

JAN 25 2006

A BILL FOR AN ACT

AUTHORIZING THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST THE HAWAII MEDICAL CENTER, L.L.C.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that Act 153, Session
2 Laws of Hawaii 1984, Act 91, Session Laws of Hawaii 1990, and
3 Act 73, Session Laws of Hawaii 2004, authorized the issuance of
4 special purpose revenue bonds in a total amount of \$111,640,000,
5 for the purpose of assisting St. Francis Health Care System of
6 Hawaii and its affiliates in financing the construction,
7 improvement, and equipment of its health care facilities. The
8 legislature also finds that although the authorization to issue
9 special purpose revenues bonds was executed, no bonds were ever
10 issued.

11 The legislature further finds that recently, St. Francis
12 Health Care System of Hawaii and its affiliates was sold to the
13 Hawaii Medical Center, L.L.C., a Hawaii nonprofit corporation.
14 The purpose of the Hawaii Medical Center, L.L.C., is to provide
15 health care facilities to the general public.

16 The legislature believes that the Hawaii Medical Center,
17 L.L.C., should be provided with the same special purpose revenue



1 bond financing opportunity that its predecessor entity, St.
2 Francis Health Care System of Hawaii enjoyed.

3 The purpose of this Act is to authorize the issuance of
4 special purpose revenue bonds to assist the Hawaii Medical
5 Center, L.L.C., in financing the construction, improvement, and
6 equipment of its health care facilities.

7 SECTION 2. The legislature finds and declares that the
8 issuance of special purpose revenue bonds under this Act is in
9 the public interest and for the public health, safety, and
10 welfare.

11 SECTION 3. Pursuant to part II, chapter 39A, Hawaii
12 Revised Statutes, the department of budget and finance, with the
13 approval of the governor, is authorized to issue special purpose
14 revenue bonds in a total amount not to exceed \$111,640,000, in
15 one or more series, for the purpose of assisting the Hawaii
16 Medical Center, L.L.C., a Hawaii nonprofit corporation, to
17 finance the construction, improvement, and equipment of health
18 care facilities, including:

- 19 (1) Refinancing debt;
20 (2) Upgrading and modernizing hospital facilities;
21 (3) Purchasing new equipment;



- 1 (4) Construction, equipment, and upgrade of dialysis
- 2 facilities;
- 3 (5) Construction and equipment of new long-term care
- 4 nursing facilities; and
- 5 (6) Other related projects for the Hawaii Medical Center,
- 6 L.L.C.

7 The legislature finds and determines that the activities and
8 facilities of the Hawaii Medical Center, L.L.C., constitute a
9 project as defined in part II, chapter 39A, Hawaii Revised
10 Statutes, and the financing thereof is assistance to a not-for-
11 profit corporation that provides health care facilities to the
12 general public.

13 SECTION 4. The special purpose revenue bonds and the
14 refunding special purpose revenue bonds issued under this Act
15 shall be issued pursuant to part II, chapter 39A, Hawaii Revised
16 Statutes, relating to the power to issue special purpose revenue
17 bonds to assist not-for-profit corporations that provide health
18 care facilities to the general public.

19 SECTION 5. The department of budget and finance is
20 authorized, from time to time, including times subsequent to
21 June 30, 2011, to issue special purpose revenue bonds in
22 whatever principal amounts the department shall determine to be



1 necessary to refund the special purpose revenue bonds authorized
 2 in section 3 and to refund special purpose revenue bonds
 3 authorized in this section, regardless of whether the
 4 outstanding special purpose revenue bonds or refunding special
 5 purpose revenue bonds have matured or are the subject of
 6 redemption or whether the refunding special purpose revenue
 7 bonds shall be bonds for the multi-project programs described in
 8 section 3. In making this determination, the department shall
 9 comply with federal law relating to the exemption from federal
 10 income taxation of the interest on bonds of the nature
 11 authorized by this section.

12 SECTION 6. The authorization to issue special purpose
 13 revenue bonds under this Act shall lapse on June 30, 2011.

14 SECTION 7. This Act shall take effect upon its approval.
 15

INTRODUCED BY: Norman Sakon
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Report Title:

Special Purpose Revenue Bonds; Hawaii Medical Center, L.L.C.

Description:

Authorizes the issuance of special purpose revenue bonds to assist the Hawaii Medical Center, L.L.C., in financing equipment purchases and the construction and improvement of health care facilities.

