



3006

LINDA LINGLE  
GOVERNOR  
JAMES R. AIONA, JR.  
LT. GOVERNOR

STATE OF HAWAII  
OFFICE OF THE DIRECTOR  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
335 MERCHANT STREET, ROOM 310  
P.O. Box 541  
HONOLULU, HAWAII 96809  
Phone Number: 586-2850  
Fax Number: 586-2856  
www.hawaii.gov/dcca

LAWRENCE M. REIFURTH  
DIRECTOR

RONALD BOYER  
DEPUTY DIRECTOR

TO THE SENATE COMMITTEE ON  
COMMERCE, CONSUMER PROTECTION AND AFFORDABLE HOUSING  
THE TWENTY-FOURTH LEGISLATURE  
REGULAR SESSION OF 2008

Friday, February 1, 2008  
9:00 am  
Conference Room 229

**TESTIMONY ON SENATE BILL NO. 3006  
RELATING TO BUSINESS REGISTRATION**

TO THE HONORABLE RUSSELL KOKUBUN, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is Tung Chan, Commissioner of Securities of the Business Registration Division, Department of Commerce and Consumer Affairs ("Division"). The Division appreciates the opportunity to testify on Senate Bill No. 3006, an Administration bill relating to housekeeping measures for business registration. We strongly support this measure and respectfully request that the Committee pass Senate Bill No. 3006, as is.

This bill makes technical, housekeeping amendments to streamline and clarify the business registration laws and correct errors, ambiguities, and inconsistencies in the laws.

First, section 428-810, HRS, is amended to repeal a requirement that the Director of the Department of Commerce and Consumer Affairs deliver a copy of the decrees of termination of all administratively terminated LLCs to the Department of Taxation and to the financial officer of each county. This requirement was repealed for all other entity types in prior legislative sessions. This bill would simply conform the LLC law to those pertaining to other administratively terminated/dissolved entities.

Second, 414D-249(e), HRS, appears to conflict with section 414D-245(b)(3), HRS, regarding who shall have control over the winding-up of affairs when a nonprofit corporation dissolves. This bill clarifies that the trustees of a dissolved nonprofit corporation will be determined by the entity's articles of incorporation, rather than defaulting to the "last directors" of the entity.

The same issues arise for for-profit and professional corporations and sections 414-402 and 415A-18, HRS, are amended accordingly.

Third, in section 425E-811, HRS, a minor amendment is made by deleting the reference to a "dissolved" limited partnership and replacing it with an "administratively canceled" limited partnership. This is to conform the language to the manner in which limited partnerships are terminated.

Lastly, sections 414-433 and 414D-273, HRS, include minor amendments to make provisions regarding profit and nonprofit foreign corporations consistent with other entities by removing the requirement of stating a "period of duration" of the corporation.

I respectfully request your support of Senate Bill No. 3006 which will help improve the business climate in Hawaii. Thank you for the opportunity to testify. I will be happy to answer any questions the Committee may have.