

STAND. COM. REP. NO. 963

Honolulu, Hawaii

MAR 03 2023

RE: S.B. No. 1476
S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1476, S.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 address West Maui's critical need for an acute care facility.

More specifically, the measure:

- (1) Authorizes the Department of Budget and Finance to issue special purpose revenue bonds in an amount not to exceed \$20,000,000 to assist West Maui Hospital Foundation, Inc., in the design and construction of West Maui Hospital and Medical Center, including any necessary infrastructure improvements; and
- (2) Provides that the Department of Budget and Finance shall not issue any special purpose revenue bonds unless the County of Maui serves as guarantor of any debt service on the special purpose revenue bonds.

Your Committee received written comments in support of this measure from the Maui County Council; West Maui Hospital Foundation, Inc.; Maui Hotel and Lodging Association; West Maui



Taxpayers Association, Inc.; Maui Chamber of Commerce, 0889019BC, Ltd.; and eleven individuals.

Your Committee received written comments on this measure from the Department of Budget and Finance.

Your Committee finds that West Maui needs a hospital facility due to its growing population and rising visitor numbers, and that the hospital and medical center financed by this measure will help to meet the region's emergency medical needs, provide crucial bed capacity, and potentially provide this isolated region with access to specialty and long-term care.

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

Your Committee notes that Article VII, section 12, of the Hawaii State Constitution prohibits special purpose revenue bonds from being secured by the issuer. Section 5 of the measure requires the County of Maui to serve as guarantor of any debt service on the special purpose revenue bonds. Consequently, it is unclear if this requirement violates the constitutional prohibition stated in Article VII, section 12, of the Hawaii State Constitution. Your Committee respectfully requests that this issue be considered as the measure moves forward in the legislative process.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B.



No. 1476, S.D. 1, as amended herein, and recommends that it pass
Third Reading in the form attached hereto as S.B. No. 1476,
S.D. 2.

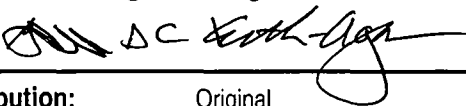
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB1476 SDI	Committee Referral: HHS, WAM	Date: 2/28/23		
<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
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	13			
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