne W.L.				-			
15. MARUMOTO, Barbara C.							
16. THIELEN, Cynthia							
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TOTAL (16) (15)	70			5			
The recommendation is: Adopted If joint referral, did not support recommendation.							
Vice Chair's or designee's signature:							
Distribution: Original (White) Committee Duplicate (Yellow) Chief Clerk's Office Duplicate (Pink) HMSO							

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Record of Votes of the Committee on Judiciary

Bill/Resolution No.: SB 975,502,H01 Committee Referral: ERB, CPC/JUD Date: 3/30/11						
The committee is reconsidering its previous decision on the measure.						
The recommendation is to: Image: Pass, unamended (as is) Image: Pass, with amendments (HD) Image: Hold Image: Pass short form bill with HD to recommit for future public hearing (recommit)						
JUD Members	Ayes	Ayes (WR)	Nays	Excused		
1. KEITH-AGARAN, Gilbert S.C. (C)	<u> </u>					
2. RHOADS, Karl (VC)	\checkmark					
3. BROWER, Tom	/					
4. CABANILLA, Rida T.R.						
5. CARROLL, Mele						
6. HERKES, Robert N.	/					
7. ITO, Ken				-		
8. LUKE, Sylvia						
9. McKELVEY, Angus L.K.						
10. MORITA, Hermina M.						
11. OSHIRO, Blake K.	~			1		
12. SOUKI, Joseph M.						
13. TSUJI, Clift						
14. FONTAINE, George R.						
15. MARUMOTO, Barbara C.						
16. THIELEN, Cynthia	~					
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TOTAL (165 (15)	10	0	0	5		
The recommendation is: Adopted If joint referral, did not support recommendation.						
Vice Chair's or designee's signature:						
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO						