

ACT 168

S. B. NO. 29

A Bill for an Act Relating to Hawaii Business Development Corporation and Amending Chapter 176A, Revised Laws of Hawaii 1955, as Amended.

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

SECTION 1. Item (4) in section 176A-5 of the Revised Laws of Hawaii 1955, as amended, is amended to read as follows:

“(4) except as to financial institutions which are to continue to be subject to the limitations contained in (3) herein, each member of the corporation may acquire, purchase, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of, any bonds, securities or other evidences of indebtedness created by, or the shares of the capital stock of the corporation, and while owners of the stock exercise all the rights, powers and privileges of ownership, including the right to vote thereon, all without the approval of any regulatory authority of the State; provided, that the amount of the capital stock of the corporation which may be acquired by any member pursuant to the authority granted herein shall not exceed fifty percent of the loan limit of such member. The amount of capital stock of the corporation which any member is authorized to acquire pursuant to the authority granted herein is in addition to the amount of capital stock in corporations which such member may otherwise be authorized to acquire.”

SECTION 2. Section 176A-6 of the Revised Laws of Hawaii 1955, as amended, is amended in the following respects:

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a. By amending paragraph (2) to read as follows:

“(2) The amount of total reserves against losses shall be left to the discretion of the board of directors.”

b. By amending paragraph (3) and subparagraph (a) to read as follows:

“(3) The total amount outstanding on loans to the corporation made by any member at any one time, when added to the amount of the investment in the capital stock of the corporation then held by such member, shall not exceed:

(a) Fifty percent of the total amount then outstanding on loans to the corporation by all members, including in the total amount outstanding, amounts validly called for loan but not yet loaned.”

c. By amending paragraph (4) to read as follows:

“(4) Subject to paragraph (3) (a) of this section, each call made by the corporation shall be prorated among the members of the corporation in substantially the same proportion that the adjusted loan limit of each member bears to the aggregate of the adjusted loan limits of all members. The adjusted loan limit of a member shall be the amount of such member's loan limit, reduced by the balance of outstanding loans made by such member to the corporation.”

SECTION 3. Section 176A-7 of the Revised Laws of Hawaii 1955, is amended as follows:

“**Section 176A-7. Period of membership, withdrawal.** Membership in the corporation shall be for the duration of the corporation, provided that upon written notice given to the corporation one year in advance, a member may withdraw from membership in the corporation at the expiration date of such notice.

A member shall not be obligated to make any loans to the corporation pursuant to calls made subsequent to the withdrawal of the member.”

SECTION 4. Statutory material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material or the underscoring.*

SECTION 5. Notwithstanding the adoption of Act 16, Session Laws of Hawaii 1968, this Act shall have full force according to its intent. Upon the taking effect of this Act or the Hawaii Revised Statutes, whichever occurs later, this Act shall be construed to be in amendment of or in addition to the Hawaii Revised Statutes, all references in this Act being construed to refer to the applicable or corresponding provisions of the Hawaii Revised Statutes.

The revisor of statutes may reword and renumber the references in this Act and make such other formal or verbal changes as may be necessary to conform with the Hawaii Revised Statutes.

SECTION 6. This Act shall take effect upon its approval.

(Approved July 8, 1969.)

* Edited accordingly