

STAND. COM. REP. NO.

18

Honolulu, Hawaii

FEB 0 1 2013

RE: S.B. No. 503

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 S.B. No. 503 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 and Hawaii Land Title Association.

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.

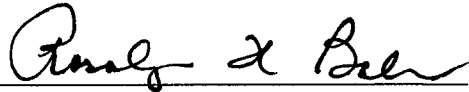
Your Committee further finds that if left unregulated, private transfer fees may be misused or create significant barriers to homeownership. The Legislature passed Act 169, Session Laws of Hawaii 2010, in response to concerns over private transfer fees and their potential negative impacts on homeownership and property values. Your Committee additionally finds that as of 2011, thirty-six states have 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 S.B. No. 503 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,

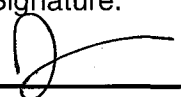


ROSALYN H. BAKER, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* SB503	Committee Referral: CPN, JDL	Date: 1/30/13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
GALUTERIA, Brickwood (VC)	✓			
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama	✓			
TANIGUCHI, Brian T.	✓			
WAKAI, Glenn				✓
SLOM, Sam	✓			
TOTAL	6	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes