

ACT 17

An Act Amending Section 178-67, Revised Laws of Hawaii 1955, as Amended, Pertaining to Investments by Banks in Other Corporations.

Be it Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 11 of Article III of the Constitution of the State of Hawaii provides for the consideration and enactment in a budget session of all urgency measures deemed necessary in the public interest. Said section 11 further provides that no urgency measure shall be considered unless a statement of facts constituting such urgency shall be set forth in a section thereof and until such section shall have been first approved by each House. Pursuant to said section 11 of Article III of the Constitution of the State of Hawaii, this act is hereby declared to be an urgency measure deemed necessary in the public interest. The following is a statement of facts constituting such urgency:

The 1957 Territorial Legislature authorized the establishment of Business Development Corporations to enhance the economy of the State by the creation of new industries and jobs. Since no corporations have yet been formed under said legislative authority, and inquiry was made into the reason for such failure and it was determined that the principal cause was that section 178-67 of our laws prohibits banks from investing in Business Development Corporations. As there is an urgent need for immediately increasing the economy of the State of Hawaii, it is urgent that legislation be immediately passed to authorize the banks to invest in these corporations so as to also take advantage of Federal aid.

SECTION 2. Section 178-67, Revised Laws of Hawaii 1955, as amended, is further amended by adding thereto a new subparagraph to be designated and to read as follows:

“(h) In small business investment companies operating under the Federal Small Business Investment Act of 1958.”

SECTION 3. This Act shall take effect upon its approval.

(Approved May 10, 1960.) **S.B. 247.**
