

A Bill for an Act Relating to Lost, Stolen, Destroyed or Defaced Bonds and Coupons.

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

SECTION 1. Chapter 47, Hawaii Revised Statutes, is hereby amended by deleting Part III in its entirety and substituting in lieu thereof the following:

**“PART III. LOST, STOLEN, DESTROYED OR
DEFACED BONDS AND COUPONS**

Sec. 47-41 Request for replacement or payment. Any party claiming ownership of an interest bearing bond issued by a county or any interest coupon appertaining to an interest bearing bond of such county and which bond, coupon or both, as the case may be, has been lost, stolen, destroyed, wholly or in part, or so defaced as to impair its value, may file with the director of finance of such county a request for replacement or payment of such bond, coupon or both, as the case may be. Such request shall be in the form of an

affidavit describing the bond, coupon or both, as the case may be, and explaining the circumstances under which the bond, coupon or both, as the case may be, was lost, stolen, destroyed or defaced. The affidavit shall be presented with such evidence as the director of finance may require to establish the ownership of the bond or coupon.

Sec. 47-42 Issuance of duplicate. When the director of finance is satisfied that the bond, coupon or both, as the case may be, is in fact lost, stolen, destroyed or defaced and that the claimant is the legal and beneficial owner of such bond, coupon or both, as the case may be, and that if lost or stolen, such bond, coupon or both, as the case may be, has not been acquired by a bona fide purchaser, he may thereupon, except as provided in sections 47-43 and 47-44, cause to be issued a duplicate thereof, such duplicate to be so marked as to adequately identify it as such to the county, any transfer agent, paying agent or bond registrar.

A duplicate bond issued in place of a bond lost, stolen, destroyed or defaced shall be lithographed or steel engraved, and shall be signed by the director of finance and shall bear the lithographed or engraved facsimile signature of the mayor of the county and shall be sealed with the seal or the lithographed or engraved facsimile seal of the county. Any duplicate coupon issued in place of any lost, stolen, destroyed or defaced coupon appertaining to an interest bearing bond of such county shall bear a lithographed or engraved facsimile of the signature of the director of finance. When a duplicate of the bond being replaced bears the facsimile signature of the mayor in office at the time of issuance of such duplicate bond and when a duplicate of the bond being replaced is signed by, or any coupon being replaced bears the facsimile signature of the director of finance in office at the time of issuance of such bond or coupon, the signatures of such mayor and director shall be valid and sufficient and shall have the same effect as that of the persons originally signing the bond or whose facsimile signature appears on such bond, coupon or both, as the case may be.

Sec. 47-43 Payment to be made. If a lost, stolen, destroyed or defaced bond, coupon or both, as the case may be, has matured, has been called for redemption or is due, as the case may be, at the time of request for replacement of such bond, coupon or both, as the case may be, the director of finance may pay the face value of the matured bond or coupon or the call price of the called bond, as the case may be.

Sec. 47-44 Issuance of transferable certificate. If a lost, stolen, destroyed or defaced bond, coupon or both, as the case may be, will mature, will be called for redemption or will become due, as the case may be, within a period of one year from the date of request for replacement, the director of finance may issue to the claimant a transferable certificate for the face value of the bond, coupon or both, as the case may be, such certificate to be in such form as shall be prescribed by the director.

Sec. 47-45 Condition of replacement or payment. The director of finance shall not provide for the issuance of a replacement for or the payment of the lost, stolen, destroyed or defaced bond, coupon or both, as the case may be,

unless the claimant shall have executed and delivered to him a legal and sufficient surety bond in an amount equal to the loss which may be suffered by the obligee by reason of issuing replacements or making payments mentioned herein, and in such form and with such sufficient surety or sureties as shall be satisfactory to him, conditioned to indemnify and save harmless the county, any transfer agent, paying agent or bond registrar from any and all loss on account of the bond, coupon or both, as the case may be, so claimed to have been lost, stolen, destroyed or defaced. The duration of the surety bond shall be not less than the date upon which the bond, coupon or both, as the case may be, being replaced or paid become due and payable, plus the period of the statute of limitations applicable to bonds and coupons. In the case of a partially destroyed or defaced bond, coupon or both, as the case may be, the applicant shall surrender such partially destroyed or defaced bond, coupon or both, as the case may be, at the time of delivery of the replacement therefor.

All expenses necessary for the providing of any duplicate bond, coupon or both, as the case may be, or any transferable certificate shall be borne by the claimant thereof, and such expenses shall be paid at the time the request for replacement is filed.

Sec. 47-46 Disputed ownership. If there are two or more claimants claiming adversely, each to the other or others, to be the owner in due course of the bond, coupon or both, as the case may be, alleged to have been lost, stolen, or destroyed or defaced, the director of finance may, in his discretion, require the claimants, if not within the State, to appoint agents within the State to accept service or process, or otherwise to submit to the jurisdiction of the courts of the State, and may bring suit on behalf of the State in any circuit court against the claimants, by interpleader, for the determination of the claimant or claimants entitled to the payment of the bond, coupon or both, as the case may be. Jurisdiction is hereby conferred upon the designated circuit court to hear and determine, without a jury, the suits and to determine whether any of the claimants is entitled to the payment, and, if so, which of the claimants is so entitled; provided that no such judicial determination shall dispense with the condition prescribed by section 47-45 requiring a surety bond before the payment of the claims. The cost of the suit shall be borne by the claimants and the court may decree the payment of such costs by any of the unsuccessful claimants, or the apportionments thereof, as may be deemed just. The decision of the court may be appealed to the supreme court in the same manner and subject to the same conditions and incidents as appeals in equity."

SECTION 2. This Act shall take effect upon its approval.

(Approved May 30, 1974.)