

ACT 189

H.B. NO. 39

A Bill for an Act Relating to Business Registration.

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

SECTION 1. The purpose of this Act is to extend the expiration date of the special fund created pursuant to section 416-97, Hawaii Revised Statutes, within the department of commerce and consumer affairs. In the past, due to the heavy workload of the business registration division, it was not possible to accommodate the special needs of businesses that, for whatever reasons, needed

to have their documents expeditiously reviewed. In 1983, the legislature created a special fund which derives its money from businesses that are assessed special handling fees for expedited document processing services. The fund is utilized to hire at least two temporary business registration assistants, thus enabling the business registration division to keep abreast of the special needs of various businesses.

It is not foreseeable that the demand for governmental services will decrease in the near future. However, due to fiscal constraints, two full-time temporary general fund positions have been frozen for the last biennium. Current fiscal policies do not allow for the conversion of existing special funded positions to the general fund. Under these circumstances, it is critical that the special fund scheduled to terminate on July 1, 1985 be extended.

In addition, this Act allows for the assessment of special handling fees for partnerships, trade names, trademarks, and foreign corporations.

SECTION 2. Section 416-97, Hawaii Revised Statutes, is amended to read as follows:

"§416-97 [Fees; amount.] Services; fees; amount. The following fees shall be paid to the director of commerce and consumer affairs upon the filing of the corporate documents:

- (1) Articles of incorporation and affidavit of incorporation, 20 cents per \$1,000 authorized capital, \$50 minimum, \$1,000 maximum;
- (2) Certificate of increase of authorized capital stock, 20 cents per \$1,000 authorized capital increase, \$20 minimum, \$1,000 maximum;
- (3) Certificate of renewal or extension of corporate existence, same as the filing of articles of incorporation;
- (4) Certificate of reduction of capital stock, \$15;
- (5) Certificate of amendment of articles of incorporation, \$10;
- (6) Agreement of merger or consolidation, \$50;
- (7) Annual corporation exhibit of domestic and foreign corporations organized for profit, \$10;
- (8) Certificate of dissolution, \$5;
- (9) Resolution of issuance of preferred stock, \$10;
- (10) Certification, 10 cents per page or any portion thereof;
- (11) Petition and charter of incorporation of nonprofit corporation, \$10;
- (12) Certificate of amendment and renewal or extension of charter of nonprofit corporation, \$5;
- (13) Articles of incorporation of agricultural and fishing cooperatives without capital stock, \$15;
- (14) Restated articles of incorporation: corporations with an authorized capital of less than \$500,000, \$20; corporations with an authorized capital of \$500,000 or more, \$100;
- (15) Annual exhibit of nonprofit domestic and foreign corporations, \$1;
- (16) Agreement of merger or consolidation of nonprofit corporations, \$5;
- (17) Special handling fee for review of corporation documents, excluding agreement of merger or consolidation, \$40;
- (18) Special handling fee for review of agreement of merger or consolidation, \$100;
- (19) Special handling fee for certificates issued by the department, \$10 per certificate;
- (20) Special handling fee for certification of documents, \$1 per page.

All special handling fees shall be credited to a special fund which may be established for use by the department in expediting the processing of documents. At least two temporary business registration assistants I's shall be paid out of the special fund. This special fund shall be repealed effective July 1, [1985.] 1988."

SECTION 3. Section 6, Act 153, Session Laws of Hawaii 1983, amended by Act 6, Session Laws of Hawaii 1984, is amended to read as follows:

"SECTION 6. Provisions relating to the deposit of a portion of fees into the special fund authorized by section 416-97, Hawaii Revised Statutes, shall terminate on [June 30, 1985,] July 1, 1988, at which time the entire amount of the fees shall be deposited [to] into the general fund."

SECTION 4. Section 418-7, Hawaii Revised Statutes, is amended to read as follows:

"**§418-7 Powers and liabilities; fees.** Every foreign corporation other than nonprofit, on complying with section 418-1 and paying to the director of commerce and consumer affairs a fee of \$50 shall, subject to section 418-9 and 418-13, have the same powers and privileges and be subject to the same disabilities as are by law conferred on corporations constituted under the laws of the State, and shall, for the purposes for which it is constituted, have full power to hold, take, and convey by way of sale, mortgage, or otherwise, real, personal, and mixed estate in the State; provided that the purposes for which the corporation is constituted are not repugnant to or in conflict with any law of the State. Nothing herein shall be construed to give any corporation any of the special powers conferred by law upon railroad or banking corporations constituted under the laws of the State. [A special handling fee of \$40, credited to the special fund authorized by section 416-97 may be charged to expedite the processing of the foreign corporation declaration required to be filed by section 418-1.] Special handling fees, credited to the special fund authorized by section 416-97 may be charged to expedite the processing of the following foreign corporation documents: foreign corporation declaration, \$40; application for certificate of withdrawal, \$10; certificate of good standing, \$10; certification of documents, \$1 a page."

SECTION 5. Section 418-8, Hawaii Revised Statutes, is amended to read as follows:

"**§418-8 Powers and liabilities; foreign nonprofit corporation.** Every foreign nonprofit corporation on complying with section 418-2 and paying to the director of commerce and consumer affairs a fee of \$10 shall, subject to section 418-13, have the same powers and privileges and be subject to the same disabilities as are by law conferred on nonprofit corporations constituted under the laws of the State, and shall, for the purposes for which it is constituted, have full power to hold, take, and convey by way of sale, mortgage, or otherwise real, personal, and mixed estate in the State; provided[,] that the purposes for which the corporation is constituted are not repugnant to or in conflict with any law of the State. Special handling fees, credited to the special fund authorized by section 416-97 may be charged to expedite the processing of the following foreign nonprofit corporation documents: foreign nonprofit corporation declaration, \$40; application for certificate of withdrawal, \$10; certificate of good standing, \$10; certification of documents, \$1 a page."

SECTION 6. Act 167, Session Laws of Hawaii 1983, section 1, is amended by amending section -128 to read as follows:

“§ -128 Fees for filing documents and issuing certificates. The following fees shall be paid to the director upon the filing of corporate documents:

- (a) Articles of incorporation and affidavit of incorporation, 20 cents per \$1,000 authorized capital, \$50 minimum, \$1,000 maximum;
- (b) Certificate of increase of authorized capital stock, 20 cents per \$1,000 authorized capital increase, \$20 minimum, \$1,000 maximum;
- (c) Certificate of renewal or extension of corporate existence, same as the filing of articles of incorporation;
- (d) Certificate of reduction of capital stock, \$15;
- (e) Certificate of amendment of articles of incorporation, \$10;
- (f) Agreement of merger or consolidation, \$50;
- (g) Annual corporation exhibit of domestic and foreign corporations organized for profit, \$10;
- (h) Certificate of dissolution, \$5;
- (i) Resolution of issuance of preferred stock, \$10;
- (j) Certification, 10 cents per page or any portion thereof;
- (k) Restated articles of incorporation: corporations with an authorized capital of less than \$500,000, \$20; corporations with an authorized capital of \$500,000 or more, \$100;
- (l) Good standing certificate, \$10;
- (m) Filing any other statement or report, except an annual report, of a domestic or foreign corporation, \$25;
- (n) Special handling fee for review of corporation documents, excluding agreement of merger or consolidation, \$40;
- (o) Special handling fee for review of agreement of merger or consolidation, \$100;
- (p) Special handling fee for certificates issued by the department, \$10 per certificate;
- (q) Special handling fee for certification of documents, \$1 per page.

All special handling fees shall be credited to [a] the special fund [which may be] established pursuant to section 416-97 for use by the department in expediting the processing of documents.”

SECTION 7. Section 425-12, Hawaii Revised Statutes, is amended to read as follows:

“§425-12 Fee for recording. (a) The director of commerce and consumer affairs shall collect the following fees:

- (1) For each change of partnership name or statement of dissolution filed, a fee of \$1.50 per partner;
- (2) For each admission, withdrawal, or death statement filed, a fee of \$1.50 per partner involved;
- (3) For each name recorded as aforesaid, a fee of \$1;
- (4) For each annual statement filed, a fee of \$3; and
- (5) For each general partnership registered, a fee of \$3 for each partner.

(b) The following special handling fees shall be assessed by the director for expeditious review of the following documents:

- (1) For limited partnerships: certificate of amendment, \$40; certificate of cancellation, \$10; annual statement, \$10; certificate of limited partnership, \$1 a page; certificate of good standing, \$10;
- (2) For general partnerships: registration statement, \$10; change of name statement, \$10; partnership dissolution statement, \$10; annual

statement, \$10; certification of general partnership, \$1 a page; certificate of good standing, \$10;

- (3) For foreign general and foreign limited partnerships: registration statement of foreign general partnership, \$10; registration statement of foreign limited partnership, \$40; withdrawal application, \$10; annual statement, \$10; certification of foreign general or foreign limited partnership, \$1 a page; certificate of good standing, \$10.

All special handling fees shall be credited to the special fund authorized by section 416-97.”

SECTION 8. Section 482-2, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Before any person may receive a certificate of registration of a print, label, or trademark, he shall file in the office of the director of commerce and consumer affairs an application for the registration of such print, label, or trademark, with a declaration, certified by the applicant, stating that he is the sole and original proprietor or the assign of such proprietor of this print, label, or trademark, and describing the goods or manufactured articles for which the print, label, or trademark is used, and stating the manner in which the print, label, or trademark is used. Before any person may receive a certificate of registration of a service mark or trade name, he shall file in the office of the director an application for the registration thereof, with a declaration, certified, as aforesaid, stating that he is the sole and original proprietor of the service mark or trade name, or the assign of the proprietor and setting forth the nature of the business in which the service mark or trade name is used. The application shall be accompanied by two exact copies of the print, label, trademark, service mark, or trade name. Upon filing the application, the applicant shall pay to the director a fee of \$25, of which \$15 shall be deposited in the special fund authorized by section 416-97, and the balance deposited to the general fund of the State. A special handling fee of \$10 for expediting registration of a trade name, print, label, trademark, or service mark shall be assessed by the department. All special handling fees shall be credited to the special fund authorized by section 416-97.”

SECTION 9. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 10. This Act shall take effect upon its approval.

(Approved June 3, 1985.)