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# A BILL FOR AN ACT

RELATING TO CORPORATIONS.

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

1           SECTION 1. Chapter 414, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4           "§414-       Real property; dissolved corporations;  
5 escheatment to State. (a) Upon approval of the board of land  
6 and natural resources, real property assets of a dissolved  
7 corporation not transferred to a creditor, claimant, or  
8 shareholder of the corporation shall escheat to the State if:

9           (1) Real property taxes assessed by county real property  
10           tax ordinance against the land and any improvements  
11           thereon have been unpaid for five years;

12           (2) Any state tax liens, if the same are recorded in the  
13           bureau of conveyances as provided by section 231-33,  
14           have been unpaid for five years; and

15           (3) The State shows that reasonable efforts were made by  
16           the State to locate a creditor, claimant, or



1           shareholder of the dissolved corporation, and have  
2           been unsuccessful.

3           (b) In all cases where real property of a dissolved  
4           corporation escheats to the State pursuant to subsection (a),  
5           the attorney general shall proceed in accordance with section  
6           665-1."

7           SECTION 2. Chapter 414D, Hawaii Revised Statutes, is  
8           amended by adding a new section to be appropriately designated  
9           and to read as follows:

10           "§414D-       Real property; dissolved corporations;  
11           escheatment to State. (a) Upon approval of the board of land  
12           and natural resources, real property assets of a dissolved  
13           corporation not transferred to a creditor, claimant, or  
14           shareholder of the corporation shall escheat to the State if:

15           (1) Real property taxes assessed by county real property  
16           tax ordinance against the land and any improvements  
17           thereon have been unpaid for five years;

18           (2) Any state tax liens, if the same are recorded in the  
19           bureau of conveyances as provided by section 231-33,  
20           have been unpaid for five years; and



1       (3) The State shows that reasonable efforts were made by  
2       the State to locate a creditor, claimant, or  
3       shareholder of the dissolved corporation, and have  
4       been unsuccessful.

5       (b) In all cases where real property of a dissolved  
6       corporation escheats to the State pursuant to subsection (a),  
7       the attorney general shall proceed in accordance with section  
8       665-1."

9       SECTION 3. New statutory material is underscored.

10       SECTION 4. This Act shall take effect on July 1, 3000.



**Report Title:**

BLNR; Real Property; Dissolved Corporations; Escheatment

**Description:**

Permits real property assets of a dissolved corporation to escheat to the State, upon approval of the Board of Land and Natural Resources, if the assets were not transferred to a creditor, claimant, or shareholder of the corporation; real property taxes and any state tax liens have remained unpaid for five years; and the State makes a showing that attempts to locate creditors, claimants, and shareholders of the dissolved corporation have been unsuccessful. Effective 7/1/3000. (HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

