
A BILL FOR AN ACT

RELATING TO APPRAISALS.

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

SECTION 1. The purpose of this Act is to require a real estate appraiser to certify compliance with the Uniform Standards of Professional Appraisal Practice when acting as an appraiser or an arbitrator in an arbitration proceeding.

SECTION 2. Chapter 466K, Hawaii Revised Statutes, is amended by adding two new sections to be appropriately designated and to read as follows:

"§466K- Definitions. For the purposes of this chapter, unless the context otherwise requires:

"Arbitrator" means an individual appointed to render an award in a controversy that is subject to an agreement to arbitrate.

"Uniform Standards of Professional Appraisal Practice" means the most recent iteration of the Uniform Standards of Professional Appraisal Practice developed by the appraisal standards board of The Appraisal Foundation and approved by the director.

§466K- Appraisers in arbitration proceedings. In an arbitration proceeding to determine the fair market value, fair market rental, or fair and reasonable rent of real property where the arbitrator is a real estate appraiser licensed under chapter 466K, the record of an award shall include but not be limited to findings

of fact; the state-licensed appraiser's rationale for the award; the state-licensed appraiser's certification of compliance with the most current Uniform Standards of Professional Appraisal Practice as approved by the director; and information regarding the evidence, including the data, methodologies, and analysis that provided the basis for the award."

SECTION 3. Section 466K-4, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) No person may practice as a real estate appraiser in this State unless that person has been licensed or certified to practice in accordance with this chapter and rules adopted by the director of commerce and consumer affairs pursuant to chapter 91. All real estate appraisers who are licensed or certified to practice in this State shall comply with the current [~~uniform standards of professional appraisal practice~~] Uniform Standards of Professional Appraisal Practice approved by the director when performing appraisals in connection with a federally or non-federally related real estate transaction~~[-]~~, or certify compliance with the current Uniform Standards of Professional Appraisal Practice in connection with any arbitration proceeding to determine the fair market value, fair market rental value, or fair and reasonable rent of real estate."

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.

Report Title:

Real Estate Appraisal; Arbitration; Uniform Standards of Professional Appraisal Practice

Description:

Specifies required contents of the record of award when a certified real estate appraiser acts as an arbitrator in an arbitration proceeding to determine the fair market value, fair rental value, or fair and reasonable rent of real estate; requires certification of compliance with Uniform Standards of Professional Appraisal Practice. (CD1)

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