

Honolulu, Hawaii

February 28, 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 Committees on Consumer Protection & Commerce and
Judiciary, to which was referred H.B. No. 998 entitled:

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

beg leave to report as follows:

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

More specifically, this measure permanently prohibits 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.

Testimony in support of this measure was submitted by the
Hawaii Association of Realtors.

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 with respect to recipients of the fees. Your
Committees note that presently thirty-six states have either
banned or placed conditions on the use of private transfer fees.
Your Committees find that, if left unregulated, private transfer
fees for future property transfers may be misused or may create



significant financial barriers to homeownership for real property buyers. Accordingly, your Committees believe the prohibition on private transfer fees should be made permanent.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 998 and recommend that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committees on Consumer
Protection & Commerce and
Judiciary,



KARL RHOADS, Chair



ANGUS L.K. MCKELVEY, Chair



