

A Bill for an Act Relating to the Specific Provisions of Industrial Loan Companies.

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

SECTION 1. Section 408-19, Hawaii Revised Statutes, is amended to read as follows:

“Sec. 408-19 Sales considered loans, when. No company shall engage in the wholesale or retail mercantile business, provided:

- (1) That the taking of title to personal property, at a price below the cash market value of the personal property at the date of the transaction, and the sale of the personal property to the former owner thereof on conditional sales contract shall, for the purposes of this chapter, be considered a loan and be subject to the same restrictions as to interest, fees, and other charges, as any other loan made pursuant to this chapter;
- (2) That the taking over or purchase of, or the taking of title to an existing business or property for the protection of the security under a contract held by the company, and the management and operation of the same for the purpose of advantageously liquidating the same within a reasonable period and the sale or other liquidation of the same, shall not be deemed to be prohibited by this chapter; and
- (3) That any company, whether or not covered by this chapter, owning all or some portion of the shares of stock or securities of another corporation engaged in the wholesale or retail mercantile business, shall not by reason thereof be deemed itself to be engaged in the wholesale or retail mercantile business, upon the approval of the Bank Examiner of the State.”

SECTION 2. Statutory material to be repealed is bracketed.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 3. This Act shall take effect July 1, 1973.

(Approved May 22, 1973.)

*Edited accordingly.