

JAN 28 2009

A BILL FOR AN ACT

RELATING TO REAL PROPERTY TRANSACTIONS.

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

1 SECTION 1. Chapter 518, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§518- Prohibition on transfer fees; covenants. (a) A
5 deed restriction or other covenant running with the land
6 applicable to the sale of residential real property that
7 requires a transferee of residential real property, or the
8 transferee's heirs, successors, and assigns, to pay to a
9 declarant or other person imposing a deed restriction or
10 covenant on the property or a third party designated by a
11 transferor of the property, a fee in connection with a future
12 transfer of the property shall be prohibited and unenforceable.
13 A deed restriction or other covenant running with the land that
14 violates this section, or a lien purporting to encumber the land
15 to secure a right under a deed restriction or other covenant
16 running with the land that violates this section is void and
17 unenforceable.



1 (b) This section shall not apply to a deed restriction or
2 other covenant running with the land that requires a fee
3 associated with the conveyance of property that is payable to a
4 government entity."

5 SECTION 2. Chapter 518, Hawaii Revised Statutes, is
6 amended by amending its title to read as follows:

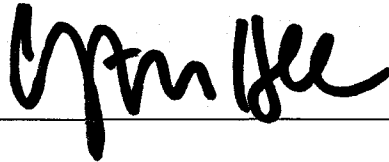
7 **"COVENANTS IN [~~LEASES~~] REAL PROPERTY TRANSACTIONS"**

8 SECTION 3. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 4. This Act shall take effect upon its approval.

11

INTRODUCED BY: _____



Report Title:

Real Property; Covenants

Description:

Prohibits a deed restriction or covenant that requires a transferee of real property to pay a transfer fee to the person imposing the deed restriction or covenant, in connection with a transfer of real property.

