
A BILL FOR AN ACT

RELATING TO COMMERCE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 480-7, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:
3 "(a) No person shall acquire and hold, directly or
4 indirectly, the whole or any part of the stock, interest, or
5 membership of any other person, or the whole or any part of the
6 assets of any other person, where the effect of the acquisition
7 and holding may be substantially to lessen competition, lessen
8 access to health care, increase insurance rates, or to tend to
9 create a monopoly in any line of commerce in any section of the
10 State; provided that this subsection shall not apply to any
11 person acquiring and holding the stock, interest, or membership
12 solely for investment and not using the same by voting or
13 otherwise to bring about, or in attempting to bring about, the
14 substantial lessening of competition or the creation of a
15 monopoly in any line of commerce in any section of the State.
16 Nor shall anything in this subsection prevent a person from
17 causing the formation of a subsidiary business entity for the



1 actual carrying on of its immediate lawful business, or the
2 natural and legitimate branches or extensions thereof, or from
3 owning and holding all or a part of the stock, interest, or
4 membership of a subsidiary business entity, when the effect of
5 the formation is not substantially to lessen competition.

6 As used in this subsection:

7 "Control" means:

- 8 (1) Owning or having the power to vote eighty per cent or
9 more of any class of voting securities of the
10 subsidiary;
- 11 (2) Having the power to elect, by any means, a majority of
12 the directors; or
- 13 (3) Having the power to exercise a dominant influence over
14 the management and policies of the subsidiary.

15 "Subsidiary" means any person that is under the control of
16 a person."

17 SECTION 2. This Act does not affect rights and duties that
18 matured, penalties that were incurred, and proceedings that were
19 begun before its effective date.

20 SECTION 3. New statutory material is underscored.



1 SECTION 4. This Act shall take effect on July 1, 3000.



Report Title:

Monopolies; Restraint of Trade; Health Care; Insurance

Description:

Prohibits acquiring and holding stocks and other interests if the acquisition and holding lessens access to health care or increases insurance rates. Effective 7/1/3000. (HD1)

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