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March 4, 2009

**The Honorable Brian T. Taniguchi, Chair**  
Senate Committee on Judiciary and Government Operations  
State Capitol, Room 219  
Honolulu, Hawaii 96813

**RE: S.B. 1241, S.D.1 Relating to Residential Real Property**  
**Decision Making: Thursday, March 5, 2009 at 9:45 a.m., Room 211**

Aloha Chair Taniguchi and Members of the Committee:

I am Gary Slovin with Goodsell Anderson Quinn & Stifel, here to testify on behalf of the Hawai'i Association of REALTORS® (HAR) and its 9,600 members in Hawai'i. HAR **supports** S.B. 1241, S.D.1, which prohibits private transfer fees required by a deed restriction or covenant, with certain exceptions.

Private transfer fees are deed restrictions or covenants imposed by an owner of real property, which require a fee to be paid to a specific individual or entity every time the property is sold. These restrictions run with the land and, oftentimes, are not disclosed to subsequent buyers until the closing of a property sale. Sometimes, such fees may be imposed as part of a new housing development upon the buyer and subsequent purchasers of the property. Presently, there is no regulation over the imposition of such fees, no limitation on the application of the fees, and no accountability or oversight of the recipients of the fees.

HAR believes that private transfer fees may create significant barriers to homeownership, particularly because these fees are typically imposed at the closing of a transaction. This puts a burden on the homeowner, at a critical time when money may already be short.

HAR supports S.B. 1241, S.D.1, which improves upon the original bill by including certain exceptions for customary administrative fees that are collected during property transfer transactions. We believe that this measure will provide needed regulation over private transfer fees, and for this reason urge your support of the bill.

Mahalo for the opportunity to testify on this measure.