

ACT 296

H.B. NO. 1693

A Bill for an Act Authorizing the Issuance of Special Purpose Revenue Bonds for Not-for-Profit Corporations that Provide Health Care Facilities.

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

SECTION 1. The legislature finds and declares that it is in the public interest to encourage development of senior citizen lifecare retirement communities in the State of Hawaii. The legislature finds that the Honolulu Neighborhood Housing Services, Inc., a not-for-profit Hawaii corporation, is engaged in the development of senior citizen lifecare retirement communities and thereby serves the public.

The legislature further finds that the Honolulu Neighborhood Housing Services, Inc., may be assisted through the issuance of special purpose revenue bonds because this project is a health care project as defined in 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.

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 in one or more series special purpose revenue bonds in a total amount not to exceed \$80,000,000 for the purpose of assisting the Honolulu Neighborhood Housing Services, Inc., a Hawaii not-for-profit corporation, in planning, designing, and constructing a senior citizen lifecare retirement community.

The legislature finds and determines that the planning, designing, and construction of a senior citizen lifecare retirement community constitutes a project as defined in part II, chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to a not-for-profit corporation that provides health care facilities to the general public.

SECTION 3. The department of budget and finance shall not issue special purpose revenue bonds authorized in section 2, until the Honolulu Neighborhood Housing Services, Inc.:

- (1) Has obtained a certificate of need approval from the state health planning and development agency; and
- (2) Is in compliance with laws, ordinances, and rules of the State or any political subdivision thereof, or any departments or boards thereof with respect to:
 - (A) The construction, operation, and maintenance of projects;
 - (B) Compliance with health care planning laws or regulations, or zoning laws or regulations, including obtaining building permits;
 - (C) Compliance with building and health codes and other laws, ordinances, or rules of similar nature pertaining to the project; and
 - (D) Requiring developers to share their project plans and solicit comments and concerns regarding such plans from surrounding residential and business communities.

SECTION 4. The special purpose revenue bonds issued under this Act shall be issued pursuant to part II, chapter 39A, Hawaii Revised Statutes, relating to the authority to issue special purpose revenue bonds to assist not-for-profit corporations that provide health care facilities to the general public.

SECTION 5. The department of budget and finance is further authorized to issue from time to time refunding special purpose revenue bonds authorized in principal amounts that the department shall determine to be necessary to refund the special purpose revenue bonds authorized in section 2. In making such 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 authorization to issue special purpose revenue bonds under this Act shall lapse on the later of June 30, 2003, or the sunset date of section 39A-52, Hawaii Revised Statutes.

SECTION 7. This Act shall take effect upon its approval.

(Approved July 6, 1999.)