

ACT 183

H.B. NO. 2416-78

A Bill for an Act Relating to the Hawaii Agricultural Cooperative Associations Law.

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

SECTION 1. Section 421-18, subsection (b), Hawaii Revised Statutes, is amended to read as follows:

“(b) Damages for breach; effect upon membership status of association members.

- (1) The contract may fix, as liquidated damages, which shall not be regarded as penalties, specified sums to be paid by the members to the association upon the breach of any provision of the contract, regarding the use of any facilities of the association or the sale, delivery, handling, or withholding of products; and may further provide that the member who breaks his contract shall pay all costs including premiums for bonds, and reasonable attorney’s fees, to be fixed by the court, in case the association prevails in any action upon the contract.
- (2) Any member who breaches any provision of the contract with the association shall be subject to removal from the association including the forfeiture of all rights and privileges pertinent to membership in the association as may be provided for in the by-laws of the association. In the absence of any provision in the association’s by-laws relating to the removal of members, removal may occur by majority vote of the board of directors. Any member so removed shall be entitled to reapply for membership including the reinstatement of all such rights and privileges as may have been previously forfeited subject either to (A) any provision in the association’s by-laws relating to readmission, or (B) in the absence of such provision, by majority vote of the board of directors at the time readmission is sought.”

SECTION 2. Statutory material to be repealed is bracketed. New material is underscored. In printing this Act, the revisor of statutes need not include the brackets, the bracketed material, or the underscoring.\*

\*Edited accordingly.

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

(Approved June 2, 1978.)