

ACT 106

S.B. NO. 2791

A Bill for an Act Relating to the Issuance of Special Purpose Revenue Bonds for Montessori School of Maui, Inc.

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 welfare.

Montessori School of Maui, Inc., began with eight students in 1978, as a private, nonprofit, nonsectarian preschool dedicated to the educational principles developed by Dr. Montessori. It now serves one hundred ninety students ages eighteen months to fourteen years. Its mission is "to educate the human potential," by providing students with the academic foundation that encompasses cultural, social, aesthetic, historical, and physical understanding, which prepares them for stewardship in the world.

The proposed expansion of Montessori School of Maui, Inc., that may be supported by the issuance of special purpose revenue bonds includes the development of:

- (1) A multipurpose halau to serve as a central meeting and gathering place for the school community and the community at large;
- (2) A middle school facility designed for and adapted to the needs of adolescent children, which provides a suitable environment for economic and social literacy programs;
- (3) An upper elementary classroom to remove students from an inadequately ventilated, cramped modular building and allow for an increase in the number of students; and
- (4) Sitework and infrastructure to support additional campus expansion.

The purpose of this Act is to authorize the issuance of special purpose revenue bonds for Montessori School of Maui to finance or refinance the planning, acquisition, construction, or improvement of its educational facilities.

SECTION 2. Pursuant to part VIII, 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 \$10,000,000, in one or more series, for the purpose of assisting Montessori School of Maui, Inc., a Hawaii corporation, to finance or refinance the planning, acquisition, construction or improvement of its educational facilities. The legislature finds and determines that the planning, acquisition, construction, or improvement constitutes a project as defined in part VIII, chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to not-for-profit private nonsectarian and sectarian elementary schools and secondary schools.

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SECTION 3. The special purpose revenue bonds and the refunding special purpose revenue bonds issued under this Act shall be issued pursuant to part VIII, chapter 39A, Hawaii Revised Statutes, relating to the power to issue special purpose revenue bonds to assist not-for-profit private nonsectarian and sectarian elementary schools, secondary schools, colleges, and universities that serve the general public.

SECTION 4. The department of budget and finance is authorized, from time to time, including times subsequent to June 30, 2009, to issue special purpose revenue bonds in whatever principal amounts the department shall determine to be necessary to refund the special purpose revenue bonds authorized in section 2 and to refund 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 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 special purpose revenue bonds issued under this Act may be issued in one or more series for a single project, multiple projects, a single-project party, or multiple-project parties pursuant to the authority of this Act or the combined authority of this Act and any one or more other separate acts of the legislature pursuant to part VIII, chapter 39A, Hawaii Revised Statutes, and the department may combine into a single issue of special purpose revenue bonds, in one or more series, two or more proposed issues of special purpose revenue bonds to be issued pursuant to part VIII, chapter 39A, Hawaii Revised Statutes, separately authorized, in the total amount not to exceed the aggregate of the proposed separate issues of special purpose revenue bonds.

SECTION 6. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 2009.

SECTION 7. This Act shall take effect upon approval.

(Approved June 9, 2004.)