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# A BILL FOR AN ACT

RELATING TO APPRAISAL MANAGEMENT COMPANIES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the Dodd-Frank Wall  
2 Street Reform and Consumer Protection Act of 2010 (Dodd-Frank  
3 Act) required, among other things, federal regulatory agencies  
4 to establish minimum requirements for state registration and  
5 supervision of appraisal management companies. While states  
6 were not required to enact these minimum requirements, if a  
7 state failed to do so by August 10, 2018, certain appraisal  
8 management companies would be barred from providing services for  
9 federally related transactions within that state.

10           In response, the legislature enacted Act 118, Session Laws  
11 of Hawaii 2017 (Act 118), formerly codified as chapter 466L,  
12 Hawaii Revised Statutes, to establish a regulatory framework for  
13 appraisal management companies in Hawaii in conformance with the  
14 Dodd-Frank Act. However, the framework established by Act 118  
15 was subject to a statutory sunset, and has since been repealed  
16 as of June 30, 2023.



1           The legislature finds that the continuation of the  
2 appraisal management company registration program established by  
3 Act 118 is in the public's best interest. The lack of a program  
4 could result in serious unintended and adverse consequences for  
5 Hawaii consumers and others involved in the residential  
6 appraisal process in the State, especially because a large  
7 source of Hawaii's funding for residential mortgage loans comes  
8 from lenders outside the State that frequently employ appraisal  
9 management companies to perform appraisals relating to those  
10 loans. The office of the auditor likewise concluded in its  
11 sunset review of Act 118 (Report No. 23-01) that, while  
12 appraisal management companies are not a "profession" or  
13 "vocation" that would require regulation pursuant to the Hawaii  
14 Regulatory Licensing Reform Act, the public interest justifies  
15 the reenactment of the appraisal management company registration  
16 program.

17           Accordingly, the purpose of this Act is to permanently  
18 reenact the appraisal management company registration program  
19 established by Act 118.



1 SECTION 2. The Hawaii Revised Statutes is amended by  
2 adding a new chapter to be appropriately designated and to read  
3 as follows:

4 "CHAPTER

5 APPRAISAL MANAGEMENT COMPANIES

6 § -1 Findings and purpose. The legislature finds that  
7 the regulation of appraisal management companies is essential to  
8 protect consumers. The legislature further finds that it is  
9 necessary to establish a regulatory framework for appraisal  
10 management companies in the State in conformity with the  
11 requirements of the Dodd-Frank Wall Street Reform and Consumer  
12 Protection Act, Pub. L. No. 111-203, and the final regulations  
13 published on June 9, 2015, at title 12 Code of Federal  
14 Regulations, sections 1222.20, et seq., 80 Federal Register  
15 32657 et seq. The purpose of this chapter is to establish  
16 minimum requirements for the regulation of certain non-federally  
17 regulated appraisal management companies.

18 § -2 Definitions. As used in this chapter, unless the  
19 context otherwise requires:



1 "Affiliate" has the same meaning as defined under title 12  
2 United States Code section 1841, or any successor federal  
3 statute.

4 "AMC national registry" means the registry of state-  
5 registered appraisal management companies and federally  
6 regulated appraisal management companies maintained by the  
7 Appraisal Subcommittee.

8 "Appraisal management company" means a person that:

- 9 (1) Provides appraisal management services to creditors or  
10 secondary mortgage market participants, including  
11 affiliates;
- 12 (2) Provides appraisal management services in connection  
13 with valuing a consumer's principal dwelling as  
14 security for a consumer credit transaction or  
15 incorporating these transactions into securitizations;  
16 and
- 17 (3) Within a twelve-month calendar year, beginning  
18 January 1 of each year and ending on December 31 of  
19 each year, oversees an appraiser panel of more than  
20 fifteen state-certified or state-licensed appraisers  
21 in a state or twenty-five or more state-certified or



1 state-licensed appraisers in two or more states, as  
2 described in section -5.

3 "Appraisal management company" does not include a department or  
4 division of an entity that provides appraisal management  
5 services only to that entity.

6 "Appraisal management services" means one or more of the  
7 following:

- 8 (1) Recruiting, selecting, and retaining appraisers;
- 9 (2) Contracting with state-certified or state-licensed  
10 appraisers to perform appraisal assignments;
- 11 (3) Managing the process of having an appraisal performed,  
12 including providing administrative services such as  
13 receiving appraisal orders and appraisal reports,  
14 submitting completed appraisal reports to creditors  
15 and secondary market participants; collecting fees  
16 from creditors and secondary market participants for  
17 services provided; and paying appraisers for services  
18 performed; and
- 19 (4) Reviewing and verifying the work of appraisers.

20 "Appraiser panel" means a network, list, or roster of  
21 licensed or certified appraisers approved by an appraisal



1 management company to perform appraisals as independent  
2 contractors for the appraisal management company. Appraisers on  
3 an appraisal management company's "appraiser panel" include:

4 (1) Appraisers accepted by the appraisal management  
5 company for consideration for future appraisal  
6 assignments in covered transactions or for secondary  
7 mortgage market participants in connection with  
8 covered transactions; and

9 (2) Appraisers engaged by the appraisal management company  
10 to perform one or more appraisals in covered  
11 transactions or for secondary mortgage market  
12 participants in connection with covered transactions.

13 For purposes of this chapter, an appraiser is an independent  
14 contractor if the appraiser is treated as an independent  
15 contractor by the appraisal management company for purposes of  
16 federal income taxation.

17 "Appraisal review" means the process of developing and  
18 communicating an opinion about the quality of another  
19 appraiser's work that was performed as part of an appraisal  
20 assignment or appraisal review assignment related to the  
21 appraiser's data collection, analysis, opinions, conclusions,



1 estimate of value, or compliance with the Uniform Standards of  
2 Professional Appraisal Practice.

3 "Appraisal review" does not include:

4 (1) A general examination for grammatical, typographical,  
5 mathematical, or other similar errors; or

6 (2) A general examination for completeness, including  
7 regulatory or client requirements as specified in the  
8 agreement process, that does not communicate an  
9 opinion of value.

10 "Appraisal Subcommittee" means the Appraisal Subcommittee  
11 of the Federal Financial Institutions Examination Council  
12 created pursuant to title XI of the federal Financial  
13 Institutions Reform, Recovery, and Enforcement Act of 1989.

14 "Consumer credit" means credit offered or extended to a  
15 consumer primarily for personal, family, or household purposes.

16 "Controlling person" means:

17 (1) An officer, director, or owner of greater than a ten  
18 per cent interest of a corporation, partnership, or  
19 other business entity seeking to act as an appraisal  
20 management company in the State;



1           (2) An individual employed, appointed, or authorized by an  
2           appraisal management company who has the authority to:

3           (A) Enter a contractual relationship with other  
4           persons for performance of services requiring  
5           registration as an appraisal management company;  
6           and

7           (B) Enter agreements with appraisers for the  
8           performance of appraisals; or

9           (3) An individual who possesses, directly or indirectly,  
10          the power to direct or cause the direction of the  
11          management or policies of an appraisal management  
12          company.

13          "Covered transaction" means any consumer credit transaction  
14          secured by the consumer's principal dwelling.

15          "Creditor" means a person who regularly extends consumer  
16          credit that is subject to a finance charge or is payable by  
17          written agreement in more than four installments (not including  
18          a down payment) and to whom the obligation is initially payable,  
19          either on the face of the note or contract, or by agreement when  
20          there is no note or contract.

21          A person regularly extends consumer credit if:



1           (1) The person extended credit (other than credit subject  
2           to the requirements of title 12 Code of Federal  
3           Regulations section 1026.32) more than five times for  
4           transactions secured by a dwelling in the preceding  
5           calendar year. If a person did not meet these  
6           numerical standards in the preceding calendar year,  
7           the numerical standards shall be applied to the  
8           current calendar year; or

9           (2) In any twelve-month period, the person extends more  
10          than one credit extension that is subject to the  
11          requirements of title 12 Code of Federal Regulations  
12          section 1026.32 or one or more credit extensions  
13          through a mortgage broker.

14          "Department" means the department of commerce and consumer  
15          affairs.

16          "Director" means the director of commerce and consumer  
17          affairs.

18          "Dwelling" means a residential structure that contains one  
19          to four units, whether or not that structure is attached to real  
20          property. "Dwelling" includes an individual condominium unit,  
21          cooperative unit, mobile home, and trailer, if it is used as a



1 residence. A consumer shall have only one principal dwelling at  
2 a time. A vacation or other second home is not considered a  
3 principal dwelling; provided that for purposes of this  
4 definition, if a consumer buys or builds a new dwelling that  
5 will become the consumer's principal dwelling within a year or  
6 upon the completion of construction, the new dwelling shall be  
7 considered the principal dwelling.

8 "Federally regulated appraisal management company" means an  
9 appraisal management company that is owned and controlled by an  
10 insured depository institution, as defined in title 12 United  
11 States Code section 1813, and regulated by the Office of the  
12 Comptroller of the Currency, the Board of Governors of the  
13 Federal Reserve System, or the Federal Deposit Insurance  
14 Corporation.

15 "Federally related transaction" means any real estate-  
16 related financial transaction that involves an insured  
17 depository institution regulated by the Office of the  
18 Comptroller of the Currency, Board of Governors of the Federal  
19 Reserve System, Federal Deposit Insurance Corporation, or  
20 National Credit Union Administration, and that requires the  
21 services of an appraiser under the interagency appraisal rules.



1 "Person" means a natural person or an organization,  
2 including a corporation, partnership, proprietorship,  
3 association, cooperative, estate, trust, or government unit.

4 "Real estate-related financial transaction" means any  
5 transaction involving the sale, lease, purchase, investment in,  
6 or exchange of real property, including interests in property or  
7 the financing thereof, including the refinancing of real  
8 property or interests in real property and the use of real  
9 property or interests in property as security for a loan or  
10 investment, including mortgage-backed securities.

11 "Secondary mortgage market participant" means a guarantor  
12 or insurer of mortgage-backed securities or an underwriter or  
13 issuer of mortgage-backed securities. "Secondary mortgage  
14 market participant" only includes an individual investor in a  
15 mortgage-backed security if that investor also serves in the  
16 capacity of a guarantor, insurer, underwriter, or issuer for the  
17 mortgage-backed security.

18 "Uniform Standards of Professional Appraisal Practice"  
19 means the most recent iteration of the Uniform Standards of  
20 Professional Appraisal Practice developed by the appraisal



1 standards board of The Appraisal Foundation and approved by the  
2 director.

3       **§ -3 Appraisal management company registration program.**

4 There is established an appraisal management company  
5 registration program, subject to the real estate appraiser  
6 program established pursuant to section 466K-2, to be  
7 administered by the director in the director's capacity as the  
8 program administrator for both programs.

9       **§ -4 Powers and duties of the director.** In addition to  
10 any other powers and duties authorized by law, the director  
11 shall have the following powers and duties:

- 12       (1) Review and approve or deny an appraisal management  
13       company's application for initial registration;
- 14       (2) Renew or deny an appraisal management company's  
15       registration periodically;
- 16       (3) Examine the books and records of an appraisal  
17       management company operating in the State and require  
18       the appraisal management company to submit reports,  
19       information, and documents;



- 1           (4) Verify that the appraisers on the appraisal management  
2           company's appraiser panel hold valid state licenses or  
3           certifications, as applicable;
- 4           (5) Conduct investigations of appraisal management  
5           companies to assess potential violations of applicable  
6           appraisal-related laws, regulations, or orders;
- 7           (6) Discipline, suspend, terminate, or deny renewal of the  
8           registration of an appraisal management company that  
9           violates applicable appraisal-related laws,  
10          regulations, or orders;
- 11          (7) Report an appraisal management company's violation of  
12          applicable appraisal-related law, regulations, or  
13          orders, as well as disciplinary and enforcement  
14          actions and other relevant information about an  
15          appraisal management company's operations, to the  
16          Appraisal Subcommittee; and
- 17          (8) Adopt, amend, and repeal rules, pursuant to chapter  
18          91, as may be necessary to establish the appraisal  
19          management company registration program and implement,  
20          administer, and enforce this chapter.



1           §   -5 Appraiser panel; annual size calculation. (a) For  
2 purposes of determining whether an appraisal entity meets the  
3 size requirement of an appraisal management company, as that  
4 term is defined in section   -2, an appraiser shall be deemed  
5 part of the appraisal management company's appraiser panel as of  
6 the earliest date on which the appraisal management company:

7           (1) Accepts the appraiser for the appraisal management  
8               company's consideration for future appraisal  
9               assignments in covered transactions or for secondary  
10              mortgage market participants in connection with  
11              covered transactions; or

12           (2) Engages the appraiser to perform one or more  
13              appraisals on behalf of a creditor for covered  
14              transactions or a secondary mortgage market  
15              participant in connection with covered transactions.

16           (b) An appraiser who is deemed part of the appraisal  
17 management company's appraiser panel pursuant to subsection (a)  
18 shall be deemed to remain on the appraiser panel until the date  
19 on which the appraisal management company:

20           (1) Sends written notice to the appraiser removing the  
21              appraiser from the appraiser panel, with an



1 explanation of the appraisal management company's  
2 action; or

3 (2) Receives written notice from the appraiser asking to  
4 be removed from the appraiser panel or notice of the  
5 death or incapacity of the appraiser.

6 (c) If an appraiser is removed from an appraisal  
7 management company's appraiser panel pursuant to subsection (b),  
8 and the appraisal management company subsequently accepts the  
9 appraiser for consideration for future assignments or engages  
10 the appraiser at any time during the twelve months after the  
11 appraiser's removal:

12 (1) The removal shall be deemed not to have occurred; and

13 (2) The appraiser shall be deemed to have been part of the  
14 appraisal management company's appraiser panel without  
15 interruption.

16 § -6 **Registration required.** (a) No person may directly  
17 or indirectly engage or attempt to engage in business as an  
18 appraisal management company, directly or indirectly perform or  
19 attempt to perform appraisal management services, or advertise  
20 or hold oneself out as engaging in or conducting business as an



1 appraisal management company without first being registered  
2 pursuant to this chapter.

3 (b) An appraisal management company shall:

4 (1) Register with the real estate appraiser program  
5 administered by the department pursuant to chapter  
6 466K;

7 (2) Engage only state-licensed or state-certified  
8 appraisers for federally related transactions in  
9 conformity with any federally related transaction  
10 regulations;

11 (3) Establish and comply with processes and controls  
12 reasonably designed to ensure that the appraisal  
13 management company, in engaging an appraiser, selects  
14 an appraiser who is independent of the transaction and  
15 has the requisite education, expertise, and experience  
16 necessary to competently complete the appraisal  
17 assignment for the particular market and property  
18 type;

19 (4) Direct an appraiser to perform the assignment in  
20 accordance with the Uniform Standards of Professional  
21 Appraisal Practice; and



- 1           (5) Establish and comply with processes and controls  
2           reasonably designed to ensure that the appraisal  
3           management company conducts its appraisal management  
4           services in accordance with the requirements of  
5           section 129E(a) through 129E(i) of the Truth in  
6           Lending Act, title 15 United States Code sections  
7           1639e(a) through 1639e(i), and regulations adopted  
8           thereunder.
- 9           (c) This section shall not apply to:
- 10          (1) A person that exclusively employs appraisers on an  
11          employer and employee basis for the performance of  
12          appraisals in this State;
- 13          (2) A federally regulated appraisal management company;
- 14          (3) A department or unit within a financial institution  
15          that is subject to direct regulation by an agency of  
16          the federal government that is a member of the Federal  
17          Financial Institutions Examination Council or its  
18          successor, or to regulation by the commissioner of  
19          financial institutions under chapter 412, that  
20          receives a request for the performance of an appraisal  
21          from one employee of the financial institution, and



1 another employee of the same financial institution  
2 assigns the request for the appraisal to an appraiser  
3 that is an independent contractor to the institution,  
4 except that an appraisal management company that is a  
5 wholly owned subsidiary of a financial institution  
6 shall not be considered a department or unit within a  
7 financial institution to which the provisions of this  
8 chapter do not apply; or

9 (4) An appraiser who enters into an agreement with another  
10 appraiser for the performance of an appraisal that  
11 upon completion results in a report signed by both the  
12 appraiser who completed the appraisal and the  
13 appraiser who requested the completion of the  
14 appraisal.

15 (d) Any person who engages in an activity requiring  
16 registration as an appraisal management company issued by the  
17 director and who fails to obtain the required registration, or  
18 who uses any work, title, or representation to induce the false  
19 belief that the person is registered to engage in said activity,  
20 shall be guilty of a misdemeanor and shall be subject to a fine  
21 of not more than \$1,000 or imprisoned not more than one year, or



1 both, and each day of violation shall be deemed a separate  
2 offense.

3 (e) The director may maintain a suit to enjoin the  
4 performance or the continuance of any act or acts by a person  
5 acting without a registration where a registration is required  
6 by law, and if injured thereby, for the recovery of damages.

7 § -7 **Registration process.** An applicant for  
8 registration under this chapter shall file an application for  
9 registration with the director on a form prescribed by the  
10 director and pay a fee established by the director. The form  
11 shall require any information necessary to determine eligibility  
12 for registration.

13 § -8 **Criminal history record checks.** (a) The  
14 application submitted pursuant to section -7 shall contain  
15 the information and authorizations necessary to conduct a  
16 criminal history record check in accordance with section 846-2.7  
17 for:

- 18 (1) Each person applying for registration who owns more  
19 than ten per cent of an appraisal management company;  
20 and  
21 (2) Each of the applicant's controlling persons.



1 (b) The information and authorizations shall be  
2 accompanied by the appropriate payment of the applicable fee for  
3 each record check.

4 § -9 Appraisal management company registration numbers.

5 (a) The director shall issue a unique registration number to  
6 each appraisal management company registered in this State.

7 (b) The director shall maintain a list of the appraisal  
8 management companies that are registered with the director.

9 (c) An appraisal management company registered in this  
10 State shall place its registration number on engagement  
11 documents utilized by the appraisal management company to  
12 procure appraisal services in this State.

13 § -10 Expiration of registration. Registrations shall  
14 expire on December 31 of each odd-numbered year. The expiration  
15 date of the registration shall appear on the appraisal  
16 management company registration certificate issued to the  
17 registrant, and no other notice of its expiration need be given  
18 to the registrant.

19 § -11 Compliance with the Uniform Standards of  
20 Professional Appraisal Practice. As a condition of registration  
21 or renewal of registration, each appraisal management company in



1 the State shall certify that the company requires appraisers  
2 completing appraisals at the company's request to comply with  
3 the Uniform Standards of Professional Appraisal Practice.

4 § -12 Consent to service of process. An applicant for  
5 registration under this chapter that is not domiciled in the  
6 State shall complete an irrevocable consent to service of  
7 process, in a form approved by the attorney general.

8 § -13 Reporting requirements; non-federally regulated  
9 appraisal management companies. The director shall collect from  
10 each appraisal management company registered or seeking  
11 registration in the State all information and fees required by  
12 the Appraisal Subcommittee to be submitted to the Appraisal  
13 Subcommittee by the State, pursuant to regulations or guidance  
14 promulgated by the Appraisal Subcommittee.

15 § -14 Reporting requirements; federally regulated  
16 appraisal management companies; reporting information for  
17 appraisal management companies. A federally regulated appraisal  
18 management company operating in the State shall report to the  
19 director the information required to be submitted by the State  
20 to the Appraisal Subcommittee, pursuant to the Appraisal  
21 Subcommittee's policies regarding the determination of the AMC



1 national registry fee. These reporting requirements shall  
2 include:

- 3 (1) A notice of intent to operate in the State;
- 4 (2) Information related to whether the appraisal  
5 management company is owned in whole or in part,  
6 directly or indirectly, by any person who has had an  
7 appraiser license or certification refused, denied,  
8 canceled, surrendered in lieu of revocation, or  
9 revoked in any state for a substantive cause, as  
10 determined by the Appraisal Subcommittee; and
- 11 (3) If a person has had action taken on the person's  
12 appraisal license or certification, the director shall  
13 collect information related to whether the license or  
14 certification was revoked for a substantive cause and  
15 if the license or certification has been reinstated by  
16 the state or states in which the appraiser was  
17 licensed or certified.

18 § -15 **Owner requirements.** (a) An appraisal management  
19 company applying for, holding, or renewing a registration under  
20 this chapter shall not be owned, in whole or in part, directly  
21 or indirectly, by any person who has had an appraiser license or



1 certification refused, denied, canceled, surrendered in lieu of  
2 revocation, or revoked in any state for a substantive cause, as  
3 determined by the appropriate state appraiser certifying and  
4 licensing agency; provided that an appraisal management company  
5 may be registered under this chapter if the license or  
6 certification of the appraiser with an ownership interest was  
7 not revoked for a substantive cause and the license or  
8 certification has been reinstated by the state in which the  
9 appraiser was licensed or certified.

10 (b) Each person that owns more than ten per cent of an  
11 appraisal management company and applies for, holds, or renews a  
12 registration under this chapter shall:

13 (1) Be of good moral character; and

14 (2) Submit to a criminal history record check pursuant to  
15 section -8.

16 § -16 **Controlling person.** An appraisal management  
17 company applying for registration or renewal of registration in  
18 the State shall designate one controlling person to serve as the  
19 main contact for all communication between the department and  
20 the company. The controlling person shall:



- 1           (1) Be in good standing in the State and in any other
- 2           state that has at any time issued the controlling
- 3           person an appraiser license or certification; provided
- 4           that nothing in this chapter shall require that a
- 5           designated controlling person hold or continue to hold
- 6           an appraiser license or certification in any
- 7           jurisdiction;
- 8           (2) Never have had an appraiser license or certification
- 9           in this State or any other state refused, denied,
- 10          canceled, revoked, or surrendered in lieu of a pending
- 11          disciplinary proceeding in any jurisdiction and not
- 12          have had the license or certification subsequently
- 13          reinstated or granted;
- 14          (3) Be of good moral character; and
- 15          (4) Submit to a criminal history record check pursuant to
- 16          section       -8.

17        **§ -17 Appraiser engagement.** Before or at the time of

18 placing an assignment to appraise real property in the State

19 with an appraiser on the appraiser panel of an appraisal

20 management company, the appraisal management company shall

21 verify that the appraiser receiving the assignment holds an



1 appraiser license or certification in good standing in this  
2 State and verify that the appraiser receiving the assignment  
3 meets the competency rule of the Uniform Standards of  
4 Professional Appraisal Practice. An attestation provided by an  
5 appraiser that the appraiser is geographically competent within  
6 the appraiser's scope of practice shall satisfy an appraisal  
7 management company's responsibility under this section.

8       § -18 **Appraisal review.** Any employee of or independent  
9 contractor to an appraisal management company who performs an  
10 appraisal review for a property located in this State shall be a  
11 licensed or certified appraiser in good standing in the State  
12 and any other jurisdiction in which the appraiser is licensed or  
13 certified.

14       § -19 **Verification of licensure or certification.** (a)  
15 An appraisal management company registered in the State may not  
16 enter into any contract or agreement with an appraiser for the  
17 performance of appraisals in the State unless the company  
18 verifies that the appraiser is licensed or certified in good  
19 standing in the State.

20       (b) An appraisal management company seeking registration  
21 or renewal of registration in the State shall certify that the



1 company has a system and process in place to verify that an  
2 individual added to the appraiser panel of the company for  
3 appraisal services holds an appraiser license or certification  
4 in good standing in this State.

5       § -20 **Fee disclosure.** An appraisal management company  
6 registered in the State shall not prohibit an independent  
7 appraiser who is part of the appraiser panel from recording the  
8 fee that the appraiser was paid by the appraisal management  
9 company for the performance of an appraisal within the  
10 communication of the appraisal.

11       § -21 **Retention of records.** (a) Each appraisal  
12 management company seeking registration or renewal of  
13 registration in the State shall certify that the appraisal  
14 management company maintains a detailed record of each service  
15 request the company receives for appraisals of real property  
16 located in the State.

17       (b) An appraisal management company registered in the  
18 State shall retain all records required to be maintained under  
19 this chapter for at least five years after the file is submitted  
20 to the appraisal management company or at least two years after  
21 final disposition of any related judicial proceeding of which



1 the appraisal management company is provided notice, whichever  
2 period expires last.

3 (c) All records required to be maintained pursuant to this  
4 section shall be made available for inspection by the director  
5 upon request.

6 § -22 **Payments to appraisers.** (a) An appraisal  
7 management company shall, except in bona fide cases of breach of  
8 contract or substandard performance of services, make payment to  
9 an independent appraiser for the completion of an appraisal or  
10 valuation assignment within forty-five days of the date on which  
11 the appraiser transmits or otherwise provides the completed  
12 appraisal or valuation assignment to the appraisal management  
13 company or the company's assignee, unless a mutually agreed-upon  
14 alternate arrangement has been previously established.

15 (b) An appraisal management company seeking registration  
16 or renewal of registration shall certify that the company will  
17 require appraisals to be conducted independently, as required by  
18 the appraisal independence requirements under section 129E of  
19 the Truth in Lending Act, title 15 United States Code section  
20 1639e, including the requirement that a customary and reasonable  
21 fee be paid to an independent appraiser who completes an



1 appraisal in connection with a consumer credit transaction  
2 secured by the principal dwelling.

3       § -23 **Appraiser independence.** (a) It shall be a  
4 violation of this chapter for any employee, director, officer,  
5 or agent of an appraisal management company registered in this  
6 State to engage in any act or practice that violates appraisal  
7 independence as described in subsection (b).

8       (b) For purposes of subsection (a), acts or practices that  
9 violate appraisal independence shall include:

10       (1) Any appraisal of a property offered as security for  
11 repayment of the consumer credit transaction that is  
12 conducted in connection with a transaction in which a  
13 person with an interest in the underlying transaction  
14 compensates, coerces, extorts, colludes, instructs,  
15 induces, bribes, or intimidates a person, appraisal  
16 management company, firm, or other entity conducting  
17 or involved in an appraisal, or attempts to  
18 compensate, coerce, extort, collude, instruct, induce,  
19 bribe, or intimidate a person, for the purpose of  
20 causing the appraisal value assigned, under the



1 appraisal, to the property to be based on any fact  
2 other than the independent judgment of the appraiser;

3 (2) Mischaracterizing, or suborning any  
4 mischaracterization of, the appraised value of the  
5 property securing the extension of credit;

6 (3) Seeking to influence an appraiser or otherwise to  
7 encourage a targeted value in order to facilitate the  
8 making or pricing of the transaction; and

9 (4) Withholding or threatening to withhold timely payment  
10 for an appraisal report or for appraisal services  
11 rendered when the appraisal report or services are  
12 provided in accordance with the contract between the  
13 parties.

14 (c) The requirements of subsections (a) and (b) shall not  
15 be construed as prohibiting an appraisal management company,  
16 employee of an appraisal management company, consumer, or any  
17 other person with an interest in a real estate transaction from  
18 asking an appraiser to:

19 (1) Consider additional appropriate property information,  
20 including the consideration of additional comparable  
21 properties to make or support an appraisal;



1 (2) Provide further detail, substantiation, or explanation  
2 for the appraiser's consideration in the appraisal; or

3 (3) Correct objective errors in the appraisal report.

4 (d) Any appraisal management company, employee of an  
5 appraisal management company, or any other person involved in a  
6 real estate transaction involving an appraisal in connection  
7 with a consumer credit transaction who has a reasonable basis to  
8 believe an appraiser is failing to comply with the Uniform  
9 Standards of Professional Appraisal Practice, is violating  
10 applicable laws, or is otherwise engaging in unethical or  
11 unprofessional conduct, shall refer the matter to the director.

12 (e) Every appraisal management company shall establish and  
13 comply with processes and controls reasonably designed to ensure  
14 that the appraisal management company, in engaging an appraiser,  
15 selects an appraiser who is independent of the transaction and  
16 who has the requisite education, expertise, and experience  
17 necessary to competently complete the appraisal assignment for  
18 the particular market and property type. Every appraisal  
19 management company shall establish and comply with processes and  
20 controls reasonably designed to ensure that the appraisal  
21 management company conducts its appraisal management services in



1 accordance with the requirements of title 15 United States Code  
2 section 1639e(a) through (i), and regulations adopted  
3 thereunder.

4       § -24 **Mandatory reporting of violations.** An appraisal  
5 management company that has a reasonable basis to believe an  
6 appraiser has materially failed to comply with applicable laws  
7 or rules or has materially violated the Uniform Standards of  
8 Professional Appraisal Practice shall refer the matter to the  
9 director in conformance with applicable federal laws and  
10 regulations.

11       § -25 **Prohibited conduct.** (a) No employee, director,  
12 officer, agent, independent contractor, or other third party  
13 acting on behalf of an appraisal management company shall:

14       (1) Procure or attempt to procure a registration or  
15           renewal by knowingly making a false statement,  
16           submitting false information, or refusing to provide  
17           complete information in response to a question in an  
18           application for registration or renewal;

19       (2) Wilfully violate this chapter or rules adopted by the  
20           director pursuant to this chapter;



- 1           (3) Improperly influence or attempt to improperly
- 2           influence the development, reporting, result, or
- 3           review of an appraisal through intimidation, coercion,
- 4           extortion, bribery, or any other manner, including but
- 5           not limited to:
  - 6           (A) Withholding payment for appraisal services;
  - 7           (B) Threatening to exclude an appraiser from future
  - 8           work or threatening to demote or terminate the
  - 9           appraiser in order to improperly obtain a desired
  - 10          result;
  - 11          (C) Conditioning payment of an appraisal fee upon the
  - 12          opinion, conclusion, or valuation to be reached;
  - 13          or
  - 14          (D) Requesting that an appraiser report a
  - 15          predetermined opinion, conclusion, or valuation
  - 16          or the desired valuation of any person or entity;
- 17          (4) Alter, amend, or change an appraisal report submitted
- 18          by an appraiser without the appraiser's knowledge and
- 19          written consent;
- 20          (5) Remove an independent appraiser from an appraiser
- 21          panel without prior written notice to the appraiser;



1 provided that the prior written notice shall include  
2 the following, if applicable:

3 (A) The appraiser's illegal conduct;

4 (B) The appraiser's violation of the Uniform  
5 Standards of Professional Appraisal Practice,  
6 this chapter, or rules adopted pursuant to this  
7 chapter;

8 (C) The appraiser's improper or unprofessional  
9 conduct; or

10 (D) The appraiser's substandard performance or other  
11 substantive deficiencies;

12 (6) Require an appraiser to sign any indemnification  
13 agreement that would require the appraiser to defend  
14 and hold harmless the appraisal management company or  
15 any of its agents or employees for any liability,  
16 damage, losses, or claims arising out of the services  
17 performed by the appraisal management company or its  
18 agents, employees, or independent contractors, and not  
19 the services performed by the appraiser;

20 (7) Prohibit lawful communications between the appraiser  
21 and any other person to whom the appraiser, in the



1 appraiser's professional judgment, believes possesses  
2 information that would be relevant;

3 (8) Engage in any other act or practice that impairs or  
4 attempts to impair a real estate appraiser's  
5 independence, objectivity, and impartiality;

6 (9) Fail to timely respond to any subpoena or other  
7 request for information;

8 (10) Fail to timely obey an administrative order of the  
9 director or department; or

10 (11) Fail to cooperate in any investigation.

11 (b) Nothing in this chapter shall prevent an appraisal  
12 management company from requesting an appraiser to provide  
13 additional information about the basis for a valuation, correct  
14 objective factual errors in an appraisal report, or consider  
15 additional appropriate property information.

16 § -26 **Disciplinary proceedings.** The director may deny,  
17 suspend, or revoke the registration of an appraisal management  
18 company; impose a monetary penalty of an amount not to exceed  
19 \$5,000 per violation; issue a letter of reprimand; refuse to  
20 issue or renew the registration of an appraisal management  
21 company; or take other disciplinary action against an appraisal



1 management company for any one or more of the following acts or  
2 conditions:

- 3 (1) The applicant is not of a good moral character;
- 4 (2) The applicant has had a registration revoked or  
5 suspended for cause, or surrendered in lieu of  
6 disciplinary proceedings;
- 7 (3) The applicant, upon renewal of registration, would not  
8 be eligible for registration on a first application;
- 9 (4) The issuance of a registration would result in a  
10 violation of this chapter or any rules adopted  
11 pursuant to this chapter;
- 12 (5) In the conduct of affairs under the registration, the  
13 registrant has demonstrated incompetency,  
14 untrustworthiness, or conduct or practices rendering  
15 the registrant unfit to carry on appraisal management  
16 services; made continuance in the business detrimental  
17 to the public interest; or is no longer carrying on  
18 appraisal management services in good faith, and for  
19 this conduct is found by the director to be a source  
20 of detriment, injury, or loss to the public;



1 (6) The appraisal management company committed any act in  
2 violation of this chapter;

3 (7) The appraisal management company violated any rule  
4 adopted by the department in the interest of the  
5 public and consistent with this chapter;

6 (8) The appraisal management company procured a  
7 registration or renewal of registration for the  
8 appraisal management company or intentionally  
9 committed any other act by fraud, misrepresentation,  
10 or deceit; or

11 (9) The appraisal management company violates this  
12 chapter, chapter 436B, or any rule or order of the  
13 director.

14 § -27 Fees; bond required. (a) The director may charge  
15 the appraisal management company reasonable fees to offset costs  
16 of operating the appraisal management company registration  
17 program established pursuant to this chapter. The following  
18 fees shall apply:

19 (1) Nonrefundable application fee...\$60;

20 (2) Biennial registration fee...\$4,200; and

21 (3) Biennial compliance resolution fund fee...\$500.



1 In addition, upon the issuance of a new registration and at each  
2 renewal period, each appraisal management company shall pay a  
3 special assessment fee of \$300 that shall be deposited into the  
4 compliance resolution fund established pursuant to section  
5 26-9(o). Fees assessed pursuant to this chapter shall be used  
6 to defray costs incurred by the department in implementing this  
7 chapter.

8 (b) Pursuant to section 26-9(1), the director shall  
9 establish other fees relating to the administration of this  
10 chapter by rule.

11 (c) Each appraisal management company applying for or  
12 renewing a registration shall post with the director and  
13 maintain a surety bond in the amount of \$25,000 as follows:

- 14 (1) The bond shall be in a form satisfactory to the  
15 director;
- 16 (2) The bond shall accrue to the program for the benefit  
17 of a claimant against the registrant to secure the  
18 faithful performance of the registrant's obligations  
19 under applicable laws and rules and to a real estate  
20 appraiser who has performed an appraisal for the  
21 registrant for which the appraiser has not been paid;



- 1           (3) The aggregate liability of the surety shall not exceed  
2           the principal sum of the bond;
- 3           (4) A party having a claim against the registrant may  
4           bring suit directly on the surety bond, or the  
5           director may bring suit on behalf of the party having  
6           a claim against the registrant, either in one action  
7           or in successive actions;
- 8           (5) A claim reducing the face amount of the bond shall be  
9           annually restored upon renewal of the registrant's  
10          registration;
- 11          (6) The bond shall remain in effect until cancellation,  
12          which may occur only after ninety days' written notice  
13          to the program administrator. Cancellation shall not  
14          affect any liability incurred or accrued during that  
15          period; and
- 16          (7) Upon termination or cancellation of the bond required  
17          in this subsection, a registered appraisal management  
18          company shall file a replacement bond or shall  
19          surrender its registration to do business in the State  
20          and shall immediately cease operation as an appraisal  
21          management company in the State. A registered



1 appraisal management company that voluntarily ceases  
2 operations in this State shall ensure a surety bond  
3 remains in place for not less than two years after the  
4 registered appraisal management company ceases  
5 operations.

6 § -28 Federal registry requirements. (a) The director  
7 shall collect from each appraisal management company registered  
8 or seeking to be registered in this State the information that  
9 the Appraisal Subcommittee requires to be submitted to it by the  
10 State pursuant to regulations or guidance adopted by the  
11 Appraisal Subcommittee.

12 (b) A federally regulated appraisal management company  
13 operating in this State shall report to the director the  
14 information required to be submitted by the State to the  
15 Appraisal Subcommittee, pursuant to the Appraisal Subcommittee's  
16 policies regarding the determination of the AMC national  
17 registry fee. These reports shall include:

18 (1) A report to the director of the intent of the  
19 federally regulated appraisal management company to  
20 operate in this State;



1           (2) Information related to whether the appraisal  
2           management company is owned in whole or in part,  
3           directly or indirectly, by any person who has had an  
4           appraiser license or certificate refused, denied,  
5           canceled, surrendered in lieu of revocation, or  
6           revoked in any state for a substantive cause, as  
7           determined by the Appraisal Subcommittee; and

8           (3) If the person or persons has had action taken on their  
9           appraisal license, the director shall collect  
10          information related to whether the license was revoked  
11          for a substantive cause and if it has been reinstated  
12          by the state or states in which the appraiser was  
13          licensed.

14          § -29 **Exemption.** This chapter shall not apply to an  
15          appraiser who enters an agreement with another appraiser for the  
16          performance of an appraisal that, upon completion, results in a  
17          report signed by the appraiser who completed the appraisal and  
18          the appraiser who requested completion of the appraisal."

19          SECTION 3. Section 26H-4, Hawaii Revised Statutes, is  
20          amended to read as follows:



1           "§26H-4 Repeal dates for newly enacted professional and  
 2 vocational regulatory programs. (a) Any professional or  
 3 vocational regulatory program enacted after January 1, 1994, and  
 4 listed in this section shall be repealed as specified in this  
 5 section. The auditor shall perform an evaluation of the  
 6 program, pursuant to section 26H-5, prior to its repeal date.

7           ~~[(b) Chapter 466L (appraisal management companies) shall~~  
 8 ~~be repealed on June 30, 2023.~~

9           ~~(e)]~~ (b) Chapter 457J (midwives) shall be repealed on  
 10 June 30, 2025."

11           SECTION 4. Section 846-2.7, Hawaii Revised Statutes, is  
 12 amended by amending subsection (b) to read as follows:

13           "(b) Criminal history record checks may be conducted by:

14           (1) The department of health or its designee on operators  
 15 of adult foster homes for individuals with  
 16 developmental disabilities or developmental  
 17 disabilities domiciliary homes and their employees, as  
 18 provided by section 321-15.2;

19           (2) The department of health or its designee on  
 20 prospective employees, persons seeking to serve as  
 21 providers, or subcontractors in positions that place



- 1           them in direct contact with clients when providing  
2           non-witnessed direct mental health or health care  
3           services as provided by section 321-171.5;
- 4           (3) The department of health or its designee on all  
5           applicants for licensure or certification for,  
6           operators for, prospective employees, adult  
7           volunteers, and all adults, except adults in care, at  
8           healthcare facilities as defined in section 321-15.2;
- 9           (4) The department of education on employees, prospective  
10          employees, and teacher trainees in any public school  
11          in positions that necessitate close proximity to  
12          children as provided by section 302A-601.5;
- 13          (5) The counties on employees and prospective employees  
14          who may be in positions that place them in close  
15          proximity to children in recreation or child care  
16          programs and services;
- 17          (6) The county liquor commissions on applicants for liquor  
18          licenses as provided by section 281-53.5;
- 19          (7) The county liquor commissions on employees and  
20          prospective employees involved in liquor



- 1 administration, law enforcement, and liquor control  
2 investigations;
- 3 (8) The department of human services on operators and  
4 employees of child caring institutions, child placing  
5 organizations, and resource family homes as provided  
6 by section 346-17;
- 7 (9) The department of human services on prospective  
8 adoptive parents as established under section  
9 346-19.7;
- 10 (10) The department of human services or its designee on  
11 applicants to operate child care facilities, household  
12 members of the applicant, prospective employees of the  
13 applicant, and new employees and household members of  
14 the provider after registration or licensure as  
15 provided by section 346-154, and persons subject to  
16 section 346-152.5;
- 17 (11) The department of human services on persons exempt  
18 pursuant to section 346-152 to be eligible to provide  
19 child care and receive child care subsidies as  
20 provided by section 346-152.5;



- 1       (12) The department of health on operators and employees of  
2           home and community-based case management agencies and  
3           operators and other adults, except for adults in care,  
4           residing in community care foster family homes as  
5           provided by section 321-15.2;
- 6       (13) The department of human services on staff members of  
7           the Hawaii youth correctional facility as provided by  
8           section 352-5.5;
- 9       (14) The department of human services on employees,  
10          prospective employees, and volunteers of contracted  
11          providers and subcontractors in positions that place  
12          them in close proximity to youth when providing  
13          services on behalf of the office or the Hawaii youth  
14          correctional facility as provided by section 352D-4.3;
- 15      (15) The judiciary on employees and applicants at detention  
16          and shelter facilities as provided by section 571-34;
- 17      (16) The department of corrections and rehabilitation on  
18          employees and prospective employees who are directly  
19          involved with the treatment and care of persons  
20          committed to a correctional facility as provided by  
21          section 353-1.5 and the department of law enforcement



1 on employees and prospective employees whose duties  
2 involve or may involve the exercise of police powers  
3 including the power of arrest as provided by section  
4 353C-5;

5 (17) The board of private detectives and guards on  
6 applicants for private detective or private guard  
7 licensure as provided by section 463-9;

8 (18) Private schools and designated organizations on  
9 employees and prospective employees who may be in  
10 positions that necessitate close proximity to  
11 children; provided that private schools and designated  
12 organizations receive only indications of the states  
13 from which the national criminal history record  
14 information was provided pursuant to section 302C-1;

15 (19) The public library system on employees and prospective  
16 employees whose positions place them in close  
17 proximity to children as provided by section  
18 302A-601.5;

19 (20) The State or any of its branches, political  
20 subdivisions, or agencies on applicants and employees  
21 holding a position that has the same type of contact



1 with children, vulnerable adults, or persons committed  
2 to a correctional facility as other public employees  
3 who hold positions that are authorized by law to  
4 require criminal history record checks as a condition  
5 of employment as provided by section 78-2.7;

6 (21) The department of health on licensed adult day care  
7 center operators, employees, new employees,  
8 subcontracted service providers and their employees,  
9 and adult volunteers as provided by section 321-15.2;

10 (22) The department of human services on purchase of  
11 service contracted and subcontracted service providers  
12 and their employees and volunteers, as provided by  
13 sections 346-2.5 and 346-97;

14 (23) The department of human services on foster grandparent  
15 program, senior companion program, and respite  
16 companion program participants as provided by section  
17 346-97;

18 (24) The department of human services on contracted and  
19 subcontracted service providers and their current and  
20 prospective employees that provide home and community-  
21 based services under section 1915(c) of the Social



1 Security Act, title 42 United States Code section  
2 1396n(c), or under any other applicable section or  
3 sections of the Social Security Act for the purposes  
4 of providing home and community-based services, as  
5 provided by section 346-97;

6 (25) The department of commerce and consumer affairs on  
7 proposed directors and executive officers of a bank,  
8 savings bank, savings and loan association, trust  
9 company, and depository financial services loan  
10 company as provided by section 412:3-201;

11 (26) The department of commerce and consumer affairs on  
12 proposed directors and executive officers of a  
13 nondepository financial services loan company as  
14 provided by section 412:3-301;

15 (27) The department of commerce and consumer affairs on the  
16 original chartering applicants and proposed executive  
17 officers of a credit union as provided by section  
18 412:10-103;

19 (28) The department of commerce and consumer affairs on:  
20 (A) Each principal of every non-corporate applicant  
21 for a money transmitter license;



1 (B) Each person who upon approval of an application  
2 by a corporate applicant for a money transmitter  
3 license will be a principal of the licensee; and

4 (C) Each person who upon approval of an application  
5 requesting approval of a proposed change in  
6 control of licensee will be a principal of the  
7 licensee,

8 as provided by sections 489D-9 and 489D-15;

9 (29) The department of commerce and consumer affairs on  
10 applicants for licensure and persons licensed under  
11 title 24;

12 (30) The Hawaii health systems corporation on:

13 (A) Employees;

14 (B) Applicants seeking employment;

15 (C) Current or prospective members of the corporation  
16 board or regional system board; or

17 (D) Current or prospective volunteers, providers, or  
18 contractors,

19 in any of the corporation's health facilities as  
20 provided by section 323F-5.5;

21 (31) The department of commerce and consumer affairs on:



- 1           (A) An applicant for a mortgage loan originator
- 2                 license, or license renewal; and
- 3           (B) Each control person, executive officer, director,
- 4                 general partner, and managing member of an
- 5                 applicant for a mortgage loan originator company
- 6                 license or license renewal,
- 7                 as provided by chapter 454F;
- 8       (32) The state public charter school commission or public
- 9                 charter schools on employees, teacher trainees,
- 10                prospective employees, and prospective teacher
- 11                trainees in any public charter school for any position
- 12                that places them in close proximity to children, as
- 13                provided in section 302D-33;
- 14       (33) The counties on prospective employees who work with
- 15                children, vulnerable adults, or senior citizens in
- 16                community-based programs;
- 17       (34) The counties on prospective employees for fire
- 18                department positions that involve contact with
- 19                children or vulnerable adults;



- 1           (35) The counties on prospective employees for emergency  
2                    medical services positions that involve contact with  
3                    children or vulnerable adults;
- 4           (36) The counties on prospective employees for emergency  
5                    management positions and community volunteers whose  
6                    responsibilities involve planning and executing  
7                    homeland security measures including viewing,  
8                    handling, and engaging in law enforcement or  
9                    classified meetings and assisting vulnerable citizens  
10                  during emergencies or crises;
- 11          (37) The State and counties on employees, prospective  
12                  employees, volunteers, and contractors whose position  
13                  responsibilities require unescorted access to secured  
14                  areas and equipment related to a traffic management  
15                  center;
- 16          (38) The State and counties on employees and prospective  
17                  employees whose positions involve the handling or use  
18                  of firearms for other than law enforcement purposes;
- 19          (39) The State and counties on current and prospective  
20                  systems analysts and others involved in an agency's  
21                  information technology operation whose position



- 1           responsibilities provide them with access to  
2           proprietary, confidential, or sensitive information;
- 3       (40) The department of commerce and consumer affairs on:
- 4           (A) Applicants for real estate appraiser licensure or  
5           certification as provided by chapter 466K;
- 6           (B) Each person who owns more than ten per cent of an  
7           appraisal management company who is applying for  
8           registration as an appraisal management company,  
9           as provided by section [~~466L-7~~]       -7; and
- 10          (C) Each of the controlling persons of an applicant  
11          for registration as an appraisal management  
12          company, as provided by section [~~466L-7~~]       -7;
- 13       (41) The department of health or its designee on all  
14       license applicants, licensees, employees, contractors,  
15       and prospective employees of medical cannabis  
16       dispensaries, and individuals permitted to enter and  
17       remain in medical cannabis dispensary facilities as  
18       provided under sections 329D-15(a)(4) and  
19       329D-16(a)(3);
- 20       (42) The department of commerce and consumer affairs on  
21       applicants for nurse licensure or license renewal,



1 reactivation, or restoration as provided by sections  
2 457-7, 457-8, 457-8.5, and 457-9;

3 (43) The county police departments on applicants for  
4 permits to acquire firearms pursuant to section 134-2,  
5 on individuals registering their firearms pursuant to  
6 section 134-3, and on applicants for new or renewed  
7 licenses to carry a pistol or revolver and ammunition  
8 pursuant to section 134-9;

9 (44) The department of commerce and consumer affairs on:

10 (A) Each of the controlling persons of the applicant  
11 for licensure as an escrow depository, and each  
12 of the officers, directors, and principals who  
13 will be in charge of the escrow depository's  
14 activities upon licensure; and

15 (B) Each of the controlling persons of an applicant  
16 for proposed change in control of an escrow  
17 depository licensee, and each of the officers,  
18 directors, and principals who will be in charge  
19 of the licensee's activities upon approval of the  
20 application,

21 as provided by chapter 449;



- 1           (45) The department of taxation on current or prospective  
2           employees or contractors who have access to federal  
3           tax information in order to comply with requirements  
4           of federal law, regulation, or procedure, as provided  
5           by section 231-1.6;
- 6           (46) The department of labor and industrial relations on  
7           current or prospective employees or contractors who  
8           have access to federal tax information in order to  
9           comply with requirements of federal law, regulation,  
10          or procedure, as provided by section 383-110;
- 11          (47) The department of human services on current or  
12          prospective employees or contractors who have access  
13          to federal tax information in order to comply with  
14          requirements of federal law, regulation, or procedure,  
15          and on current or prospective employees, volunteers,  
16          contractors, or contractors' employees or volunteers,  
17          subcontractors, or subcontractors' employees or  
18          volunteers, whose position places or would place them  
19          in close proximity to minors, young adults, or  
20          vulnerable adults, as provided by section 346-2.5;



1 (48) The child support enforcement agency on current or  
2 prospective employees, or contractors who have access  
3 to federal tax information in order to comply with  
4 federal law, regulation, or procedure, as provided by  
5 section 576D-11.5;

6 (49) The department of the attorney general on current or  
7 prospective employees or employees or agents of  
8 contractors who have access to federal tax information  
9 to comply with requirements of federal law,  
10 regulation, or procedure, as provided by section  
11 28-17;

12 (50) The department of commerce and consumer affairs on  
13 each control person, executive officer, director,  
14 general partner, and managing member of an installment  
15 loan licensee, or an applicant for an installment loan  
16 license, as provided in chapter 480J;

17 (51) The University of Hawaii on current and prospective  
18 employees and contractors whose duties include  
19 ensuring the security of campus facilities and  
20 persons; and



1 (52) Any other organization, entity, or the State, its  
2 branches, political subdivisions, or agencies as may  
3 be authorized by state law."

4 SECTION 5. The department of commerce and consumer affairs  
5 may employ necessary personnel without regard to chapter 76,  
6 Hawaii Revised Statutes, to assist with the implementation and  
7 continuing function of this Act.

8 SECTION 6. There is appropriated out of the compliance  
9 resolution fund established pursuant to section 26-9(o), Hawaii  
10 Revised Statutes, the sum of \$ or so much thereof as  
11 may be necessary for fiscal year 2023-2024 to implement the  
12 appraisal management company registration program.

13 The sum appropriated shall be expended by the department of  
14 commerce and consumer affairs for the purposes of this Act.

15 SECTION 7. There is appropriated out of the compliance  
16 resolution fund established pursuant to section 26-9(o), Hawaii  
17 Revised Statutes, the sum of \$ or so much thereof as  
18 may be necessary for fiscal year 2024-2025 to implement the  
19 appraisal management company registration program.

20 The sum appropriated shall be expended by the department of  
21 commerce and consumer affairs for the purposes of this Act.



1 SECTION 8. The provisions of this Act shall be enforced to  
2 the extent they are not held to conflict with any federal law.  
3 If any provision of this Act is held in conflict with any  
4 federal law, this Act in its entirety, shall be invalid.

5 SECTION 9. Statutory material to be repealed is bracketed  
6 and stricken. New statutory material is underscored.

7 SECTION 10. This Act shall take effect on September 30,  
8 2024; provided that:

- 9 (1) Section 6 of this Act shall take effect on ,  
10 2024; and  
11 (2) Section 7 of this Act shall take effect on July 1,  
12 2024.



**Report Title:**

Appraisal Management Companies; Registration; Real Property;  
Appropriations; Compliance Resolution Fund

**Description:**

Reestablishes 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. Reestablishes registration requirements, standards, and penalties for violations. Makes appropriations from the Compliance Resolution Fund. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

