

ACT 14

H.B. NO. 14

A Bill for an Act Authorizing the Issuance of Special Purpose Revenue Bonds to Secure Long-Term Mortgage Refinancing for the Pohai Nani Good Samaritan Kauhale Health Care Facility.

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

SECTION 1. The legislature finds that the health and welfare of the State's elderly deserve serious consideration, attention, and assistance from the state government. The Pohai Nani Good Samaritan Kauhale, a retirement and health care facility, located in Kaneohe, Oahu, is a private institution which has been providing residential and health care services to the elderly for the past seventeen years.

The legislature further finds that due to recent increases in long-term mortgage refinancing costs for the retirement facility, the Evangelical Lutheran Good Samaritan Society, a nonprofit corporation and owner of the facility, has been forced to raise current rents by twenty per cent. The current and potential rent increases will cause serious economic hardships on the elderly residents by either pricing health care services at extremely high rates or beyond their ability to pay for these services. The legislature finds it in the public interest that appropriate governmental measures be implemented to ameliorate this situation.

The legislature further finds that chapter 39A, part II, Hawaii Revised Statutes, permits the State to financially assist nonprofit corporations providing health care facilities to the general public by issuing special purpose revenue bonds. The legislature also finds that since the Evangelical Lutheran Good Samaritan Society is a national nonprofit corporation providing health care facilities for the elderly, it would be appropriate and in the public interest to assist this corporation. Furthermore, assistance in the form of special purpose revenue bonds would:

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- (1) Result in lower long-term refinancing costs to the Society since the special purpose revenue bonds would bear a lower interest rate than that charged by private lenders; and
- (2) Eliminate the need to charge higher rents and health care fees for elderly residents of the retirement and health care facility.

The legislature further finds that issuing special purpose revenue bonds for the purpose of securing long-term mortgage refinancing for the retirement and health care facility will assist in making health care services available to the State's elderly at affordable prices and is therefore in the public interest.

The legislature further finds that no review of the financial records of the Evangelical Lutheran Good Samaritan Society has been made. Therefore, the legislature directs the department of budget and finance to conduct all reviews and impose all safeguards provided in chapter 39A, part II, Hawaii Revised Statutes, to ensure that the purposes for which the special purpose bonds were authorized are met.

SECTION 2. The director of finance is authorized to issue special purpose revenue bonds in the sum of \$9,000,000, or so much thereof as may be necessary, for fiscal years 1981-1982, 1982-1983, and 1983-1984, to secure mortgage refinancing or insured financing for the Pohai Nani Good Samaritan Kauhale health care facility.

SECTION 3. Any unused portion of the authorization made by this Act as of the close of business on June 30, 1984, shall lapse.

SECTION 4. Act 41, Session Laws of Hawaii 1981 (Regular Session of 1981), is repealed.

SECTION 5. This Act shall take effect upon its approval.

(Approved June 29, 1981.)