

ACT 73

S.B. NO. 2844

A Bill for an Act Relating to Issuance of Utility Voting Stock.

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

SECTION 1. Section 269-17.5, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) No more than twenty-five per cent of the issued and outstanding voting stock of a corporation organized under the laws of the State and who owns, controls, operates, or manages any plant or equipment, or any part thereof, [for the production, conveyance, transmission, delivery, or furnishing of light, power, heat, cold, water, gas, or oil for the public use, either directly or indirectly and is therefore] as a public utility within the definition set forth in section 269-1 shall be held, whether directly or indirectly, by any single foreign corporation or any single nonresident alien, or held by any person, unless prior written approval is obtained from the public utilities commission, or unless a transaction is exempt. An exempt transaction is:

- (1) Any purchase or sale by an underwriter; or
- (2) A transaction to acquire shares of a corporation with less than one hundred shareholders and less than \$1,000,000 [dollars] in assets.

Every assignment, transfer, contract, or agreement for assignment or transfer of any shares in violation of this section shall be void and of no effect; and no such transfer shall be made on the books of the corporation. Nothing herein shall be construed to

make illegal the holding of stock lawfully held, directly or indirectly, prior to June 4, 1977.”

SECTION 2. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved April 29, 1998.)