STAND. COM. REP. NO.

Honolulu, Hawaii **Ebruary 78**, 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



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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

CALL COLOR

ANGUS L.K. MCKELVEY, Chair



State of Hawaii House of Representatives The Twenty-seventh Legislature



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.:CommitteeH13GGWAWA	e Referral:	UD Date:	Date: 2/11/13					
The committee is reconsidering its previous decision on the measure.								
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Image: Pass short form bill with HD to recommit for future public hearing (recommit)								
CPC Members	Ayes	Ayes (WR)	Nays	Excused				
1. McKELVEY, Angus L.K. (C)								
2. KAWAKAMI, Derek S.K. (VC)								
3. BELATTI, Della Au								
4. BROWER, Tom								
5. CABANILLA, Rida T.R.			a ann .					
6. CACHOLA, Romy M.								
7. CARROLL, Mele		~						
8. EVANS, Cindy								
9. HAR, Sharon E.								
10. ITO, Ken	_			V				
11. LEE, Chris								
12. TSUJI, Clift								
13. YAMANE, Ryan I.								
14. MCDERMOTT, Bob								
15. THIELEN, Cynthia				V				
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TOTAL (15)	9			6				
The recommendation is: Adopted IN Not Adopted								
If joint referral did not support recommendation.								
Vice Chair's or designee's signature:								
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO								

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Record of Votes of the Committee on Judiciary

Bill/Resolution No.: HB 998	Committee Referral: WAL, CPC/JUD			Date: 2/11/13				
The committee is reconsidering its previous decision on the measure.								
The recommendation is to: A Pass, unamended (as is) Pass, with amendments (HD) Hold Image: Pass short form bill with HD to recommit for future public hearing (recommit)								
JUD Members		Ayes	Ayes (WI	R)	Nays	Excused		
1. RHOADS, Karl (C)								
2. HAR, Sharon E. (VC)								
3. BELATTI, Della Au						~		
4. BROWER, Tom		\checkmark						
5. CABANILLA, Rida T.R.								
6. CARROLL, Mele		/						
7. ITO, Ken								
8. KAWAKAMI, Derek S.K.		\checkmark						
9. LEE, Chris		<u>∕</u>						
10. TSUJI, Clift								
11. WOOLEY, Jessica								
12. MCDERMOTT, Bob		\checkmark						
13. THIELEN, Cynthia								
TOTAL (13)		7	Ô		0	6		
The recommendation is: Adopted I Not Adopted If joint referral,								
Vice Chair's or designee's signature: 12 Mbm								
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO								

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