

ACT 276

H.B. NO. 877

A Bill for an Act Relating to the Issuance of Special Purpose Revenue Bonds for Kuakini Medical Center.

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

SECTION 1. 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 \$30,000,000 in one or more series for the purpose of assisting Kuakini Medical Center and any one or more of its not-for-profit affiliates in financing or refinancing the costs of construction of, improvements to, and equipment for its health care facilities, the purchase of tangible assets (including land and improvements), and other capital-related projects for Kuakini Medical Center and any one or more of its not-for-profit affiliates. The legislature finds and determines that the activities and facilities of Kuakini Medical Center and its affiliates constitute projects as defined in part II, chapter 39A, Hawaii Revised Statutes, and that the financing thereof constitutes assistance to health care facilities.

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 authorization to issue special purpose revenue bonds under section 2 of this Act shall lapse on June 30, 2003.

SECTION 5. The department of budget and finance is further authorized to issue from time to time refunding special purpose revenue bonds authorized in such principal amounts as the department shall determine to be necessary to refund the special purpose revenue bonds:

- (1) Originally authorized in the amount of \$20,000,000 to assist Kuakini Medical Center under Act 16, Session Laws of Hawaii 1981, First Special Session; and
- (2) Authorized in section 2 of this Act.

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 by this section.

SECTION 6. The refunding special purpose revenue bonds issued under this Act shall be issued pursuant to chapter 39A, part II, 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 7. This Act shall take effect upon its approval.

(Approved July 6, 1999.)