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# A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST CASTLE MEDICAL CENTER AND ITS AFFILIATES.

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

1           SECTION 1. The legislature finds and declares that the  
2 issuance of special purpose revenue bonds under this Act is in  
3 the public interest and for the public health, safety, and  
4 general welfare.

5           SECTION 2. Pursuant to part II, chapter 39A, Hawaii  
6 Revised Statutes, the department of budget and finance, with the  
7 approval of the governor, is authorized to issue special purpose  
8 revenue bonds in a total amount not to exceed \$           , in  
9 one or more series, for the purpose of assisting Castle Medical  
10 Center, a Hawaii not-for-profit corporation, and one or more of  
11 its nonprofit affiliates, to finance and refinance equipment  
12 purchases, and for the construction and improvement of health  
13 care facilities, including the following:

- 14           (1) Remodeling and rebuilding existing health care  
15           facilities;
- 16           (2) Constructing new health care facilities;
- 17           (3) Purchasing new equipment;



- 1 (4) Refinancing debt; and  
2 (5) Other related projects for Castle Medical Center and  
3 its affiliated nonprofit affiliations.

4 The legislature finds and determines that the activities  
5 and facilities of Castle Medical Center and its nonprofit  
6 affiliates constitute a project as defined in part II, chapter  
7 39A, Hawaii Revised Statutes, and the financing thereof is  
8 assistance to a not-for-profit corporation that provides health  
9 care facilities to the general public.

10 SECTION 3. The special purpose revenue bonds and the  
11 refunding special purpose revenue bonds issued under this Act  
12 shall be issued pursuant to part II, chapter 39A, Hawaii Revised  
13 Statutes, relating to the power to issue special purpose revenue  
14 bonds to assist not-for-profit corporations that provide health  
15 care facilities to the general public.

16 SECTION 4. The department of budget and finance is  
17 authorized, from time to time, including times subsequent to  
18 June 30, 2013, to issue special purpose revenue bonds in  
19 whatever principal amounts the department shall determine to be  
20 necessary to refund the special purpose revenue bonds authorized  
21 in section 2 and to refund special purpose revenue bonds  
22 authorized in this section, regardless of whether the



1 outstanding special purpose revenue bonds or refunding special  
2 purpose revenue bonds have matured or are the subject of  
3 redemption or whether the refunding special purpose revenue  
4 bonds shall be bonds for the multi-project programs described in  
5 section 2. In making this determination, the department of  
6 budget and finance shall comply with federal law relating to the  
7 exemption from federal income taxation of the interest on bonds  
8 of the nature authorized by section 2.

9 SECTION 5. The authorization to issue special purpose  
10 revenue bonds under this Act shall lapse on June 30, 2013.

11 SECTION 6. This Act shall take effect upon its approval.



**Report Title:**

Special Purpose Revenue Bonds; Castle Medical Center

**Description:**

Authorizes special purpose revenue bonds to assist Castle Medical Center. SD1)

