

JAN 25 2023

A BILL FOR AN ACT

RELATING TO SPECIAL PURPOSE REVENUE BONDS.

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

1 SECTION 1. The legislature finds that the west Maui
2 community critically needs a hospital. Currently, even with
3 additional funding and improvements, ambulance access on Maui is
4 stretched thin. The portion of west Maui that would be served
5 by the proposed West Maui Hospital and Medical Center is
6 connected to the rest of the island only by a small airport
7 having limited services and a two-lane highway that is
8 constantly under threat of being blocked due to an accident,
9 fire, or natural disaster. The legislature further finds that a
10 hospital in this region would integrate well with the island's
11 existing healthcare system.

12 The legislature finds that the west Maui area continues to
13 grow, with the development of new affordable housing projects, a
14 projected new development by the department of Hawaiian home
15 lands, and ever-increasing visitor numbers. As a result, the
16 need for a new healthcare facility to serve the region will also
17 continue to grow.



1 The legislature also finds that the State recently remedied
2 a similar situation when it granted Queen's North Hawaii
3 Community Hospital a certificate of need, which allowed for the
4 construction of a facility comparable to the proposed West Maui
5 Hospital and Medical Center.

6 Accordingly, the legislature finds that establishing the
7 proposed West Maui Hospital and Medical Center would help to
8 meet the community's emergency medical needs and provide crucial
9 bed capacity, with the possibility of providing access to
10 specialty and long-term care for the ever-growing but isolated
11 West Maui community.

12 The legislature further finds that special purpose revenue
13 bonds are an important tool that may be used to financially
14 support the development of healthcare facilities. The
15 legislature believes that the establishment of a new hospital in
16 west Maui must be done in partnership with the county of Maui to
17 ensure the availability of necessary resources before
18 construction commences. Therefore, the legislature finds that
19 issuing special purpose revenue bonds for the construction of
20 West Maui Hospital and Medical Center and requiring the county
21 of Maui to serve as guarantor for the debt service on those



1 bonds will help to build the capital required to realize the
2 construction and operation of this long-overdue medical
3 facility.

4 Accordingly, the purpose of this Act is to authorize the
5 issuance of special purpose revenue bonds to assist West Maui
6 Hospital Foundation, Inc., in the construction of West Maui
7 Hospital and Medical Center, including any necessary
8 infrastructure.

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

13 SECTION 3. Pursuant to part II, chapter 39A, Hawaii
14 Revised Statutes, the department of budget and finance, with the
15 approval of the governor, is authorized to issue special purpose
16 revenue bonds in a total amount not to exceed \$20,000,000, in
17 one or more series, for the purpose of assisting West Maui
18 Hospital Foundation, Inc., a Hawaii corporation, with financing
19 of costs related to the design and construction of and equipment
20 for West Maui Hospital and Medical Center in the County of Maui,
21 including any necessary infrastructure improvements. The



1 legislature hereby finds and determines that the construction of
2 West Maui Hospital and Medical Center constitutes a project as
3 defined in part II, chapter 39A, Hawaii Revised Statutes, and
4 the financing thereof is assistance to health care facilities.

5 SECTION 4. The special purpose revenue bonds and the
6 refunding special purpose revenue bonds issued under this Act
7 shall be issued pursuant to part II, chapter 39A, Hawaii Revised
8 Statutes, relating to the power to issue special purpose revenue
9 bonds to assist not-for-profit corporations that provide health
10 care facilities to the general public.

11 SECTION 5. Notwithstanding section 3 of this Act or any
12 other law to the contrary, the department of budget and finance
13 shall not issue any special purpose revenue bonds unless the
14 county of Maui serves as guarantor of any debt service on the
15 special purpose revenue bonds issued pursuant to this Act.

16 SECTION 6. The department of budget and finance is
17 authorized, from time to time, including times subsequent to
18 June 30, 2028, 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 3 and to refund special purpose revenue bonds



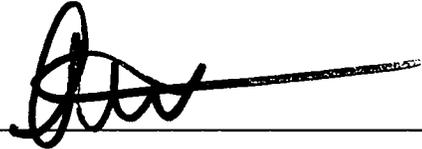
1 authorized in this section, regardless of whether the
2 outstanding special purpose revenue bonds or refunding special
3 purpose revenue bonds have matured or are the subject of
4 redemption or whether the refunding special purpose revenue
5 bonds shall be bonds for the multi-project programs described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

10 SECTION 7. The authorization to issue special purpose
11 revenue bonds under this Act shall lapse on June 30, 2028.

12 SECTION 8. This Act shall take effect on July 1, 2023.

13

INTRODUCED BY: _____

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S.B. NO. 1476

Report Title:

SPRBs; West Maui Hospital and Medical Center; County of Maui;
Matching Funds

Description:

Authorizes the issuance of special purpose revenue bonds to assist West Maui Hospital Foundation, Inc. in the construction of West Maui Hospital and Medical Center in the County of Maui, including any necessary infrastructure. Requires the County of Maui to serve as guarantor of any debt service on the special purpose revenue bonds.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

