

# As Introduced

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H. B. No. 292

Representatives Letson, Oelslager

Cosponsors: Representatives Yuko, Phillips, Ujvagi, Harwood, Domenick,  
Stebelton, Chandler, Luckie

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## A B I L L

To enact section 5301.057 of the Revised Code to 1  
prohibit transfer fee covenants in certain real 2  
estate transactions. 3

### BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

**Section 1.** That section 5301.057 of the Revised Code be 4  
enacted to read as follows: 5

**Sec. 5301.057.** (A) As used in this section: 6

(1) "Environmental covenant" means a servitude that imposes 7  
activity and use limitations on real property and meets the 8  
requirements of section 5301.82 of the Revised Code. 9

(2) "Transfer" means the sale, gift, conveyance, assignment, 10  
inheritance, or other transfer of an ownership interest in real 11  
property located in this state. 12

(3) "Transfer fee" means a fee or charge required by a 13  
transfer fee covenant and payable upon the transfer of an interest 14  
in real property, or payable for the right to make or accept such 15  
a transfer, regardless of whether the fee or charge is a fixed 16  
amount or is determined as a percentage of the value of the 17

property, the purchase price, or other consideration given for the  
transfer. The following are not transfer fees for purposes of this  
section:

(a) Any consideration payable by the grantee to the grantor  
for the interest in real property being transferred. For the  
purposes of division (A)(3)(a) of this section, an interest in  
real property includes a separate mineral estate and its  
appurtenant surface access rights.

(b) Any commission payable to a licensed real estate broker  
or salesperson for the transfer of real property pursuant to an  
agreement between the broker or salesperson and the grantor or the  
grantee;

(c) Any interest, charges, fees, or other amounts payable by  
a borrower to a lender pursuant to a loan secured by a mortgage  
against real property;

(d) Any rent, reimbursement, charge, fee, or other amount  
payable by a lessee to a lessor under a lease;

(e) Any consideration payable to the holder of an option to  
purchase an interest in real property or the holder of a right of  
first refusal or first offer to purchase an interest in real  
property for waiving, releasing, or not exercising the option or  
right upon the transfer of the property to another person;

(f) Any tax, fee, charge, assessment, fine, or other amount  
payable to or imposed by a governmental authority;

(g) Any fee, charge, assessment, fine, or other amount  
payable to a homeowners, condominium, cooperative, mobile home, or  
property owners association pursuant to a declaration or covenant  
or law applicable to the association;

(h) Any payment required pursuant to an environmental  
covenant.

(4) "Transfer fee covenant" means a declaration or covenant 48  
recorded against the title to real property that requires or 49  
purports to require the payment of a transfer fee to the declarant 50  
or other person specified in the declaration or covenant or to 51  
their successors or assigns upon a subsequent transfer of an 52  
interest in the real property. 53

(B) A transfer fee covenant recorded in this state on or 54  
after the effective date of this section does not run with the 55  
title to real property and is not binding on or enforceable 56  
against any subsequent owner, purchaser, or mortgagee of any 57  
interest in real property as an equitable servitude or otherwise. 58

(C) Any lien purporting to secure the payment of a transfer 59  
fee under a transfer fee covenant that is recorded in this state 60  
on or after the effective date of this section is void. 61