

ACT 220

H.B. NO. 635

A Bill for an Act Relating to Health.

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

SECTION 1. The legislature finds that it is in the public interest to encourage the development of health care in the State. The legislature also finds that Hilo Residency Training Program, Inc., a not-for-profit Hawaii corporation, is engaged in the development of a health care facility in Hilo and thereby serves the public.

The legislature further finds that Hilo Residency Training Program, Inc., may be assisted through the issuance of special purpose revenue bonds because its health care facility is a health care project pursuant to part II, chapter 39A, Hawaii Revised Statutes.

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

SECTION 2. Pursuant to part II, chapter 39A, Hawaii Revised Statutes, the department of budget and finance, with the approval of the governor, is authorized to issue special purpose revenue bonds in a total amount not to exceed \$15,000,000 in one or more series for the purpose of assisting Hilo Residency Training Program, Inc., in financing, refinancing, or both, of one or more of the following:

- (1) Retirement of outstanding debt on Hilo Residency Training Program, Inc.'s existing health care facilities;
- (2) Retirement of outstanding debt and purchase of leases on the existing equipment used in connection with Hilo Residency Training Program, Inc.'s existing health care facilities;
- (3) Planning, design, construction, and operation of new additions to Hilo Residency Training Program, Inc.'s existing health care facilities;
- (4) Acquisition and installation of additional equipment and other assets for use in connection with Hilo Residency Training Program, Inc.'s existing health care facilities; and
- (5) Renovation or repair of Hilo Residency Training Program, Inc.'s existing health care facilities.

The legislature finds and determines that the activities and facilities of Hilo Residency Training Program, Inc., constitute a project as defined in part II, chapter 39A, Hawaii Revised Statutes, and that the financing thereof is assistance to health care facilities.

## **ACT 220**

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

**SECTION 4.** The department of budget and finance is authorized to issue from time to time refunding special purpose revenue bonds in such principal amounts as the department shall determine to be necessary to refund the special purpose revenue bonds issued in section 2. In making this determination, the department shall comply with federal law relating to the exemption from federal income taxation of the interest on bonds of the nature authorized under this section.

**SECTION 5.** The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 2002.

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

(Approved July 2, 1999.)