
A BILL FOR AN ACT

RELATING TO NEGOTIABLE INSTRUMENTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Negotiable instruments have been abused,
2 endorsed in bank, lost, or not timely assigned to trusts; and
3 where negotiable instruments are not recorded for public
4 records, an electronic copy is sufficient evidence that the
5 person holding a "copy" is the actual holder. Advanced printing
6 technology can make copies that are almost perfect where only a
7 forensics examiner can tell the difference. Digital system
8 copies are not reliable sources of actual ownership.

9 SECTION 2. Section 490:1-201, Hawaii Revised Statutes, is
10 amended by amending the definition of "holder" to read as
11 follows:

12 ""Holder" means:

13 (1) The person in possession of a negotiable instrument
14 that is payable either to bearer or to an identified
15 person that is the person in possession; or

16 (2) The person in possession of a negotiable tangible
17 document of title if the goods are deliverable either



1 to bearer or to the order of the person in
2 possession [~~or~~].

3 [~~(3) The person in control of a negotiable electronic~~
4 ~~document of title.] "~~

5 SECTION 3. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: *Fidel Asturias*

JAN 26 2011



Report Title:

Negotiable Instruments; Holder Definition

Description:

Amends the definition of holder to exclude the person in control of a negotiable electronic document of title.

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