

ACT 219

S.B. NO. 2520-80

A Bill for an Act Relating to Industrial Loan Companies.

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

SECTION 1. The purpose of this Act is to prevent imposition of an unfair retroactive penalty under chapter 408, Hawaii Revised Statutes, against a licensee who acts in reliance on existing law that is subsequently changed or nullified.

SECTION 2. Chapter 408, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“Sec. 408- Good faith reliance. If a contract is made or any other act is done or omitted in good faith reliance on an interpretation of this chapter made by the supreme court of this State or in a rule or regulation duly adopted by the bank examiner or the examiner’s authorized deputy pursuant to chapter 91, no penalty imposed by this chapter shall apply, notwithstanding that after such contract is made,

ACT 219

such interpretation, rule, or regulation is amended, rescinded, or determined by judicial or other authority to be invalid for any reason.”

SECTION 3. New statutory material is underscored.*

SECTION 4. This Act shall take effect upon its approval.

(Approved June 7, 1980.)

*The text has been edited pursuant to HRS §23G-16.5, authorizing omission of the brackets, bracketed material, and underscoring.