

STAND. COM. REP. NO.

2462

Honolulu, Hawaii

MAR 01 2012

RE: S.B. No. 2184

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committee on Judiciary and Labor, to which was referred  
S.B. No. 2184 entitled:

"A BILL FOR AN ACT RELATING TO PRIVATE TRANSFER FEES,"

begs leave to report as follows:

The purpose and intent of this measure is to make permanent  
the law that prohibits private transfer fees for the future  
transfer of real property by repealing its sunset date.


Your Committee received testimony in support of this measure  
from the Hawaii Association of Realtors.

Your Committee finds that a private transfer fee is a fee  
imposed by a private party that requires the payment of a certain  
amount, usually a percentage of the sales price, for future  
conveyances of a property, potentially in perpetuity. Because  
private transfer fees are funds due at closing, they can be a  
substantial burden for real property buyers. Moreover, because  
these restrictions run with the land, these fees may not be  
disclosed to subsequent purchasers of the property. By  
prohibiting private transfer fees, this measure prevents such fees  
from creating a financial barrier to homeownership and from  
misuse.

As affirmed by the record of votes of the members of your  
Committee on Judiciary and Labor that is attached to this report,  
your Committee is in accord with the intent and purpose of S.B.  
No. 2184 and recommends that it pass Third Reading.



Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary and  
Labor,



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CLAYTON HEE, Chair



