

Honolulu, Hawaii

APR 28 2011 , 2011

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

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

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

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 975, S.D. 1, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO APPRAISALS,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to require real estate appraisers to comply with the Uniform Standards of Professional Appraisal Practice 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.

Your Committee on Conference finds that licensed real estate appraisers often serve as arbitrators in proceedings to determine the fair market value, fair market rental value, or fair and reasonable rent of real estate. Real estate appraisers often provide appraisal services in connection with arbitration proceedings to determine the fair market value, fair market rental



value, or fair and reasonable rent of real estate. Whether acting in the capacity of arbitrator or appraiser in these proceedings, licensed real estate appraisers use their professional skills and substantive knowledge to make judgments on the value of real estate. Therefore, real estate appraisers should adhere to the same Uniform Standards of Professional Appraisal Practice regardless of whether they are acting in the capacity of a real estate appraiser or arbitrator.

Your Committee on Conference has amended this measure by:

- (1) Inserting language to specify that the record of an award in an arbitration proceeding to determine the fair market value, fair market rental, or fair and reasonable rental of real property where the arbitrator is a licensed real estate appraiser shall include findings of fact; rationale for the award; certification of the arbitrator's compliance with the Uniform Standards of Professional Appraisal Practice; and the data, methodologies, and analysis that provided the basis for the award;
- (2) Deleting a provision stating that an arbitration agreement shall prevail in the case of conflict between the arbitration agreement and the Uniform Standards of Professional Appraisal Practice;
- (3) Inserting an effective date of upon approval; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 975, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 975, S.D. 1, H.D. 2, C.D. 1.



Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



ANGUS L.K. MCKELVEY, Co-Chair



ROSALYN H. BAKER, Chair



ROBERT N. HERKES, Co-Chair



GILBERT KEITH-AGARAN, Co-Chair



Record of Votes of a
Conference Committee

Bill / Concurrent Resolution No.: SB 975, SD 1, HD 2	Date/Time: <i>4-27-2011 9:50 am</i>
--	--

The recommendation of the House and Senate managers is to pass with amendments (CD).

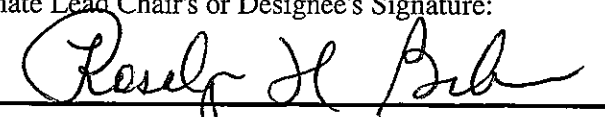
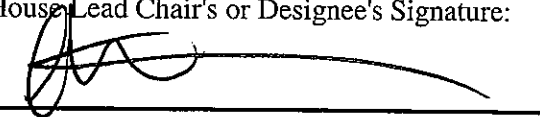
The Committee is reconsidering its previous decision.

<input type="checkbox"/> The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure	<input type="checkbox"/> The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.
---	---

Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
BAKER, Rosalyn H., Chr.	✓				MCKELVEY, Angus L.K., Co-Chr.	✓			
TANIGUCHI, Brian T.	✓				HERKES, Robert N., Co-Chr.	✓			
SLOM, Sam				✓	KEITH-AGARAN, Gilbert S.C., Co-Chr.				✓
					NAKASHIMA, Mark M.	✓			
					TSUJI, Clift	✓			
					RIVIERE, Gil	✓			
TOTAL	2	-	-	1	TOTAL	5	-	-	1

A = Aye WR = Aye with Reservations N = Nay E = Excused

Senate Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted	House Recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted
---	--

Senate Lead Chair's or Designee's Signature: 	House Lead Chair's or Designee's Signature: 
---	---

Distribution: Original Yellow Pink Goldenrod
 File with Conference Committee Report House Clerk's Office Senate Clerk's Office Drafting Agency