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# A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF REVENUE BONDS TO ASSIST HAWAII  
HEALTH SYSTEMS CORPORATION OR ANY OF ITS REGIONAL  
SUBSIDIARY CORPORATIONS.

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

1           SECTION 1. The legislature finds that significant public  
2 benefit will be realized in financing in whole or in part the  
3 cost of the acquisition, purchase, construction, improvement,  
4 betterment, or extension, (including the replacement and  
5 purchase of equipment), of healthcare facilities of the Hawaii  
6 health systems corporation, its regional system boards, or any  
7 of its regional subsidiary corporations that provide healthcare  
8 services and facilities for all residents. The legislature  
9 further finds that the issuance of revenue bonds under this Act  
10 is in the public interest and for the benefit of public health,  
11 safety, and welfare.

12           SECTION 2. Pursuant to part III, chapter 39, Hawaii  
13 Revised Statutes, the Hawaii health systems corporation, its  
14 regional system boards, or any of its regional subsidiary  
15 corporations, with the approval of the governor, is authorized  
16 to issue revenue bonds in a total amount not to exceed



1 \$100,000,000, in one or more series, for the purpose of  
2 assisting the Hawaii health systems corporation, its regional  
3 system boards, or any of its regional subsidiary corporations to  
4 finance in whole or in part the cost of the acquisition,  
5 purchase, construction, improvement, betterment, or extension,  
6 (including the replacement and purchase of equipment), of  
7 healthcare facilities on Maui, which may include Maui's proposed  
8 heart, brain, and vascular center, that will offer some or all  
9 of the following:

10 (1) Cardiovascular services, including:

- 11 (A) Interventional cardiology;
- 12 (B) Electrophysiology;
- 13 (C) Vascular/endovascular;
- 14 (D) Heart surgery;
- 15 (E) Cardiac rehabilitation; and
- 16 (F) Disease management;

17 (2) Brain services, including interventional  
18 neuroradiology; and

19 (3) Neurosurgery.

20 SECTION 3. Bond terms. (a) The principal of and interest  
21 on the revenue bonds issued pursuant to section 2 shall be  
22 payable from the revenues and other financial assets of the



1 Hawaii health systems corporation, its regional system board, or  
2 its regional subsidiary corporations financed by the bonds.

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

9 (c) The bonds shall be special, limited obligations of the  
10 Hawaii health systems corporation, its regional system board, or  
11 its regional subsidiary corporations payable exclusively from  
12 and secured by a lien on the revenues and other financial assets  
13 of the Hawaii health systems corporation, its regional system  
14 board, or its regional subsidiary corporations financed by the  
15 bonds.

16 (d) The revenue bonds shall not be secured by the taxing  
17 power of the State. The principal on the bonds and any premiums  
18 upon the redemption thereof shall not constitute or evidence a  
19 debt of the State, nor a legal or equitable pledge, charge,  
20 lien, or encumbrance upon any of its property, or upon any of  
21 its income, receipts, or revenues, except the revenues and other  
22 financial assets of the Hawaii health systems corporation, its



1 regional system board, or its regional subsidiary corporations,  
2 as provided in connection with the bonds.

3 SECTION 4. There is appropriated out of the special  
4 facility revenue bond proceeds authorized by this Act the sum of  
5 \$100,000,000 or so much thereof as may be necessary for fiscal  
6 year 2007-2008 to carry out the purposes of this Act.

7 The sum appropriated shall be expended by the Hawaii health  
8 systems corporation, its regional system board, or its regional  
9 subsidiary corporations.

10 SECTION 5. The authorization to issue revenue bonds under  
11 this Act shall lapse on June 30, 2012.

12 SECTION 6. This Act shall take effect on July 1, 2007.



H.B. NO. 1764  
H.D. 1  
S.D. 1  
C.D. 1

**Report Title:**

Hawaii Health Systems Corporation; Revenue Bonds

**Description:**

Authorizes the issuance of revenue bonds to assist the Hawaii Health Systems Corporation in the construction, improvement, and equipment of its healthcare facilities. (HB1764 CD1)

HB1764 CD1 HMS 2007-4190

