

**ACT 69**

H.B. NO. 1587

A Bill for an Act Relating to Acquisition of Hospitals.

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

SECTION 1. Section 323D-71, Hawaii Revised Statutes, is amended by amending the definition of “acquisition” to read as follows:

““Acquisition” means any acquisition by a person or persons of an ownership or controlling interest in a hospital, whether by purchase, merger, lease, gift, or otherwise, that results in a change of ownership or control of twenty per cent or

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greater or which results in the acquiring person or persons holding a fifty per cent or greater interest in the ownership or control of that hospital[~~but does not include the acquisition of an ownership or controlling interest in a private nonprofit hospital by a transferee that:~~

- ~~(1) Is a nonprofit corporation having a substantially similar charitable health care purpose as the transferor or is a governmental entity;~~
- ~~(2) Is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or [is] a governmental entity; and~~
- ~~(3) Maintains representation from the affected community on the local board].”~~

SECTION 2. Section 323D-72, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) No person shall engage in the acquisition of a hospital without first:

- (1) Applying for and receiving the approval of the agency; and
- (2) Notifying the attorney general and, if applicable, receiving approval from the attorney general pursuant to this part[;

~~unless the acquiring person is a nonprofit corporation exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or is a governmental entity].”~~

SECTION 3. Statutory material to be repealed is bracketed and stricken.

SECTION 4. This Act shall take effect upon its approval.

(Approved April 27, 2001.)