STATE OF HAWAII
DEPARTMENT OF THE ATTORNEY GENERAL
TAX & CHARITIES DIVISION
425 QUEEN STREET
HONOLULU, HAWAII 96813
Tel. No.: (808) 586-1470 (TAX)
Tel. No.: (808) 586-1480 (CHARITIES)
ATG.Charities@Hawaii.Gov

DISSOLUTION OF A HAWAII PUBLIC BENEFIT CORPORATION

PROCEDURES AND CHECKLIST

I. INTRODUCTION

A Hawaii "*public benefit corporation*" must give notice of its intent to dissolve to the Hawaii Attorney General before it files its articles of dissolution with the Hawaii Department of Commerce and Consumer Affairs. A *public benefit corporation* is a corporation that is (1) exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code (IRC) **or** (2) organized for public or charitable purposes and upon dissolution must distribute its assets to another public benefit corporation, the United States, a state, or another organization that is exempt from federal taxation under IRC section 501(c)(3).[1]

Section 414D-233(b), Hawaii Revised Statutes, provides that no assets shall be transferred by a public benefit corporation until twenty days after it has given notice to the Attorney General and the Attorney General has provided a response in writing consenting to or indicating that the Attorney General will take no action with respect to the dissolution:

(b) No assets shall be transferred or conveyed by a public benefit corporation as part of the dissolution process until twenty days after it has given the written notice required by subsection (a) to the attorney general or until the attorney general has consented in writing to the dissolution, or indicated in writing that the attorney general will take no action in respect to, the transfer or conveyance, whichever is earlier.

The purpose of this publication is to provide guidance to Hawaii public benefit corporations on how to provide the statutorily required notice of its intent to dissolve to the Attorney General and what information should be provided with such notice. This publication is not intended as a substitute for legal advice from an attorney

1. Section 414D-12, Hawaii Revised Statutes.

II. WHERE TO SEND NOTICES OF INTENT TO DISSOLVE

Notices of intent to dissolve should be sent to:

Tax & Charities Division
Department of the Attorney General
425 Queen Street
Honolulu Hawaii 96813
ATG.Charities@Hawaii.gov

III. **CHECKLIST:** WHAT DOCUMENTS SHOULD BE INCLUDED WITH A NOTICE OF INTENT TO DISSOLVE?

The following is a list of the necessary information and documents that should be provided to the Attorney General to review along with the Notice of Intent to Dissolve:

☑ Contact information for dissolving public benefit corporation.

☑ If the person providing the notice is not an officer of the corporation with signing authority, provide the authority of the person to act on behalf of the corporation (e.g., a copy of a resolution by the organization's board of directors authorizing the person to act on behalf of the corporation).

☑ Articles of Incorporation.

☑ Bylaws.

☑ The corporation's plan of dissolution.

The Plan of Dissolution should contain at a minimum:

- A list of asset(s) to be distributed in contemplation of dissolution (including personal property), indicating if any of the assets are restricted-use (e.g., assets that have been designated to be used for a specific purpose). If any assets are restricted, please indicate their value, explain the restriction, and state whether there is a reversionary interest, gift over, etc.

- The corresponding entity receiving each asset, not including creditors; and

- The address and contact person for each entity that will receive the asset(s). Please include the EIN number for the organizations that will receive assets upon dissolution.

☑ Resolution adopting plan of dissolution or written consents in lieu of a meeting.

☑ Consent of any third party (e.g., national office, a related organization), if required.

IV. ATTORNEY GENERAL'S RESPONSE TO THE NOTICE

Within 20 days after the above information is provided to the Department of the Attorney General with the notice of intent to dissolve, and the Attorney General has reviewed the information, the Attorney General may respond in writing indicating that the Attorney General consents to the dissolution, or will take no action with respect to the proposed dissolution as provided by law.

V. POST-DISSOLUTION REQUIREMENTS.

After an organization has filed its articles of dissolution with the Department of Commerce and Consumer Affairs, it must provide the Attorney General with a list showing those (other than creditors) to whom the assets were transferred or conveyed. The list shall indicate the addresses of each person or entity (other than creditors) that received assets and indicate what assets each received.

VI. QUESTIONS?

Questions may be emailed to ATG.Charities@Hawaii.Gov. or you may contact (808) 586-1480.