

ACT 26

H.B. NO. 3394

A Bill for an Act Relating to Business Development Corporations.

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

SECTION 1. Section 420-10, Hawaii Revised Statutes, is amended to read as follows:

“§420-10 Articles; amendments. The articles may be amended by the votes of the stockholders and the members of the corporation, voting separately by classes, and the amendments shall require approval of the affirmative vote of two-thirds of the votes to which the stockholders are entitled and two-thirds of the votes to which the members are entitled; provided that no amendment of the articles which is inconsistent with the general purposes expressed herein or which authorizes any additional class of capital stock to be issued[, or which eliminates or curtails the right of the director of commerce and consumer affairs to examine the corporation or the obligation of the corporation to make reports as provided in section 420-14,] shall be made without amendment of this chapter; and provided further that no amendment of the articles which increases the obligation of a member to make loans to the corporation, or makes any change in the principal amount, interest rate, maturity date, or in the security or credit position, of any outstanding loan of a member to the corporation, or affects a member’s right to withdraw from membership as provided in section 420-8, or affects a member’s voting rights as provided in section 420-9, shall be made without the consent of each member affected by the amendment.

[Within thirty days after any meeting at which amendment of the articles has been adopted, articles of amendment signed and sworn to by the president, treasurer, and a majority of the directors, setting forth the amendment and the due adoption thereof, shall be submitted to the commissioner of financial institutions, who shall examine them and if the commissioner finds that they conform to the requirements of this chapter, shall so certify and endorse the commissioner’s approval thereon. Thereupon, the] The articles of amendment shall be delivered to and filed [in the office of the commissioner] by the director of commerce and consumer affairs and no amendment shall take effect until the articles of amendment have been filed.”

SECTION 2. Section 420-17, Hawaii Revised Statutes, is amended to read as follows:

“§420-17 Limitation on effect of chapter. If a corporation organized pursuant to this chapter fails to begin business within two years from the effective date of its articles, then the articles shall become void. [If no corporation is organized by June 30, 1968, pursuant to this chapter, then this chapter shall become void.]”

SECTION 3. Section 420-14, Hawaii Revised Statutes, is repealed.

SECTION 4. Statutory material to be repealed is bracketed.¹ New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.

(Approved April 22, 1996.)

Note

1. Edited pursuant to HRS §23G-16.5.