
A BILL FOR AN ACT

RELATING TO PRESCRIPTION DRUGS.

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

1 SECTION 1. Section 481-6, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "**§481-6 When sale at less than cost permitted.** Sections
4 481-3 to 481-5 shall not apply to any sale made:

- 5 (1) In closing out in good faith the owner's stock or any
6 part thereof for the purpose of discontinuing the
7 owner's trade in any such stock or commodity, and in
8 the case of the sale of seasonal goods, or to the bona
9 fide sale of perishable goods to prevent loss to the
10 vendor by spoilage or depreciation, provided notice is
11 given to the public thereof;
- 12 (2) When the goods are damaged or deteriorated in quality,
13 and notice is given to the public thereof;
- 14 (3) By an officer acting under the orders of any court;
- 15 (4) In an endeavor made in good faith to meet the lawful
16 prices of a competitor, as herein defined, selling the
17 same article or product, or service or output of a
18 service trade, in the same locality or trade area;



1 (5) By the government or any agency thereof, of the United
 2 States, the State, or any county, or by post exchanges
 3 or ships' service stores operating under and in
 4 accordance with United States army or naval
 5 regulations[-]; or

6 (6) Of generic prescription drugs.

7 In case of any sale at less than cost which does not fall
 8 within (1) to [~~5~~] (6) of this section, the burden of proof
 9 shall be on the defendant to show that the sale was not made for
 10 the purpose of injuring competitors and destroying competition
 11 within the meaning of this part.

12 Any person, firm, or corporation who performs work upon,
 13 renovates, alters, or improves any personal property belonging
 14 to another person, firm, or corporation, shall be construed to
 15 be a vendor within the meaning of this part."

16 SECTION 2. Statutory material to be repealed is bracketed
 17 and stricken. New statutory material is underscored.

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

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Kerealwana
Maif B. Lee



INTRODUCED BY:

K. L.
Ma
Tom J. Tom

Y. O. O.

Tom Brown
Tom Brown
El Shiere
Tom Ward

John M. Negro
JR

Allan A. Beletti

Jim Smith
Bob Am
Dier

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Report Title:

Prescription Drugs; Sale Below Cost

Description:

Permits the sale of generic prescription drugs at below cost, provided that it is not done with the intent to destroy competition.

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