

Honolulu, Hawaii

MAR 14 2013

RE: H.B. No. 998

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, 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 and intent of this measure is to permanently prohibit private transfer fees by eliminating the sunset date of Act 169, Session Laws of Hawaii 2010.

Your Committee received testimony in support of this measure from the Hawai'i Association of REALTORS.

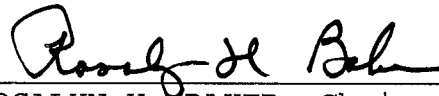
Your Committee finds that private transfer fees are fees imposed by private parties, through deed restrictions or covenants, on transferees of real property in connection with future conveyances of the property. Private transfer fees may be imposed as part of a new housing development on the initial and subsequent purchasers of a property.

Your Committee further finds that if left unregulated, private transfer fees may be misused or create significant barriers to homeownership. The Legislature passed Act 169, Session Laws of Hawaii 2010, in response to concerns over private transfer fees and their potential negative impacts on homeownership and property values. Your Committee additionally finds that as of 2011, thirty-six states had either banned or placed conditions on the use of private transfer fees. Accordingly, your Committee concludes that a permanent prohibition on the use of private transfer fees in the State is appropriate.



As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection 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 Committee on Judiciary and Labor.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



ROSALYN H. BAKER, Chair



