

Honolulu, Hawaii
FEB 12, 2024

RE: H.B. No. 1942
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred H.B. No. 1942 entitled:

"A BILL FOR AN ACT RELATING TO CORPORATIONS,"

begs leave to report as follows:

The purpose of this measure is to permit real property assets of a dissolved corporation to escheat to the State if:

- (1) The real property assets are not transferred to a creditor, claimant, or shareholder of the corporation;
- (2) Real property taxes and any state tax liens have remained unpaid for five years; and
- (3) The State makes a showing that attempts to locate creditors, claimants, and shareholders of the dissolved corporation have been unsuccessful.

Your Committee received testimony in support of this measure from Marcus Property Management LLC and four individuals. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources.

Your Committee has amended this measure by:



- (1) Making the escheatment of real property to the State subject to the approval of the Board of Land and Natural Resources;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to address the concerns raised by the Department of Land and Natural Resources regarding the fiscal impacts of this measure.

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1942, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1942, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



DAVID A. TARNAS, Chair



