

ACT 77

S.B. NO. 459

A Bill for an Act Relating to Special Purpose Revenue Bonds.

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

Part I

SECTION 1. Section 39A-31, Hawaii Revised Statutes, is amended by amending the definitions of “health care facility”, “facility”, or “project” and “project agreement” to read as follows:

““Health care facility”, “facility”, or “project” means any facility for each single project or multiproject program of a project party and includes any structure or building suitable for use as a hospital, clinic, nursing home, home for the aged or infirm, or other health care facility; laboratory; laundry; nurses’ or intern¹ residences; administration building; research facility; maintenance, storage, or utility facility; auditorium; dining hall; food service and preparation facility; mental or physical health care facility; dental care facility; nursing school; medical or dental school or teaching facility; mental or physical health facilities related to any such structure or facility; equipment; software; or any other structure, [ø] facility,² equipment, or software required or useful for the operation of a health care facility, including, but not limited to, offices, parking lots and garages, and other supporting service structures and all necessary, useful, and related equipment, furnishings, and appurtenances and including the acquisition, preparation, and development of all real and personal property necessary or convenient as a site or sites for any such structure or facility, and including the refinancing of outstanding obligations of a project party relating to any of the foregoing. “Health care facility”, “facility”, or “project” does not include any property used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship or any property used or to be used primarily in connection with any part of a program of a school or department of divinity of any religious denomination.

“Project agreement” means any agreement entered into under this part by the department with a project party providing for the issuance of special purpose revenue bonds to finance facilities of a project party or for a project party or to loan the proceeds of [sueh] the bonds to assist not-for-profit corporations that provide health care facilities to the general public, including without limitation any loan agreement[-], lease, sublease, conditional sale agreement, or other similar financing contract or agreement, or any combination thereof, entered into by the department with a project party and, where necessary or appropriate, with a lender, lessor, or other third party.”

Part II

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.

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 \$30,000,000, in one or more series for the purpose of assisting Hawaii Pacific Health, a nonprofit corporation, the obligated group in which Hawaii Pacific Health is a member, and one or more of its not-for-profit affiliates, in financing, refinancing, and reimbursing costs related to the acquisition or construction of health care facilities (including, without

limitation, costs related to the acquisition or the acquisition and installation of information technology, equipment, software, and other related projects for Hawaii Pacific Health and any one or more of its not-for-profit affiliates). The legislature finds and determines that the activities and facilities of Hawaii Pacific Health 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 4. The special purpose revenue bonds and the refunding 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 5. The department of budget and finance is authorized, from time to time, including times subsequent to April 30, 2010, 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 3 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 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 April 30, 2010.

SECTION 7. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 8. This Act shall take effect upon its approval.

(Approved May 26, 2005.)

Notes

1. Prior to amendment "interns' " appeared here.
2. Comma should be underscored.