

STAND. COM. REP. NO. 457

Honolulu, Hawaii

FEB 17 2023

RE: S.B. No. 1476
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Health and Human Services, to which was referred S.B. No. 1476 entitled:

"A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds in a total amount not to exceed \$20,000,000, to assist West Maui Hospital Foundation, Inc., a Hawaii nonprofit corporation, with financing the costs related to the design and construction of, and equipment for, West Maui Hospital and Medical Center, including necessary infrastructure improvements; provided that the County of Maui shall serve as guarantor for the debt service on the bonds.

Your Committee received testimony in support of this measure from one member of the County Council of the County of Maui; West Maui Hospital Foundation, Inc.; and two individuals. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the Department of Budget and Finance is authorized to issue special purpose revenue bonds to finance projects for not-for-profit corporations that provide health care facilities to the general public, and that West Maui Hospital Foundation, Inc. is such an entity. Your Committee also



finds that despite West Maui being home to several of Maui County's largest residential communities and renowned as one of Hawaii's premier visitor destinations, the region has no acute care hospital or related medical campus. Your Committee further finds that the unprecedented projected rates of growth in the number of residents and visitors in the region will substantially increase health care demands for an already underserved West Maui population. Your Committee finds that West Maui Hospital Foundation, Inc. is embarking on a project to build, own, and operate a West Maui Hospital and Medical Center with a twenty-four hour emergency room, operating rooms, radiology, laboratory, pharmacy, and inpatient and outpatient services on land leased from Newport Hospital Corporation, a foreign for profit corporation. Your Committee finds that this project will provide the West Maui region with its first acute care hospital and create significant job opportunities for local residents trained in health care. Therefore, authorizing the issuance of special purpose revenue bonds to assist in the financing of this project is in the best interest of public health.

Your Committee notes the testimony of the Department of Budget and Finance informing the Legislature and the prospective special purpose revenue bonds parties that should this measure be approved, approval of the issuance of the special purpose revenue bonds and conduit loan will require further review of the financing proposal to ensure compliance with all federal, state and credit underwriting requirements.

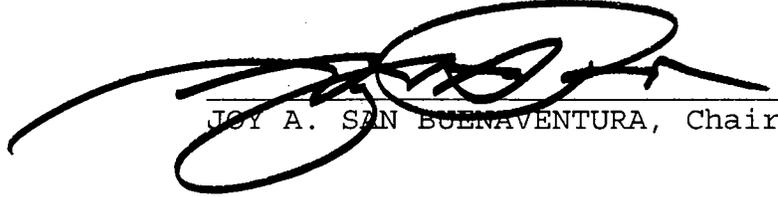
Your Committee has amended this measure by:

- (1) Inserting an effective date of December 31, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1476, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1476, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Health and Human
Services,



JOY A. SAN BUENAVENTURA, Chair



