

ACT 175

S.B. NO. 3

A Bill for an Act Relating to Special Purpose Revenue Bonds for North Hawaii Community Hospital, Inc.

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

SECTION 1. Act 256, Session Laws of Hawaii (SLH) 1999 (Act 256), authorized the issuance of special purpose revenue bonds for North Hawaii Community Hospital, Inc., but the authorization for the bond issuance lapsed on June 30, 2002, prior to the issuance of any bonds. At the time of Act 256's lapsing, section 39A-52, Hawaii Revised Statutes (HRS), prohibited the issuance of new special purpose revenue bonds to assist not-for-profit corporations that provide health care facilities to the general public after June 30, 2003. However, section 39A-52, HRS, was repealed by Act 100, SLH 2002, thus enabling the reissuance of special purpose revenue bonds for such purposes.

The purpose of this Act is to reauthorize the issuance of special purpose revenue bonds for North Hawaii Community Hospital.

SECTION 2. 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 3. 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 \$20,000,000 in one or more series for the purpose of assisting North Hawaii Community Hospital, Inc., in financing, refinancing, or both, of one or more of the following:

- (1) Retirement of outstanding debt on North Hawaii Community Hospital, Inc.'s, existing health care facilities;
- (2) Retirement of outstanding debt and purchase of leases on the existing equipment used in connection with North Hawaii Community Hospital, Inc.'s, health care facilities;

- (3) Construction of new additions to North Hawaii Community 2¹ Hospital, Inc.'s, existing health care facilities;
- (4) Acquisition and installation of additional equipment and other assets for use in connection with North Hawaii Community Hospital, Inc.'s, health care facilities; and
- (5) Renovation and repair of North Hawaii Community Hospital, Inc.'s, existing health care facilities.

The legislature further finds and determines that the activity and facilities of North Hawaii Community Hospital, Inc., constitute a project as defined in part II, chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to a health care facility.

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 power to issue special purpose revenue bonds to assist nonprofit corporations that provide health care facilities to the general public.

SECTION 5. The department of budget and finance is authorized to issue from time to time, including times subsequent to June 30, 2005, refunding special purpose revenue bonds in whatever principal amounts as the department shall determine to be necessary to refund the special purpose revenue bonds authorized in section 3, and any refunding of special purpose revenue bonds authorized in this section, regardless of whether the outstanding special purpose revenue bonds or refunding special purpose revenue bonds have matured or are the subject of redemption or whether the refunding special purpose revenue bonds shall be bonds for the multi-project programs described in section 3. 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 authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 2005.

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

(Approved June 16, 2003.)

Note

1. So in original.