

ACT 123

S. B. 748.

A Bill for an Act Relating to Payment of Dividends by Building and Loan Associations, and Amending Sections 180-43 and 180-47 of the Revised Laws of Hawaii 1955, as Amended.

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

SECTION 1. Section 180-43 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending the first paragraph to read as follows:

“Section 180-43. Restrictions on stock. No stock shall be issued upon which a different or stipulated rate of dividends or interest is guaranteed or paid before or regardless of the amount of dividends distributed to other classes of shares, except as authorized by this chapter. Nothing in this chapter shall be construed to prohibit or limit the right of an association to pay a different or higher rate of dividend on guaranty stock than on other classes of stock or shares of the association.”

SECTION 2. Section 180-47 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by amending the fourth paragraph to read as follows:

“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 dividends 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. The holder of each withdrawable share in the same class shall participate equally in dividends pro rata to the book value of their respective accounts; provided, however, with the prior approval of the bank examiner for each class of withdrawable shares, an association shall have the right to issue different classes of withdrawable shares determined according to the character, amount, duration thereof or regularity of additions thereto, and in the discretion of the board of directors may from time to time pay dividends on each such class of shares at the same or a different rate. No association shall be required to pay or credit

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dividends on accounts of \$5 or less. An association shall also have the right to issue such different classes of withdrawable shares in each of the different states in which it may operate which, in the discretion of the board of directors, may, from time to time, receive the same or a different rate of dividends, provided that as to each state, the same rate of dividends shall be paid on all withdrawable shares of the same class.”

SECTION 3. This Act shall take effect on July 1, 1967.

(Approved May 26, 1967.)