

**ACT 24**

An Act to Amend Section 180-47, Revised Laws of Hawaii 1955, Relating to Dividends of Savings and Loan Associations.

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

SECTION 1. Section 180-47, Revised Laws of Hawaii 1955, is hereby amended to read as follows:

**“Sec. 180-47. Dividends.** The board of directors of an association may declare a dividend payable semi-annually to shareholders of record as of June 30 and December 31 of each year after transfers to reserves and undivided profits have been made. If the dividend payment date as determined above falls on a legal holiday, then such dividends shall be payable on the next preceding business day.

Dividends may be computed and paid as the board of directors may see fit upon such terms and conditions as may be reasonable on Christmas share accounts to the date of withdrawal, although such withdrawal falls between two regular dividend payment periods. In no case shall the dividend rate paid on Christmas share accounts be higher than the prevailing dividend rate currently paid by the association on ordinary share accounts.

Payments of net earnings to shareholders are dividends and shall not be referred to as interest.

Dividends shall be credited to accounts on the books of the association on the dividend payment date unless a shareholder has requested and the board of directors has agreed to pay dividend on all or part of any account in cash. Dividends payable in cash shall be paid on the dividend payment date and may be paid by check or bank draft. All holders of withdrawable shares shall participate equally in dividends pro rata to the book value of their respective accounts, except a bonus dividend may be paid on an approved installment account for systematic savings; provided that no association shall be required to pay or credit dividends on accounts of \$5 or less.

Except as above provided, dividends shall be declared on the book value of each account at the beginning of the dividend period, plus payments thereon made during the dividend period (less amounts repurchased and noticed for

repurchase, which for dividend purposes shall be deducted from the latest previous payments thereon) computed at the dividend rate for the time invested, determined as provided below. The date of investment shall be the date of the actual receipt by the association of a payment on an account, except that the board of directors may fix a date which shall not be later than the tenth of the month, for determining the date of investment; provided, however, that the board of directors may permit investments of \$100 or more to receive dividends calculated from the date of actual receipt by the association in any event. Payments on accounts affected by such determination date, received by the association on or before such determination date, shall receive dividends as if invested on the first of the month during which such payments were made.

If an association elects to pay dividends semi-annually, within fifteen days preceding June 30 and December 31 of each year, such association may declare and publicize a dividend rate for the ensuing six months period; provided that such dividends will not exceed accumulated undivided profits and anticipated net earnings for the period.

SECTION 2. This Act shall take effect as of July 1, 1961.

(Approved May 11, 1961.) **S.B. 684.**

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