

ACT 174

S.B. NO. 994

A Bill for an Act Relating to the Molokai General Hospital.

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

SECTION 1. The department of health is authorized to make a loan of not more than \$250,000 to the Molokai general hospital if the board of trustees of the hospital agree to use the proceeds to continue the operation of the hospital.

SECTION 2. The department of health and board of trustees of the Molokai general hospital shall negotiate the terms and conditions of the loan, which may include, but are not limited to:

- (1) The interest rate, if any;
- (2) The repayment schedule for the loan;
- (3) Necessary collateral, if determined desirable;
- (4) The minimum period during which the hospital shall continue operation if the loan is made;
- (5) Specification of operation, maintenance, or service requirements, if determined necessary; and
- (6) Provisions allowing the transfer of the loan from the board of trustees to a third person.

SECTION 3. If the department of health and the board of trustees of the Molokai general hospital agree to terms and conditions of a loan, the department of health may issue the loan to the hospital in installments or lump sum. The department of health shall collect the principal and interest, if any, on the loan and transmit the proceeds to the director of finance for deposit into the general fund.

SECTION 4. This Act shall be terminated on:

- (1) July 1, 1984 if the department of health has not agreed to make a loan to the Molokai general hospital by that date; or
- (2) The date of the repayment of the entire principal and interest, if any, on the loan, whether by the board of trustees of the Molokai general hospital or other person who has assumed the loan.

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**SECTION 5.** There is appropriated out of the general revenues of the State of Hawaii the sum of \$250,000, or so much thereof as may be necessary, for fiscal years 1982-1983 and 1983-1984, for the purpose of this Act.

The sum appropriated shall be expended by the department of health for the purposes of this Act.

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

(Approved June 6, 1983.)