

STAND. COM. REP. NO.

156

Honolulu, Hawaii

February 6, 2013

RE: H.B. No. 998

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Sir:

Your Committee on Water & Land, to which was referred H.B. No. 998 entitled:

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

begs leave to report as follows:

The purpose of this measure is to make permanent a prohibition of private transfer fees for real property.

More specifically, this measure proposes to prohibit the inclusion in a deed of a restriction or other covenant running with the land that requires a transferee of real property to pay a fee in connection with a future transfer of the property.

Your Committee finds that Act 169, Session Laws of Hawaii, 2010, provided a temporary prohibition on the inclusion in a deed of a restriction or other covenant running with the land that requires a transferee of real property to pay a fee in connection with a future transfer of the property. Prior to this Act, there was no state regulation of the imposition, application, or limitation of private transfer fees for future property transfers and, therefore, no oversight or accountability.

Your Committee finds that thirty-six other states have either banned or placed restrictions on private transfer fees, excluding the private transfer fees paid to homeowners associations, condominiums, cooperatives, and certain tax-exempt organizations that use private transfer fee proceeds to benefit the property. Your Committee also finds that Act 169, Session Laws of Hawaii is

HB998 HSCR LRB 13-1082.doc



to be repealed on June 30, 2015, but that the public would benefit from making the prohibition on private transfer fees for future transferees for real property permanent.

As affirmed by the record of votes of the members of your Committee on Water & Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 998 and recommends that it pass Second Reading and be referred to the Committees on Consumer Protection & Commerce and Judiciary.

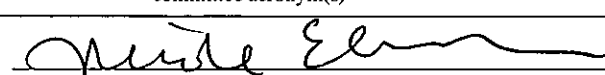
Respectfully submitted on
behalf of the members of the
Committee on Water & Land,


CINDY EVANS, Chair



State of Hawaii
House of Representatives
The Twenty-seventh Legislature

Record of Votes of the Committee on Water & Land

Bill/Resolution No.: HB 998	Committee Referral: WAL, CPC/JUD	Date: 2/4/13		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
WAL Members	Ayes	Ayes (WR)	Nays	Excused
1. EVANS, Cindy (C)	✓			
2. LOWEN, Nicole E. (VC)	✓			
3. COFFMAN, Denny				✓
4. CULLEN, Ty J.K.	✓	WAS		
5. HANOHANO, Faye P.				✓
6. KAWAKAMI, Derek S.K.	✓	WAS		
7. LEE, Chris	✓			
8. FALE, Richard Lee	✓			
9. THIELEN, Cynthia	✓			
TOTAL (9)	7			2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align:center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u></u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				