

ACT 115

S.B. NO. 2768

A Bill for an Act Relating to the Issuance of Revenue Bonds to Assist the Maui Region of the Hawaii Health Systems Corporation.

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

SECTION 1. The legislature finds that significant public benefit will be realized through the planning, construction, improvement of, and purchase and replacement of equipment for the Maui memorial medical center, a facility located in the Maui region of the Hawaii health systems corporation. The legislature further finds that the issuance of revenue bonds under this Act is in the public interest and for the benefit of the public health, safety, and welfare.

SECTION 2. In addition to revenue bonds authorized by section 323F-7(c)(15), Hawaii Revised Statutes, under section 3 of this Act, the Maui health care regional system board of the Hawaii health systems corporation, with the approval of the governor or the director of finance, is authorized to issue revenue bonds in a total amount of \$150,000,000 in one or more series, for the purpose of assisting the Maui region of the Hawaii health systems corporation to finance the construction, improvement, and equipment of its health care facilities, including:

- (1) Construction of a new heart, brain, and vascular center on Maui offering the following services:
 - (A) Cardiovascular services:
 - (i) Interventional cardiology;
 - (ii) Electrophysiology;
 - (iii) Vascular/endovascular;
 - (iv) Heart surgery;
 - (v) Cardiac rehabilitation; and
 - (vi) Disease management;
 - (B) Brain services, including interventional neuro radiology; and
 - (C) Neurosurgery; and
- (2) Purchasing of new and replacement equipment for the center.

SECTION 3. Pursuant to section 323F-7(c)(15), Hawaii Revised Statutes, the Maui health care regional system board of the Hawaii health systems corporation, with the approval of the governor or the director of finance, is authorized to issue revenue bonds from time to time to finance, in whole or in part, the cost of the acquisition, purchase, construction, reconstruction, improvement, betterment, or

extension of any undertaking or the establishment and administration of any loan program as authorized by law.

SECTION 4. (a) Bond terms. The principal of and interest on the revenue bonds issued pursuant to section 2 shall be payable solely from and secured solely by the revenues produced by the heart, brain, and vascular center financed by the bonds.

(b) The revenue bonds may also be used to finance capitalized interest on the bonds and any other expenses incidental thereto or connected therewith, including planning, design, engineering, inspection, legal, and fiscal agent fees and costs of the issuance of the revenue bonds.

(c) The bonds shall be special, limited obligations of the State, payable exclusively from and secured by a lien on the revenues of the heart, brain, and vascular center financed by the bonds.

(d) The revenue bonds shall not be secured by the taxing power of the State. The principal on the bonds and any premiums upon the redemption thereof shall not constitute or evidence a debt of the State, nor a legal or equitable pledge, charge, lien, or encumbrance upon any of its property, or upon any of its income, receipts, or revenues, except the revenues of the heart, brain, and vascular center financed by the bonds.

SECTION 5. The Maui health care regional system board of the Hawaii health systems corporation is authorized, from time to time, including times subsequent to June 30, 2013, to issue revenue bonds in whatever principal amounts the board shall determine to be necessary to refund the revenue bonds authorized in section 2 and to refund revenue bonds authorized in this section, regardless of whether the outstanding revenue bonds or refunding revenue bonds have matured or are the subject of redemption or whether the refunding revenue bonds shall be bonds for the multi-project programs described in section 2. In making this determination, the board 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 revenue bonds and the refunding revenue bonds issued under this Act shall be issued pursuant to section 323F-7(c)(15), Hawaii Revised Statutes.

SECTION 7. There is appropriated out of the revenue bond proceeds authorized by this Act the sum of \$150,000,000 or so much thereof as may be necessary for fiscal year 2008-2009 to carry out the purposes of this Act.

The sum appropriated shall be expended by the Maui health care regional system board of the Hawaii health systems corporation for the purposes of this Act.

SECTION 8. The authorization to issue revenue bonds under this Act shall lapse on June 30, 2013.

SECTION 9. This Act shall take effect on July 1, 2008.

(Approved May 27, 2008.)