

GOV. MSG. NO. 1142

EXECUTIVE CHAMBERS  
HONOLULU

NEIL ABERCROMBIE  
GOVERNOR

April 23, 2013

The Honorable Donna Mercado Kim,  
President  
and Members of the Senate  
Twenty-Seventh State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki,  
Speaker and Members of the  
House of Representatives  
Twenty-Seventh State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

This is to inform you that on April 23, 2013, the following bill was signed into law:

HB998

RELATING TO PRIVATE TRANSFER FEES  
ACT 042 (13)

*Aloha*  
Sincerely,  
*Neil Abercrombie*

NEIL ABERCROMBIE  
Governor, State of Hawaii

Approved by the Governor  
on APR 23 2013

ORIGINAL

ACT 042

HOUSE OF REPRESENTATIVES  
TWENTY-SEVENTH LEGISLATURE, 2013  
STATE OF HAWAII

H.B. NO. 998

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## A BILL FOR AN ACT

RELATING TO PRIVATE TRANSFER FEES.

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

1           SECTION 1. The legislature finds that Act 169, Session  
2 Laws of Hawaii 2010, temporarily prohibited the inclusion in a  
3 deed of a restriction or other covenant running with the land  
4 that requires a transferee of real property to pay a fee in  
5 connection with a future transfer of the property.

6           Prior to Act 169, there was no regulation over the  
7 imposition of private transfer fees, no limitation on the  
8 application of the fees, and no accountability or oversight of  
9 the recipients of the fees. To date, a total of thirty-six  
10 states have either banned or placed conditions on this practice.

11           The legislature further finds that at the federal level,  
12 the Federal Housing Finance Agency has implemented final rules  
13 limiting the Federal National Mortgage Association (Fannie Mae),  
14 the Federal Home Loan Mortgage Corporation (Freddie Mac), and  
15 the Federal Home Loan Banks from dealing in mortgages on  
16 properties encumbered by certain types of private transfer fee  
17 covenants and in certain related securities. Similar to Act  
18 169, the Federal Housing Finance Agency final rule excludes

2013-0562 HB SMA-1.doc



1 private transfer fees paid to homeowner associations,  
2 condominiums, cooperatives, and certain tax-exempt organizations  
3 that use private transfer fee proceeds to benefit the property.

4 The purpose of this Act is to permanently prohibit private  
5 transfer fees by eliminating the sunset date of Act 169.

6 SECTION 2. Act 169, Session Laws of Hawaii 2010, is  
7 amended by amending section 5 to read as follows:

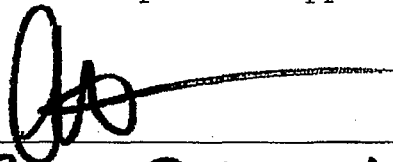
8 "SECTION 5. This Act shall take effect upon its approval[  
9 ~~and shall be repealed on June 30, 2015~~]."

10 SECTION 3. Statutory material to be repealed is bracketed  
11 and stricken.

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

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INTRODUCED BY:

  
Fide Antonio  
Brie Kefauver

JAN 22 2013



H.B. NO. 998

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APPROVED this 23 day of APR, 2013

A handwritten signature in black ink, reading "Neil Abernethy". The signature is written in a cursive style with a large initial "N".

GOVERNOR OF THE STATE OF HAWAII