

ACT 176

H.B. NO. 645

A Bill for an Act Relating to Special Purpose Revenue Bonds for Assisting Not-For-Profit Corporations that Provide Health Care Facilities to the General Public.

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.

SECTION 2. Pursuant to part II of 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 \$200,000,000 in one or more series for the purpose of assisting The Queen's Health Systems, a

Hawaii nonprofit corporation, and one or more of its nonprofit affiliates, to finance the costs of construction of, improvements to, and equipping of health care facilities, including the following:

- (1) Renovation of existing health care facilities;
- (2) Construction of new health care facilities;
- (3) Acquisition of equipment;
- (4) Acquisition of assets, including land and improvements;
- (5) Acquisition and installation of information systems and technology; and
- (6) Other related projects for The Queen's Health Systems and its non-profit affiliates.

The legislature hereby finds and determines that the activities and facilities of The Queen's Health Systems and its nonprofit affiliates constitute a "project" as defined in part II of chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to not-for-profit corporations that provide health care facilities to the general public.

SECTION 3. The special purpose revenue bonds and the refunding special purpose revenue bonds issued under this Act shall be issued pursuant to part II of 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, from time to time, including time subsequent to June 30, 2008, to issue special purpose revenue bonds in whatever principal amounts the department of budget and finance shall determine to be necessary to refund the special purpose revenue bonds authorized in section 2 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 2. In making this determination, the department of budget and finance 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 5. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 2008.

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

(Approved June 16, 2003.)