

ACT 280

H.B. NO. 1079

A Bill for an Act Relating to the Conversion of Business Entities.

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

SECTION 1. Chapter 415, Hawaii Revised Statutes, is amended by adding four new sections to be appropriately designated and to read as follows:

**“§415-A Conversion into and from corporations.** (a) A domestic corporation may adopt a plan of conversion and convert to a foreign corporation or any other entity if:

- (1) The board of directors and shareholders of the domestic corporation approve a plan of conversion in the manner prescribed by section 415-73 and the conversion is treated as a merger to which the converting entity is a party and not the surviving entity;
- (2) The conversion is permitted by, and complies with the laws of the state or country in which the converted entity is to be incorporated, formed, or organized; and the incorporation, formation, or organization of the converted entity complies with such laws;
- (3) At the time the conversion becomes effective, each shareholder of the domestic corporation, unless otherwise agreed to by that shareholder, owns an equity interest or other ownership interest in, and is a shareholder, partner, member, owner, or other security holder of, the converted entity;
- (4) The shareholders of the domestic corporation, as a result of the conversion, shall not become personally liable, without the shareholders' consent, for the liabilities or obligations of the converted entity; and
- (5) The converted entity is incorporated, formed, or organized as part of or pursuant to the plan of conversion.

(b) Any foreign corporation or other entity may adopt a plan of conversion and convert to a domestic corporation if the conversion is permitted by and complies with the laws of the state or country in which the foreign corporation or other entity is incorporated, formed, or organized.

(c) A plan of conversion shall set forth:

- (1) The name of the converting entity and the converted entity;
- (2) A statement that the converting entity is continuing its existence in the organizational form of the converted entity;
- (3) A statement describing the organizational form of the converted entity and the state or country under the laws of which the converted entity is to be incorporated, formed, or organized;
- (4) The manner and basis of converting the shares or other forms of ownership of the converting entity into shares or other forms of ownership of the converted entity, or any combination thereof;
- (5) If the converted entity is a domestic corporation, the articles of incorporation of the domestic corporation shall be attached; and
- (6) If the converted entity is not a domestic corporation, proof that the converted entity is registered in this State shall be attached.

(d) A plan of conversion may set forth any other provisions relating to the conversion that are not prohibited by law, including without limitation the initial bylaws and officers of the converted entity.

(e) After a conversion of a domestic or foreign corporation is approved, and at any time before the conversion becomes effective, the plan of conversion may be abandoned by the converting entity without shareholder action and in accordance with the procedures set forth in the plan of conversion or, if these procedures are not provided in the plan, in the manner determined by the board of directors. If articles of conversion have been filed with the director but the conversion has not become effective, the conversion may be abandoned if a statement, executed on behalf of the converting entity by an officer or other duly authorized representative and stating that the plan of conversion has been abandoned in accordance with applicable law, is filed with the director prior to the effective date of the conversion. If the director finds that the statement satisfies the requirements provided by law, the director, after all fees have been paid shall:

- (1) Stamp the word "Filed" on the statement and the date of the filing;
- (2) File the document in the director's office; and
- (3) Issue a certificate of abandonment to the converting entity or its authorized representatives.

(f) Once the statement provided in subsection (e) is filed with the director, the conversion shall be deemed abandoned and shall not be effective.

**§415-B Articles of conversion.** (a) If a plan of conversion has been approved in accordance with section 415-A and has not been abandoned, articles of conversion shall be executed by an officer or other duly authorized representative of the converting entity and shall set forth:

- (1) A statement certifying the following:
  - (A) The name, state, or country of incorporation, formation, or organization of the converting entity, and organizational form of the converting entity;
  - (B) That a plan of conversion has been approved in accordance with section 415-A;
  - (C) That an executed plan of conversion is on file at the principal place of business of the converting entity and stating the address thereof; and
  - (D) That a copy of the plan of conversion shall be furnished by the converting entity prior to the conversion or by the converted entity after the conversion on written request and without cost, to any shareholder, partner, member, or owner of the converting entity or the converted entity;
- (2) If the converting entity is a domestic corporation, the number of shares outstanding and, if the shares of any class or series are entitled to vote as a class, the designation and number of outstanding shares of each such class or series;
- (3) If the converting entity is a domestic corporation, the number of shares outstanding that voted for and against the plan, and, if the shares of any class or series are entitled to vote as a class, the number of shares of each such class or series that voted for and against the plan; and
- (4) If the converting entity is a foreign corporation or other entity, a statement that the approval of the plan of conversion was duly authorized and complied with the laws under which it was incorporated, formed, or organized.

(b) The articles of conversion shall be delivered to the director. If the converted entity is a domestic corporation, the articles of incorporation shall also be delivered to the director with the articles of conversion.

(c) If the director finds that the articles of conversion satisfy the requirements provided by law, and that all required documents are filed, the director, after all fees have been paid, shall:

- (1) Stamp the word "Filed" on the articles of conversion and the date of the filing;
- (2) File the document in the director's office; and
- (3) Issue a certificate of conversion to the converted entity or its authorized representatives.

**§415-C Effective date of the conversion.** Upon the issuance of the certificate of conversion by the director, the conversion shall be effective.

**§415-D Effect of conversion.** When a conversion becomes effective:

- (1) The converting entity shall continue to exist without interruption, but in the organizational form of the converted entity;
- (2) All rights, title, and interest in all real estate and other property owned by the converting entity shall automatically be owned by the converted entity without reversion or impairment, subject to any existing liens or other encumbrances thereon;
- (3) All liabilities and obligations of the converting entity shall automatically be liabilities and obligations of the converted entity without impairment or diminution due to the conversion;
- (4) The rights of creditors of the converting entity shall continue against the converted entity and shall not be impaired or extinguished by the conversion;
- (5) Any action or proceeding pending by or against the converting entity may be continued by or against the converted entity without any need for substitution of parties;
- (6) The shares and other forms of ownership in the converting entity that are to be converted into shares, or other forms of ownership, in the converted entity as provided in the plan of conversion shall be converted, and if the converting entity is a domestic corporation, the shareholders of the domestic corporation shall be entitled only to the rights provided in the plan of conversion or to the rights to dissent under section 415-80;
- (7) A shareholder, partner, member, or other owner of the converted entity shall be liable for the debts and obligations of the converting entity that existed before the conversion takes effect only to the extent that such shareholder, partner, member, or other owner:
  - (A) Agreed in writing to be liable for such debts or obligations;
  - (B) Was liable under applicable law prior to the effective date of the conversion, for such debts or obligations; or
  - (C) Becomes liable under applicable law for existing debts and obligations of the converted entity by becoming a shareholder, partner, member, or other owner of the converted entity;
- (8) If the converted entity is a foreign corporation or other entity, the converted entity shall:
  - (A) Appoint a resident of this State, as its agent for service of process in a proceeding to enforce any obligation or the rights of dissenting shareholders of the converting domestic corporation; and

- (B) Promptly pay the dissenting shareholders of the converting domestic corporation the amount, if any, to which they are entitled under section 415-81;
- and
- (9) If the converting entity is a domestic corporation, sections 415-80 and 415-81 shall apply as if the converted entity were the survivor of a merger with the converting entity."

SECTION 2. Chapter 415A, Hawaii Revised Statutes, is amended by adding four new sections to be appropriately designated and to read as follows:

**"§415A-A Conversion into and from professional corporations.** (a) A professional corporation may adopt a plan of conversion and convert to any other entity if:

- (1) The board of directors and shareholders of the professional corporation approve a plan of conversion in the manner prescribed by section 415-73 and the conversion is treated as a merger to which the converting entity is a party and not the surviving entity;
- (2) The conversion is permitted by and complies with the laws of the state or country in which the converted entity is to be incorporated, formed, or organized; and the incorporation, formation, or organization of the converted entity complies with such laws;
- (3) At the time the conversion becomes effective, each shareholder of the converting entity, unless otherwise agreed to by that shareholder, owns an equity interest or other ownership interest in, and is a shareholder, partner, member, owner, or other security holder of, the converted entity;
- (4) The shareholders of the professional corporation, as a result of the conversion, shall not become personally liable without the shareholders' consent, for the liabilities or obligations of the converted entity; and
- (5) The converted entity is incorporated, formed, or organized as part of or pursuant to the plan of conversion.

(b) Any other entity may adopt a plan of conversion and convert to a professional corporation if the conversion is permitted by and complies with the laws under which the other entity is incorporated, formed, or organized.

(c) A plan of conversion shall set forth:

- (1) The name of the converting entity and the converted entity;
- (2) A statement that the converting entity is continuing its existence in the organizational form of the converted entity;
- (3) A statement describing the organizational form of the converted entity and the state or country under the laws of which the converted entity is to be incorporated, formed, or organized;
- (4) The manner and basis of converting the shares or other forms of ownership of the converting entity into shares or other forms of ownership of the converted entity, or any combination thereof;
- (5) If the converted entity is a professional corporation, the articles of incorporation of the professional corporation shall be attached; and
- (6) If the converted entity is not a professional corporation, proof that the converted entity is registered in this State shall be attached.

(d) A plan of conversion may set forth any other provisions relating to the conversion that are not prohibited by law, including without limitation the initial bylaws and officers of the converted entity.

(e) After a conversion of a professional corporation is approved, and at any time before the conversion becomes effective, the plan of conversion may be abandoned by the professional corporation without shareholder action and in accordance with the procedures set forth in the plan of conversion or, if these procedures are not provided in the plan, in the manner determined by the board of directors. If articles of conversion have been filed with the director but the conversion has not become effective, the conversion may be abandoned if a statement, executed on behalf of the converting entity by an officer or other duly authorized representative and stating that the plan of conversion has been abandoned in accordance with applicable law, is filed with the director prior to the effective date of the conversion. If the director finds that the statement satisfies the requirements provided by law, the director, after all fees have been paid shall:

- (1) Stamp the word "Filed" on the statement and the date of the filing;
- (2) File the document in the director's office; and
- (3) Issue a certificate of abandonment to the converting entity or its authorized representatives.

(f) Once the statement provided in subsection (e) is filed with the director, the conversion shall be deemed abandoned and shall not be effective.

**§415A-B Articles of conversion.** (a) If a plan of conversion has been approved in accordance with section 415A-A and has not been abandoned, articles of conversion shall be executed by an officer or other duly authorized representative of the converting entity and shall set forth:

- (1) A statement certifying the following:
  - (A) The name, state, or country of incorporation, formation, or organization of the converting entity, and organizational form of the converting entity;
  - (B) That a plan of conversion has been approved in accordance with section 415A-A;
  - (C) That an executed plan of conversion is on file at the principal place of business of the converting entity and stating the address thereof; and
  - (D) That a copy of the plan of conversion shall be furnished by the converting entity prior to the conversion or by the converted entity after the conversion on written request and without cost, to any shareholder of the converting entity or the converted entity;
- (2) If the converting entity is a professional corporation, the number of shares outstanding and, if the shares of any class or series are entitled to vote as a class, the designation and number of outstanding shares of each such class or series;
- (3) If the converting entity is a professional corporation, the number of shares outstanding that voted for and against the plan and, if the shares of any class or series are entitled to vote as a class, the number of shares of each such class or series that voted for and against the plan; and
- (4) If the converting entity is another entity, a statement that the approval of the plan of conversion was duly authorized and complied with the laws under which it was incorporated, formed, or organized.

(b) The articles of conversion shall be delivered to the director. If the converted entity is a professional corporation, the articles of incorporation shall also be delivered to the director with the articles of conversion.

(c) If the director finds that the articles of conversion satisfy the requirements provided by law, and that all required documents are filed, the director, after all fees have been paid shall:

- (1) Stamp the word "Filed" on the articles of conversion and the date of the filing;
- (2) File the document in the director's office; and
- (3) Issue a certificate of conversion to the converted entity or its authorized representatives.

**§415A-C Effective date of the conversion.** Upon the issuance of the certificate of conversion by the director, the conversion shall be effective.

**§415A-D Effect of conversion.** When a conversion becomes effective:

- (1) The converting entity shall continue to exist without interruption but in the organizational form of the converted entity;
- (2) All rights, title, and interest in all real estate and other property owned by the converting entity shall automatically be owned by the converted entity without reversion or impairment, subject to any existing liens or other encumbrances thereon;
- (3) All liabilities and obligations of the converting entity shall automatically be liabilities and obligations of the converted entity without impairment or diminution due to the conversion;
- (4) The rights of creditors of the converting entity shall continue against the converted entity and shall not be impaired or extinguished by the conversion;
- (5) Any action or proceeding pending by or against the converting entity may be continued by or against the converted entity without any need for substitution of parties;
- (6) The shares and other forms of ownership in the converting entity that are to be converted into shares or other forms of ownership in the converted entity as provided in the plan of conversion shall be converted, and if the converting entity is a professional corporation, the former shareholders of the professional corporation shall be entitled only to the rights provided in the plan of conversion or to the rights to dissent under section 415-80;
- (7) A shareholder, partner, member, or other owner of the converted entity shall be liable for the debts and obligations of the converting entity that existed before the conversion takes effect only to the extent that such shareholder, partner, member, or other owner:
  - (A) Agreed in writing to be liable for such debts or obligations;
  - (B) Was liable under applicable law prior to the effective date of the conversion for such debts or obligations; or
  - (C) Becomes liable under applicable law for existing debts and obligations of the converted entity by becoming a shareholder, partner, member, or other owner of the converted entity;
- (8) If the converted entity is a foreign corporation or other entity, the converted entity shall:
  - (A) Appoint a resident of this State as its agent for service of process in a proceeding to enforce any obligation or the rights of dissenting shareholders of the converting domestic corporation; and
  - (B) Promptly pay the dissenting shareholders of the converting domestic corporation the amount, if any, to which they are entitled under section 415-81;
 and
- (9) If the converting entity is a professional corporation, sections 415-80 and 415-81 shall apply as if the converted entity were the survivor of a merger with the converting entity."

SECTION 3. Chapter 415B, Hawaii Revised Statutes, is amended by adding four new sections to part IV to be appropriately designated and to read as follows:

**§415B-A Conversions into and from corporations.** (a) A domestic corporation may adopt a plan of conversion and convert to a foreign corporation or any other entity if:

- (1) The board of directors and members of the domestic corporation approve a plan of conversion in the manner prescribed by section 415B-83 and if the conversion is treated as a merger to which the converting entity is a party and not the surviving entity;
- (2) The conversion is permitted by and complies with the laws of the state or country in which the converted entity is to be incorporated, formed, or organized; and the incorporation, formation, or organization of the converted entity complies with such laws;
- (3) At the time the conversion becomes effective, each member of the converting entity, unless otherwise agreed to by the member, or directors, owns an equity interest or other ownership interest in, and is a shareholder, partner, member, owner, or other security holder of, the converted entity;
- (4) The members of the domestic corporation, as a result of the conversion, shall not become personally liable without the members' consent, for the liabilities or obligations of the converted entity; and
- (5) The converted entity is incorporated, formed, or organized as part of or pursuant to the plan of conversion.

(b) Any foreign corporation or other entity may adopt a plan of conversion and convert to a domestic corporation if the conversion is permitted by and complies with the laws of the state or country in which the foreign corporation or other entity is incorporated, formed, or organized.

(c) A plan of conversion shall set forth:

- (1) The name of the converting entity and the converted entity;
- (2) A statement that the converting entity is continuing its existence in the organizational form of the converted entity;
- (3) A statement describing the organizational form of the converted entity and the state or country under the laws of which the converted entity is to be incorporated, formed, or organized;
- (4) The manner and basis of converting the shares or other forms of ownership, of the converting entity into shares or other forms of ownership, of the converted entity, or any combination thereof;
- (5) If the converted entity is a domestic corporation, the articles of incorporation of the domestic corporation shall be attached; and
- (6) If the converted entity is not a domestic corporation, proof that the converted entity is registered in this State shall be attached.

(d) A plan of conversion may set forth any other provisions relating to the conversion that are not prohibited by law, including without limitation the initial bylaws and officers of the converted entity.

(e) After a conversion of a domestic corporation is approved, and at any time before the conversion becomes effective, the plan of conversion may be abandoned by the domestic corporation in accordance with the procedures set forth in the plan of conversion or, if these procedures are not provided in the plan, in the manner determined by the board of directors. If articles of conversion have been filed with the director but the conversion has not become effective, the conversion may be abandoned if a statement, executed on behalf of the converting entity by an officer or other duly authorized representative and stating that the plan of conversion has been abandoned in accordance with applicable law, is filed with the director prior to the

effective date of the conversion. If the director finds that the statement satisfies the requirements provided by law, the director, after all fees have been paid shall:

- (1) Stamp the word "Filed" on the statement and the date of the filing;
  - (2) File the document in the director's office; and
  - (3) Issue a certificate of abandonment to the converting entity or its authorized representatives.
- (f) Once the statement provided in subsection (e) is filed with the director, the conversion shall be deemed abandoned and shall not be effective.

**§415B-B Articles of conversion.** (a) If a plan of conversion has been approved in accordance with section 415B-83 and has not been abandoned, articles of conversion shall be executed by an officer or other duly authorized representative of the converting entity and shall set forth:

- (1) A statement certifying the following:
    - (A) The name, state, or country of incorporation, formation, or organization of the converting entity, and organizational form of the converting entity;
    - (B) That a plan of conversion has been approved;
    - (C) That an executed plan of conversion is on file at the principal place of business of the converting entity and stating the address thereof; and
    - (D) That a copy of the plan of conversion shall be furnished by the converting entity prior to the conversion or by the converted entity after the conversion on written request and without cost, to any member or director, as the case may be, of the converting entity or the converted entity;
  - and
  - (2) If the converting entity is a domestic or foreign corporation or other entity, a statement that the approval of the plan of conversion was duly authorized and complied with the laws under which it was incorporated, formed, or organized.
- (b) The articles of conversion shall be delivered to the director. If the converted entity is a domestic corporation the articles of incorporation shall also be delivered to the director with the articles of conversion.

(c) If the director finds that the articles of conversion satisfy the requirements provided by law, and that all required documents are filed, the director, after all fees have been paid shall:

- (1) Stamp the word "Filed" on the articles of conversion and the date of the filing;
- (2) File the document in the director's office; and
- (3) Issue a certificate of conversion to the converted entity or its authorized representatives.

**§415B-C Effective date of the conversion.** Upon the issuance of the certificate of conversion by the director, the conversion shall be effective.

**§415B-D Effect of conversion.** When a conversion becomes effective:

- (1) The converting entity shall continue to exist without interruption, but in the organizational form of the converted entity;
- (2) All rights, title, and interest in all real estate and other property owned by the converting entity shall automatically be owned by the converted entity without reversion or impairment, subject to any existing liens or other encumbrances thereon;



- (3) All liabilities and obligations of the converting entity shall automatically be liabilities and obligations of the converted entity without impairment or diminution due to the conversion;
- (4) The rights of creditors of the converting entity shall continue against the converted entity and shall not be impaired or extinguished by the conversion;
- (5) Any action or proceeding pending by or against the converting entity may be continued by or against the converted entity without any need for substitution of parties;
- (6) The shares and other forms of ownership in the converting entity that are to be converted into shares, or other forms of ownership in the converted entity, as provided in the plan of conversion, shall be converted; and
- (7) A shareholder, partner, member, or other owner of the converted entity shall be liable for the debts and obligations of the converting entity that existed before the conversion takes effect only to the extent that such shareholder, partner, member, or other owner:
  - (A) Agreed in writing to be liable for such debts or obligations;
  - (B) Was liable under applicable law prior to the effective date of the conversion for such debts or obligations; or
  - (C) Becomes liable under applicable law for existing debts and obligations of the converted entity by becoming a shareholder, partner, member, or other owner of the converted entity."

SECTION 4. Chapter 425, Hawaii Revised Statutes, is amended by adding four new sections to part VI to be appropriately designated and to read as follows:

**"§425-A Conversion into and from partnerships or limited liability partnerships.** (a) A domestic partnership or limited liability partnership may adopt a plan of conversion and convert to a foreign partnership, limited liability partnership, or any other entity if:

- (1) The domestic partnership or limited liability partnership acts on and its partners approve a plan of conversion in the manner prescribed by sections 425-191 and 428-904 to 428-906 and the conversion is treated as a merger to which the converting entity is a party and not the surviving entity;
- (2) The conversion is permitted by and complies with the laws of the state or country in which the converted entity is to be incorporated, formed, or organized; and the incorporation, formation, or organization of the converted entity complies with such laws;
- (3) At the time the conversion becomes effective, each partner of the converting entity, unless otherwise agreed to by that partner, owns an equity interest or other ownership interest in, and is a shareholder, partner, member, owner, or other security holder of, the converted entity; and
- (4) The converted entity shall be incorporated, formed, or organized as part of or pursuant to the plan of conversion.

(b) Any foreign partnership, limited liability partnership, or other entity may adopt a plan of conversion and convert to a domestic partnership or limited liability partnership if the conversion is permitted by and complies with the laws of the state or country in which the foreign partnership, limited liability partnership, or other entity is incorporated, formed, or organized.

(c) A plan of conversion shall set forth:

- (1) The name of the converting entity and the converted entity;

- (2) A statement that the converting entity is continuing its existence in the organizational form of the converted entity;
  - (3) A statement describing the organizational form of the converted entity and the state or country under the laws of which the converted entity is to be incorporated, formed, or organized;
  - (4) The manner and basis of converting the partnership interests, or other forms of ownership of the converting entity into partnership interests, or other forms of ownership of the converted entity, or any combination thereof;
  - (5) If the converted entity is a domestic partnership or limited liability partnership, the registration statement of the domestic partnership or limited liability partnership shall be attached; and
  - (6) If the converted entity is not a domestic partnership, or limited liability partnership, proof that the converted entity is registered in this State shall be attached.
- (d) A plan of conversion may set forth any other provisions relating to the conversion that are not prohibited by law, including without limitation the initial partnership or limited liability partnership agreement of the converted entity if the converted entity is a partnership or limited liability partnership.

**§425-B Articles of conversion.** (a) If a plan of conversion has been approved in accordance with the section 425-A and has not been abandoned, articles of conversion shall be executed by a partner, officer, or other duly authorized representative of the converting entity and shall set forth:

- (1) A statement certifying the following:
  - (A) The name, state, or country of incorporation, formation, or organization of the converting entity and the organizational form of the converting entity;
  - (B) That a plan of conversion has been approved in accordance with section 425-A;
  - (C) That an executed plan of conversion is on file at the principal place of business of the converting entity and stating the address thereof; and
  - (D) That a copy of the plan of conversion shall be furnished by the converting entity prior to the conversion or the converted entity after the conversion on written request and without cost, to any partner, shareholder, owner, or member of the converting entity or the converted entity;

and
- (2) A statement that the approval of the plan of conversion was duly authorized by all action required by the laws under which the converting entity was incorporated, formed, or organized.
- (b) The articles of conversion shall be delivered to the director.
- (c) If the converted entity is a domestic partnership, the registration statement of the domestic partnership or limited liability partnership shall also be delivered to the director with the articles of conversion.

**§425-C Effective date of the conversion.** Upon the issuance of a certificate of conversion by the director, the conversion shall be effective.

**§425-D Effect of conversion.** When a conversion becomes effective:

- (1) The converting entity shall continue to exist without interruption, but in the organizational form of the converted entity;

- (2) All rights, title, and interest in all real estate and other property owned by the converting entity shall automatically be owned by the converted entity without reversion or impairment, subject to any existing liens or other encumbrances thereon;
- (3) All liabilities and obligations of the converting entity shall automatically be liabilities and obligations of the converted entity without impairment or diminution due to the conversion;
- (4) The rights of creditors of the converting party shall continue against the converted entity and shall not be impaired or extinguished by the conversion;
- (5) Any action or proceeding pending by or against the converting entity may be continued by or against the converted entity, without any need for substitution of parties;
- (6) The partnership interests, and other forms of ownership in the converting entity that are to be converted into partnership interests, or other forms of ownership, in the converted entity as provided in the plan of conversion shall be converted;
- (7) A shareholder, partner, member, or other owner of the converted entity, shall be liable for the debts and obligations of the converting entity that existed before the conversion takes effect only to the extent that such shareholder, partner, member, or other owner:
  - (A) Agreed in writing to be liable for such debts or obligations;
  - (B) Was liable under applicable law prior to the effective date of the conversion for such debts or obligations; or
  - (C) Becomes liable under applicable law for existing debts and obligations of the converted entity by becoming a shareholder, partner, member, or other owner of the converted entity;
- (8) If the converted entity is a foreign partnership, limited liability partnership, or other entity, the converted entity shall appoint a resident of the State as its agent, for service of process in a proceeding to enforce any obligation or rights of dissenting partners of the converting domestic partnership or limited liability partnership; and
- (9) If the converting partnership is a domestic partnership, or limited liability partnership, section 425-191 shall apply as if the converted entity were the survivor of a merger with the converting entity."

SECTION 5. Chapter 425D, Hawaii Revised Statutes, is amended by adding four new sections to article 11 to be appropriately designated and to read as follows:

**"§425D-A Conversion into or from limited partnerships.** (a) A domestic limited partnership may adopt a plan of conversion and convert to a foreign limited partnership or any other entity if:

- (1) The domestic limited partnership acts on and its partners approve a plan of conversion in the manner prescribed by sections 425-191 and 428-904 to 428-906, as if the conversion is treated as a merger to which the converting entity is a party and not the surviving entity;
- (2) The conversion is permitted by and complies with the laws of the state or country in which the converted entity is to be incorporated, formed, or organized; and the incorporation, formation, or organization of the converted entity complies with such laws;
- (3) At the time the conversion becomes effective, each partner of the converting entity, unless otherwise agreed to by that partner, owns an equity interest or other ownership interest in, and is a shareholder,

partner, member, owner, or other security holder of, the converted entity; and

- (4) The converted entity shall be incorporated, formed, or organized as part of or pursuant to the plan of conversion.

(b) Any foreign limited partnership or other entity may adopt a plan of conversion and convert to a domestic limited partnership if the conversion is permitted by and complies with the laws of the state or country in which the foreign limited partnership or other entity is incorporated, formed, or organized.

(c) A plan of conversion shall set forth:

- (1) The name of the converting entity and the converted entity;
- (2) A statement that the converting entity is continuing its existence in the organizational form of the converted entity;
- (3) A statement describing the organizational form of the converted entity and the state or country under the laws of which the converted entity is to be incorporated, formed, or organized;
- (4) The manner and basis of converting the partnership interests, or other forms of ownership of the converting entity into partnership interests, or other forms of ownership of the converted entity, or any combination thereof;
- (5) If the converted entity is a domestic limited partnership, the certificate of limited partnership shall be attached; and
- (6) If the converted entity is not a domestic limited partnership, proof that the converted entity is registered in this State shall be attached.

(d) A plan of conversion may set forth any other provisions relating to the conversion that are not prohibited by law, including without limitation the initial partnership agreement of the converted entity.

**§425D-B Articles of conversion.** (a) If a plan of conversion has been approved in accordance with the section 425D-A and has not been abandoned, articles of conversion shall be executed by a partner, officer, or other duly authorized representative of the converting entity and shall set forth:

- (1) A statement certifying the following:
  - (A) The name, state, or country of incorporation, formation, or organization of the converting entity, and the organizational form of the converting entity;
  - (B) That a plan of conversion has been approved in accordance with section 425D-A;
  - (C) That an executed plan of conversion is on file at the principal place of business of the converting entity and stating the address thereof;
  - (D) That a copy of the plan of conversion shall be furnished by the converting entity prior to the conversion or the converted entity after the conversion, on written request and without cost, to any limited partner of the converting entity or the converted entity;

and

- (2) A statement that the approval of the plan of conversion was duly authorized by all action required by the laws under which the converting entity was incorporated, formed, or organized;

(b) The articles of conversion shall be delivered to the director.

(c) If the converted entity is a domestic limited partnership, the certificate of limited partnership shall also be delivered to the director with the articles of conversion.

**§425D-C Effective date of the conversion.** Upon the issuance of a certificate of conversion by the director, the conversion shall be effective.

**§425D-D Effect of conversion.** When a conversion becomes effective:

- (1) The converting entity shall continue to exist without interruption, but in the organizational form of the converted entity;
- (2) All rights, title, and interest in all real estate and other property owned by the converting entity shall automatically be owned by the converted entity without reversion or impairment, subject to any existing liens or other encumbrances thereon;
- (3) All liabilities and obligations of the converting entity shall automatically be liabilities and obligations of the converted entity without impairment or diminution due to the conversion;
- (4) The rights of creditors of the converting party shall continue against the converted party and shall not be impaired or extinguished by the conversion;
- (5) Any action or proceeding pending by or against the converting entity may be continued by or against the converted entity without any need for substitution of parties;
- (6) The partnership interests and other forms of ownership in the converting entity that are to be converted into partnership interests, or other forms of ownership, in the converted entity as provided in the plan of conversion shall be converted;
- (7) A shareholder, partner, member, or other owner of the converted entity shall be liable for the debts and obligations of the converting entity that existed before the conversion takes effect only to the extent that such shareholder, partner, member, or other owner:
  - (A) Agreed in writing to be liable for such debts or obligations;
  - (B) Was liable under applicable law prior to the effective date of the conversion for such debts or obligations; or
  - (C) Becomes liable under applicable law for existing debts and obligations of the converted entity by becoming a shareholder, partner, member, or other owner of the converted entity;
- (8) If the converted entity is a foreign limited partnership or other entity, the converted entity shall appoint a resident of this State as its agent for service of process in a proceeding to enforce any obligation or rights of dissenting limited partners of the converting domestic limited partnership; and
- (9) If the converting partnership is a domestic limited partnership, section 425D-1109 shall apply as if the converted entity were the survivor of a merger with the converting entity."

SECTION 6. Chapter 428, Hawaii Revised Statutes, is amended by adding two new sections to part IX to be appropriately designated and to read as follows:

**"§428-A Conversion into and from limited liability companies.** (a) A domestic limited liability company may adopt a plan of conversion and convert to a foreign limited liability company or any other entity if:

- (1) The domestic limited liability company acts on and its members approve a plan of conversion in the manner prescribed by sections 428-904 to 428-906 and the conversion is treated as a merger to which the converting entity is a party and not the surviving entity;
- (2) The conversion is permitted by, and complies with, the laws of the state or country in which the converted entity is to be incorporated, formed,

or organized; and the incorporation, formation, or organization of the converted entity complies with such laws;

- (3) At the time the conversion becomes effective, each member of the converting entity, unless otherwise agreed to by that member, owns an equity interest or other ownership interest in, and is a shareholder, partner, member, owner, or other security holder of, the converted entity;
- (4) The members of the domestic limited liability company shall not, as a result of the conversion, become personally liable without the members' consent, for the liabilities or obligations of the converted entity; and
- (5) The converted entity is incorporated, formed, or organized as part of or pursuant to the plan of conversion.

(b) Any foreign limited liability company or other entity may adopt a plan of conversion and convert to a domestic limited liability company if the conversion is permitted by and complies with the laws of the state or country in which the foreign corporation is incorporated, formed, or organized.

(c) A plan of conversion shall set forth:

- (1) The name of the converting entity and the converted entity;
- (2) A statement that the converting entity is continuing its existence in the organizational form of the converted entity;
- (3) A statement describing the organizational form of the converted entity and the state or country under the laws of which the converted entity is to be incorporated, formed, or organized;
- (4) The manner and basis of converting the shares or other forms of ownership of the converting entity into shares or other forms of ownership of the converted entity, or any combination thereof;
- (5) If the converted entity is a domestic limited liability company the articles of organization of the domestic limited liability company shall be attached; and
- (6) If the converted entity is not a domestic limited liability company, proof that the converted entity is registered in this State shall be attached.

(d) A plan of conversion may set forth any other provisions relating to the conversion that are not prohibited by law, including without limitation the initial bylaws and officers of the converted entity.

(e) After a conversion of a limited liability company is approved, and at any time before the conversion becomes effective, the plan of conversion may be abandoned by the converting entity without member action and in accordance with the procedures set forth in the plan of conversion or, if these procedures are not provided in the plan of conversion, in the manner determined by the members. If articles of conversion have been filed with the director but the conversion has not become effective, the conversion may be abandoned if a statement, executed on behalf of the converting entity by an officer or other duly authorized representative and stating that the plan of conversion has been abandoned in accordance with applicable law, is filed with the director prior to the effective date of the conversion. If the director finds that the statement satisfies the requirements provided by law, the director, after all fees have been paid shall:

- (1) Stamp the word "Filed" on the statement and the date of the filing;
- (2) File the document in the director's office; and
- (3) Issue a certificate of abandonment to the converting entity or its authorized representatives.

(f) Once the statement provided in subsection (e) is filed with the director, the conversion shall be deemed abandoned and shall not be effective.

**§428-B Articles of conversion.** (a) If a plan of conversion has been approved in accordance with section 428-A and has not been abandoned, articles of conversion shall be executed by an officer or other duly authorized representative of the converting entity by and shall set forth:

- (1) A statement certifying the following:
  - (A) The name, state, or country of incorporation, formation, or organization of the converting entity, and organizational form of the converting entity;
  - (B) That a plan of conversion has been approved;
  - (C) That an executed plan of conversion is on file at the principal place of business of the converting entity and stating the address thereof; and
  - (D) That a copy of the plan of conversion shall be furnished by the converting entity prior to the conversion or by the converted entity after the conversion on written request and without cost, to any member, shareholder, partner, or owner of the converting entity or the converted entity;
- (2) If the converting entity is a domestic limited liability company, the total number of authorized votes, and the number voted for and against the plan; and
- (3) If the converting entity is a foreign limited liability company or other entity, a statement that the approval of the plan of conversion was duly authorized and complied with the laws under which it was incorporated, formed, or organized.

(b) The articles of conversion shall be delivered to the director. If the converted entity is a domestic limited liability company the articles of organization of the domestic limited liability company, shall also be delivered to the director with the articles of conversion.

(c) If the director finds that the articles of conversion satisfy the requirements provided by law, and that all required documents are filed, the director, after all fees have been paid shall:

- (1) Stamp the word "Filed" on the articles of conversion and the date of the filing;
- (2) File the document in the director's office; and
- (3) Issue a certificate of conversion to the converted entity or its authorized representatives."

SECTION 7. Section 415-2, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

"“Other entity” includes a domestic or foreign non-profit corporation, limited liability company, general partnership, limited partnership, limited liability partnership, or a domestic professional corporation.”

SECTION 8. Section 415A-2, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

"“Other entity” includes a domestic or foreign corporation, whether organized for profit or not, a domestic or foreign limited liability company, general partnership, limited partnership, or limited liability partnership.”

SECTION 9. Section 415B-2, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

““Other entity” includes a domestic or foreign corporation, whether organized for profit or not, a domestic or foreign limited liability company, general partnership, limited partnership, limited liability partnership, or a domestic professional corporation.”

SECTION 10. Section 425-152, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

““Other entity” includes a domestic or foreign corporation, whether organized for profit or not, a domestic or foreign limited partnership, limited liability company, or domestic professional corporation.”

SECTION 11. Section 425D-101, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

““Other entity” includes a domestic or foreign corporation, whether organized for profit or not, a domestic or foreign partnership, limited liability partnership, limited liability company, or a professional corporation.”

SECTION 12. Section 428-901, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

““Other entity” includes a foreign or domestic corporation, whether organized for profit or not, a domestic or foreign partnership, limited partnership, limited liability partnership, or a domestic professional corporation.”

SECTION 13. Section 415-128, Hawaii Revised Statutes, is amended to read as follows:

**“§415-128 Fees for filing documents and issuing certificates. (a)** The following fees shall be paid to the director upon the filing of corporate documents:

- (1) Articles of incorporation, \$100;
- (2) Articles of amendment, \$50;
- (3) Restated articles of incorporation, \$50;
- (4) Articles of conversion, merger, or consolidation, \$200;
- (5) Articles of merger (subsidiary corporation), \$100;
- (6) Articles of dissolution, \$50;
- (7) Annual report of domestic and foreign corporations organized for profit, \$25;
- (8) Any other statement, report, certificate, application, or other corporate document, except an annual report, of a domestic or foreign corporation, \$50;
- (9) Application for a certificate of authority, \$100;
- (10) Application for a certificate of withdrawal, \$50;
- (11) Reservation of corporate name, \$20;
- (12) Transfer of reservation of corporate name, \$20;
- (13) Good standing certificate, \$25;
- (14) Special handling fee for review of corporation documents, excluding articles of conversion, merger, or consolidation, \$50;
- (15) Special handling fee for review of articles of conversion, merger, or consolidation, \$150;
- (16) Special handling fee for certificates issued by the department, \$20 per certificate; and
- (17) Special handling fee for certification of documents, \$1 per page.



(b) All special handling fees shall be credited to the special fund established for use by the department in expediting the processing of documents. At least two temporary business registration assistant I positions shall be paid out of the special fund.

(c) The director shall adjust the fees assessed under this section, as necessary from time to time, through rules adopted under chapter 91 to ensure that the proceeds, together with all other receipts of the special fund under this section do not surpass the annual operating costs of the program. All unexpended and unencumbered moneys remaining on balance with the fund at the close of each fiscal year which are deemed, by the director of finance, to be in excess of the moneys necessary to carry out the processing of corporate documents over the next following fiscal year shall lapse to the credit of the state general fund."

SECTION 14. Chapter 415B, Hawaii Revised Statutes, is amended by amending the title of part IV to read as follows:

**"PART IV.  
MERGERS [AND], CONSOLIDATIONS, AND CONVERSIONS"**

SECTION 15. Section 415B-155, Hawaii Revised Statutes, is amended to read as follows:

**"§415B-155 Fees for filing documents and issuing certificates.** (a) The following fees shall be paid to the director upon the filing of corporate documents:

- (1) Articles of incorporation, \$50;
- (2) Articles of amendment, \$20;
- (3) Restated articles of incorporation, \$20;
- (4) Articles of merger or consolidation, \$100;
- (5) Articles of conversion, \$200;
- (6) Articles of dissolution, \$20;
- [(6)] (7) Annual report of nonprofit domestic and foreign corporations, \$5;
- [(7)] (8) Any other statement, report, certificate, application, or other corporate document, except an annual report, of a nonprofit domestic or foreign corporation, \$20;
- [(8)] (9) Application for a certificate of authority, \$50;
- [(9)] (10) Application for a certificate of withdrawal, \$20;
- [(10)] (11) Reservation of corporate name, \$20;
- [(11)] (12) Transfer of reservation of corporate name, \$20;
- [(12)] (13) Good standing certificate, \$20;
- [(13)] (14) Special handling fee for review of corporation documents, excluding articles of merger or consolidation, \$50;
- [(14)] (15) Special handling fee for review of articles of conversion, merger, or consolidation, \$150;
- [(15)] (16) Special handling fee for certificates issued by the department, \$20 per certificate; and
- [(16)] (17) Special handling fee for certification of documents, \$1 per page.

(b) All special handling fees shall be credited to a special fund which may be established for use by the department in expediting the processing of documents. At least two temporary business registration assistant I positions shall be paid out of the special fund."

SECTION 16. Section 425-12, Hawaii Revised Statutes, is amended to read as follows:

**“§425-12 Fee for filing documents and issuing certificates.** (a) The following fees shall be paid to the director upon the filing of general partnership documents:

- (1) Partnership registration statement, \$25;
- (2) Partnership change of name statement, \$25;
- (3) Partnership dissolution statement, \$25;
- (4) Foreign general partnership registration statement, \$25;
- (5) Statement of change, \$25;
- (6) Application of<sup>1</sup> certificate of withdrawal, \$10;
- (7) Statement of correction, \$25;
- (8) Reservation of name, \$20;
- (9) Transfer of reservation of name, \$20;
- (10) Annual statement for domestic or foreign general partnership, \$10;
- (11) Good standing certificate, \$25;
- (12) Articles of conversion, \$200:
- [ (12) ] (13) Any other statement, certificate, or other document for a domestic or foreign general partnership, \$25;
- [ (13) ] (14) Special handling fee for review of any general partnership document, \$20;
- [ (14) ] (15) Special handling fee for certificates issued by the director, \$20 per certificate; [and]
- [ (15) ] (16) Special handling fee for certification of documents, \$1 per page[.];  
and
- (17) Special handling fee for review of articles of conversion, \$150.

(b) All special handling fees shall be credited to the special fund authorized by section 415-128.”

SECTION 17. Section 425-169, Hawaii Revised Statutes, is amended to read as follows:

**“[[§425-169]] Fee for recording.** (a) The director shall collect the following fees for documents filed under this part:

- (1) For each change of partnership name or statement of dissolution filed, a fee of \$5 per partner, subject to a maximum fee of \$5,000;
- (2) For each annual statement filed, a fee of \$50;
- (3) For each limited liability partnership registered, a fee of \$100 for each partner, subject to a maximum fee of \$10,000;
- (4) For each foreign limited liability partnership registered, a fee of \$1,000 if the partnership has fewer than ten partners; \$5,000 if the partnership has ten or more but fewer than fifty partners; and \$10,000 if the partnership has fifty or more partners;
- (5) For each reservation or transfer of limited liability partnership name, a fee of \$100;
- (6) For each certificate of correction or certificate of amendment, a fee of \$100;
- (7) For each certificate of good standing, a fee of \$100;
- (8) For review of articles of conversion, a fee of \$200;
- [ (8) ] (9) For any other certificate, statement, or document, a fee of \$100; and
- [ (9) ] (10) For each certification of domestic or foreign partnership, a fee of \$100.

(b) The following special handling fees shall be assessed by the director for expeditious review of the following documents:

- (1) For limited liability partnerships: certificate of limited liability partnership, \$100; certificate of correction, \$100; change of name statement,

\$100; partnership dissolution statement, \$100; annual statement, \$100; certification of limited liability partnership, \$1 a page; certificate of good standing, \$100; articles of conversion, \$150;

- (2) For foreign limited liability partnerships: registration statement, \$100; certificate of correction, \$100; withdrawal application, \$100; annual statement, \$100; certification of foreign partnership, \$1 a page; certificate of good standing, \$100; filing articles of conversion, \$150; and

- (3) For any other certificate or document authorized by this part, \$100.

(c) All special handling fees shall be credited to the special fund authorized by section 415-128. All other fees collected under this section shall be managed in accordance with section 26-9(1).''

SECTION 18. Section 425-191, Hawaii Revised Statutes, is amended to read as follows:

**“[[§425-191[ ]] Merger [or conversion] of domestic general and limited liability partnerships.** One of<sup>2</sup> more domestic general and limited liability partnerships may be [converted into or] merged with a domestic limited liability company pursuant to [section 428-902 or] sections 428-904 to 428-906[, as the case may be].”

SECTION 19. Section 425D-1107, Hawaii Revised Statutes, is amended to read as follows:

**“§425D-1107 Fees for filing documents and issuing certificates.** (a) The following fees shall be paid to the director upon the filing of limited partnership documents:

- (1) Certificate of limited partnership, \$50;
- (2) Any certificate of amendment, restatement, or correction, \$20;
- (3) Certificate of cancellation, \$20;
- (4) Annual statement for domestic or foreign limited partnership, \$10;
- (5) Any other certificate or document of domestic or foreign limited partnership, \$20;
- (6) Application for registration as a foreign limited partnership, \$100;
- (7) Any certificate of amendment or agent change for foreign limited partnership, \$20;
- (8) Application for certificate of withdrawal of foreign limited partnership, \$20;
- (9) Reservation of name, \$20;
- (10) Transfer of reservation of name, \$20;
- (11) Good standing certificate, \$20;
- (12) Filing articles of conversion, \$200;
- (13) Special handling fee for review of articles of conversion, \$150;
- [(12)] (14) Special handling fee for review of any limited partnership document, \$50;
- [(13)] (15) Special handling of fee for certificates issued by the director, \$20 per certificate; and
- [(14)] (16) Special handling fee for certification of documents, \$1 per page.

(b) All special handling fees shall be credited to the special fund authorized by section 415-128.”

SECTION 20. Section 425D-1109, Hawaii Revised Statutes, is amended to read as follows:

**“[[§425D-1109]] Merger [or conversion] of domestic limited partnerships.** One or more domestic limited partnerships may be [converted into or] merged with a domestic limited liability company pursuant to [section 428-902 or] sections 428-904 to 428-906[, as the case may be].”

SECTION 21. Section 428-903, Hawaii Revised Statutes, is amended to read as follows:

**“[[§428-903]] Effect of conversion[; entity unchanged].** [(a) A general partnership or limited partnership that has been converted to a limited liability company pursuant to section 428-902 shall be considered the same legal entity that existed prior to the conversion, the only change shall be the form in which the legal entity now exists.

(b) When the conversion takes effect:

- (1) All property owned by the converting general partnerships or limited partnerships is vested in the limited liability company;
- (2) All debts, liabilities, and other obligations of the converting general partnership or limited partnership continue as obligations of the limited liability company;
- (3) Any action or proceeding pending by or against the converting general partnership or limited partnership may be continue<sup>3</sup> as if the conversion had not occurred and the limited liability company may be substituted as a party to the actions<sup>4</sup> or proceeding;
- (4) Except as prohibited by other law, all the rights, privileges, immunities, powers, and purposes of the converting general partnership or limited partnership are vested in the limited liability company; and
- (5) Except as otherwise provided in the agreement of the conversion under section 428-902(c), all of the partners of the converting general partnership or limited partnership shall continue as members of the limited liability company.]

(a) When a conversion becomes effective:

- (1) The converting entity shall continue to exist without interruption, but in the organizational form of the converted entity;
- (2) All rights, title, and interest in all real estate and other property owned by the converting entity shall automatically be owned by the converted entity without reversion or impairment, subject to any existing liens or other encumbrances thereon;
- (3) All liabilities and obligations of the converting entity shall automatically be liabilities and obligations of the converted entity without impairment or diminution due to the conversion;
- (4) The rights of creditors of the converting entity shall continue against the converted entity and shall not be impaired or extinguished by the conversion;
- (5) Any action or proceeding pending by or against the converting entity may be continued by or against the converted entity without any need for substitution of parties;
- (6) The shares and other forms of ownership in the converting entity that are to be converted into shares, or other forms of ownership, or other securities in the converted entity as provided in the plan of conversion shall be converted, and if the converting entity is a domestic limited liability company, the members of the domestic limited liability company shall be entitled only to the rights provided in the plan of conversion or to the rights to dissent under section 415-80;

- (7) A shareholder, partner, member, or other owner of the converted entity shall be liable for the debts and obligations of the converting entity that existed before the conversion takes effect only to the extent that such shareholder, partner, member, or other owner:
- (A) Agreed in writing to be liable for such debts or obligations;
  - (B) Was liable under applicable law prior to the effective date of the conversion, for such debts or obligations; or
  - (C) Becomes liable under applicable law for existing debts and obligations of the converted entity by becoming a shareholder, partner, member, or other owner of the converted entity;
- (8) If the converted entity is a foreign limited liability company or other entity, such converted entity shall appoint a resident of this State as its agent for service of process in a proceeding to enforce any obligation or the rights of dissenting members of the converting domestic limited liability company; and
- (9) If the converting entity is a domestic limited liability company, section 428-907 shall apply as if the converted entity were the survivor of a merger with the converting entity.
- (b) Upon the issuance of the certificate of conversion by the director, the conversion shall be effective.”

SECTION 22. Section 428-908, Hawaii Revised Statutes, is amended to read as follows:

**“[[§428-908[]] Notice of conversion or merger of partnership or limited partnership.** A partnership or limited partnership which intends to be converted to a limited liability company pursuant to [sections 428-902 and] section 428-903 or [which] that intends to be party to a merger into a limited liability company pursuant to sections 428-905 to 428-907, shall:

- (1) Publish, once in each of three successive weeks (three publications) in a newspaper of general circulation published in the State, notice thereof to the public[.]; and
- (2) Make reasonable efforts to give notice thereof in a reasonable manner to persons with whom the partnership or limited partnership expects to have a continuing business relationship as of the time of the conversion or merger. A partnership or limited partnership which determines in a reasonable manner the persons to whom such notice is given shall be in compliance with this section even if notice is not received by all persons with whom the partnership or limited partnership conducted business prior to the conversion or merger or by all persons with whom the limited liability company conducts business after the conversion.”

SECTION 23. Section 428-1301, Hawaii Revised Statutes, is amended to read as follows:

**“§428-1301 Fees.** (a) The following fees shall be paid to the director upon the filing and issuance of records under this chapter:

- (1) Articles of organization, \$100;
- (2) Articles of amendment, \$50;
- (3) Restated articles of organization, \$50;
- (4) Articles of merger[, or conversion], \$200;
- (5) Statement of dissociation, \$50;
- (6) Articles of termination, \$50;
- (7) Application for reinstatement for administratively terminated limited liability company, \$50;

- (8) Annual report, \$25;
- (9) Statement of change of designated office or agent for service of process, or both, for limited liability company or foreign limited liability company, \$50;
- (10) Statement of resignation of agent for service of process, \$50;
- (11) Any other statement or document of a domestic or foreign limited liability company, \$50;
- (12) Application for certificate of authority for foreign limited liability company, \$100;
- (13) Application for cancellation of authority of foreign limited liability company, \$50;
- (14) Reservation of name, \$25;
- (15) Good standing certificate, \$25;
- (16) Any other record not otherwise covered in this part, \$50;
- (17) Certified copy of any record relating to a limited liability company or foreign limited liability company, 25 cents per page, and \$10 for the certificate and affixing the seal thereto;
- (18) Special handling fee for review of any record other than articles of merger[,] or conversion, \$80;
- (19) Special handling fee for review of articles of merger[,] or conversion, \$200;
- (20) Special handling fee for certificates issued by the director not otherwise covered by this part, \$10 per certificate;
- (21) Special handling fee for certification of record, \$1 per page; and
- (22) Any service of notice, demand, or process upon the director as agent for service of process of a limited liability company or foreign limited liability company, \$50, which amount may be recovered as taxable costs by the party to the suit or action causing such service to be made if such party prevails in the suit or action.

(b) All special handling fees shall be credited to the special fund authorized by section 415-128."

SECTION 24. Section 428-902, Hawaii Revised Statutes, is repealed.

SECTION 25. In codifying the new sections added by sections 1, 2, 3, 4, 5, and 6 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in the new sections designated in this Act.

SECTION 26. Statutory material to be repealed is bracketed. New statutory material is underscored.<sup>5</sup>

SECTION 27. This Act shall take effect on July 1, 2000.

(Approved July 6, 1999.)

#### Notes

1. Prior to amendment "for" appeared here.
2. Prior to amendment "or" appeared here.
3. Prior to amendment "continued" appeared here.
4. Prior to amendment "action" appeared here.
5. Edited pursuant to HRS §23G-16.5.