

STAND. COM. REP. NO. **1286**

Honolulu, Hawaii

MAR 23 2023

RE: H.B. No. 1255
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Health and Human Services, to which was referred H.B. No. 1255, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize the issuance of special purpose revenue bonds to assist West Maui Hospital Foundation, Inc. in the construction of West Maui Hospital and Medical Center in the County of Maui, including any necessary infrastructure; and
- (2) Require the County of Maui to serve as guarantor of any debt service on the special purpose revenue bonds.

Your Committee received testimony in support of this measure from the Office of the Mayor of the County of Maui; Maui County Council; Maui Hotel & Lodging Association; West Maui Hospital Foundation, Inc.; Maui Chamber of Commerce; and nine individuals. Your Committee received comments on this measure from the Department of Budget and Finance.



Your Committee finds that despite West Maui being home to several of Maui County's largest residential communities and renowned as one of Hawaii's premier visitor destinations, the region has no acute care hospital or related medical campus. Your Committee further finds that the unprecedented projected rates of growth in the number of residents and visitors in the region will substantially increase health care demands for an already underserved West Maui population. West Maui Hospital Foundation, Inc. is embarking on a project to complete the West Maui Hospital and Medical Center, a five-bed critical access hospital with a twenty-four-hour emergency room, three operating rooms, radiology, laboratory, pharmacy, and inpatient and outpatient services. Your Committee finds that this project will provide the West Maui region with its first acute care hospital and create significant job opportunities for local residents trained in health care. Your Committee therefore finds that authorizing the issuance of special purpose revenue bonds to assist in the financing of this project is in the best interest of public health.

Your Committee notes the testimony of the Department of Budget and Finance that should this measure be approved, approval of the issuance of the special purpose revenue bonds and conduit loan will require further review of the financing proposal to ensure compliance with all federal, state, and credit underwriting requirements.

Your Committee also notes that Act 182, Session Laws of Hawaii 2022, placed a moratorium on the issuance of new private activity bonds within the period after June 30, 2022, and before December 31, 2028, by prohibiting the authorization of special purpose revenue bonds requiring an allocation of the annual state ceiling under section 39B-2, Hawaii Revised Statutes, unless requested by the Governor and approved by the Legislature. Accordingly, amendments to this measure are necessary to explicitly exempt the special purpose revenue bonds issued pursuant to this measure from the limitation of Act 182, Session Laws of Hawaii 2022.

Accordingly, your Committee has amended this measure by:

- (1) Inserting a provision that explicitly exempts this measure from the requirements of Act 182, Session Laws of Hawaii 2022; and



- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1255, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1255, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Health and Human
Services,



JOY A. SAN BUENAVENTURA, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Health and Human Services
HHS

Bill / Resolution No.:* <i>HB 1255 HD1</i>	Committee Referral: <i>HHS, WAM</i>	Date: <i>3/15/23</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
SAN BUENAVENTURA, Joy A. (C)	✓			
AQUINO, Henry J.C. (VC)	✓			
MORIWAKI, Sharon Y.	✓			
SHIMABUKURO, Maile S.L.				✓
AWA, Brenton	✓			
TOTAL	<i>4</i>			<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes