

ACT 69

An Act to Permit the Incorporation of Dental Service Corporations in the State of Hawaii.

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

SECTION 1. Section 61-15 of the Revised Laws of Hawaii 1955 is amended by deleting the period from the first sentence thereof and inserting in lieu thereof a comma and adding after the comma the following:

“nor shall it apply to dental service corporations formed for the primary purpose of contracting with individuals, groups of individuals and corporations for defraying or assuming the cost of services of dentists and dental surgeons and of contracting on behalf of dentists and dental surgeons to furnish such services as provided in Chapter 172.”

SECTION 2. Chapter 172 of the Revised Laws of Hawaii 1955 is hereby amended by adding thereto the following new section to be appropriately numbered:

“Sec. . A nonprofit dental service corporation may be formed for the purposes of contracting with individuals and corporations, both public and private, for defraying or assuming the costs of services of dentists and dental surgeons, and the contracting on behalf of dentists and dental surgeons to furnish such services. The treasurer shall grant to applicants who file a petition in conformity with the provisions of section 172-17, Revised Laws of Hawaii 1955, as amended, a charter of incorporation for the establishment and conduct of a dental service corporation; provided, however, that the corporation may not engage directly or indirectly in the performance of the corporate purposes or objects unless all of the following requirements are met:

(a) At least one-fourth ($\frac{1}{4}$) of all licensed dentists and dental surgeons in this State became members of the corporation;

(b) Membership in the corporation and an opportunity to render professional services upon a uniform basis are available to all licensed dentists and dental surgeons in this State;

(c) Voting by proxy and cumulative voting are prohibited; and
(d) Certificates of compliance with the requirements of subdivisions (a),
(b) and (c) has been issued to the corporation by the board of dental
examiners.

Any charter granted or corporation created under authority of this section shall be subject to all general laws enacted in regard to nonprofit corporations.”

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

(Approved May 19, 1961.) **S.B. 897.**
