
A BILL FOR AN ACT

RELATING TO NEGOTIABLE INSTRUMENTS.

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

1 SECTION 1. Section 490:3-308, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:

3 "(b) If the validity of signatures is admitted or proved
4 and there is compliance with subsection (a), a plaintiff
5 producing the instrument is entitled to payment if the plaintiff
6 proves entitlement to enforce the instrument [~~under section~~
7 ~~490:3-301~~], unless the defendant proves a defense or claim in
8 recoupment. If a defense or claim in recoupment is proved, the
9 right to payment of the plaintiff is subject to the defense or
10 claim, except to the extent the plaintiff proves that the
11 plaintiff has rights of a holder in due course which are not
12 subject to the defense or claim."

13 SECTION 2. Section 490:3-103, Hawaii Revised Statutes, is
14 amended by deleting the definition of "Person entitled to
15 enforce".

16 "~~["Person entitled to enforce". Section 490:3-301.]~~"

17 SECTION 3. Section 490:3-301, Hawaii Revised Statutes, is
18 repealed.



1 "~~§490:3-301 Person entitled to enforce instrument.~~
2 "~~Person entitled to enforce~~" an instrument means (i) the holder
3 of the instrument, (ii) a nonholder in possession of the
4 instrument who has the rights of a holder, or (iii) a person not
5 in possession of the instrument who is entitled to enforce the
6 instrument pursuant to section 490:3-309 or 490:3-418(d). A
7 person may be a person entitled to enforce the instrument even
8 though the person is not the owner of the instrument or is in
9 wrongful possession of the instrument.]"

10 SECTION 4. Section 490:4-104, Hawaii Revised Statutes, is
11 amended by deleting the definition of "person entitled to
12 enforce".

13 "~~"Person entitled to enforce". Section 490:3-301.~~"

14 SECTION 5. This Act does not affect rights and duties that
15 matured, penalties that were incurred, and proceedings that were
16 begun before its effective date.

17 SECTION 6. Statutory material to be repealed is bracketed
18 and stricken.



1 SECTION 7. This Act shall take effect on July 1, 2012.

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INTRODUCED BY: Mele Carroll

JAN 24 2012



H.B. NO. 2705

Report Title:

Negotiable Instruments; Enforcement; Bank Deposits and
Collections; Uniform Commercial Code

Description:

Repeals UCC definition of "person entitled to enforce".

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