

ACT 21

ACT 21

H.B. NO. 1484

A Bill for an Act Relating to Corporations.

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

SECTION 1. Section 416-22, Hawaii Revised Statutes, is amended to read as follows:

“§416-22 Extensions and renewals of charters and articles. (a) The director of regulatory agencies shall at any time not more than fifteen years before the

expiration of any articles of association or charter of any corporation extend the duration of the same, and shall at any time not more than five years after the expiration of any articles of association or charter renew the same, in each case for such period of extension or renewal as is agreed upon, which may be perpetual, and in each case on application to him for that purpose, upon the filing in his office of a verified certificate signed by any two authorized officers of the corporation, showing that the proposed extension or renewal has been approved by the vote of the holders of not less than three-fourths of all its issued and outstanding shares of stock, voting without regard to class, at a meeting duly called and held for the purpose, or, in the case of a nonstock corporation, by the vote of not less than three-fourths of the members present at a duly called meeting thereof; provided, that no extension of the charter of a nonprofit corporation shall become effective until the same is allowed by the director.

All extensions or renewals of articles of association and charters granted before April 1, 1939, are ratified and confirmed.

(b) If the requisite number of stockholders of any corporation approve the extension of the duration of the articles of association of any corporation, then any holder of voting or nonvoting shares who has not approved the extension at the meeting at which the same was approved, may make written demand upon the corporation for the payment to him of the fair market value of his shares. The fair market value shall be determined as of the close of business of the day before the vote of the stockholders approving the action. The demand for payment shall be subject to and processed in the same manner as a demand made by a dissenting stockholder under the provisions of sections 417-20 to 417-28.”

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 Statutory material to be repealed is bracketed.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

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

(Approved April 16, 1981.)

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