

STAND. COM. REP. NO.

1327

Honolulu, Hawaii

APR 05 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 Judiciary and Labor, 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 Hawaii Association of REALTORS and one individual.

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.

2013-1978 SSCR SMA.doc



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 H.B. No. 998, and recommends that it pass Third Reading.

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



---

CLAYTON HEE, Chair



