

A Bill for an Act Authorizing the Issuance of Special Purpose Revenue Bonds for Not-for-Profit Corporations that Provide Health Care Facilities.

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

SECTION 1. The legislature finds and declares that it is in the public interest to encourage the development of health care in the State. The legislature further finds that Pacific Cardiac Institute, Inc., a not-for-profit Hawaii corporation, is engaged in the development of a health care facility and thereby serves the public.

The legislature further finds that Pacific Cardiac Institute, Inc., is engaged in the planning, design, and construction of a patient-focused facility.

The legislature further finds that Pacific Cardiac Institute, Inc., may be assisted through the issuance of special purpose revenue bonds because its health care facility is a health care project pursuant to part II, chapter 39A, Hawaii Revised Statutes.

The legislature finds and declares that the issuance of special purpose revenue bonds under this Act is in the public interest and for the public health, safety, and general welfare of the State.

SECTION 2. Pursuant to part II, chapter 39A, Hawaii Revised Statutes, the department of budget and finance, with the approval of the governor, is authorized to issue special purpose revenue bonds in a total amount not to exceed \$15,000,000 in one or more series for the purpose of assisting Pacific Cardiac Institute, Inc., a not-for-profit Hawaii corporation, or a Hawaii nonprofit affiliate of same, with financing one or more of the following:

- (1) Acquisition or leasing of land for a new facility;
- (2) Plans, design, construction, and operation of a new health care facility;
or
- (3) Acquisition and installation of additional capital equipment for use in connection with Pacific Cardiac Institute, Inc., facilities.

The legislature finds and determines that the activities and facilities of Pacific Cardiac Institute, Inc., and its affiliates constitute a health care project as defined in part II, chapter 39A, Hawaii Revised Statutes, and the financing thereof is of assistance to a health care facility.

SECTION 3. The special purpose revenue bonds issued under this Act shall be issued pursuant to part II, chapter 39A, Hawaii Revised Statutes, relating to the authority to issue special purpose revenue bonds to assist nonprofit corporations that provide health care facilities to the general public.

SECTION 4. The department of budget and finance is authorized to issue from time to time refunding special purpose revenue bonds in such in principal amounts as the department shall determine to be necessary to refund the special purpose revenue bonds authorized in section 2. In making this determination, the department shall comply with federal law relating to the exemption from federal income taxation of the interest on bonds of the nature authorized under this section.

SECTION 5. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 2003.

SECTION 6. This Act shall take effect upon its approval.

(Approved July 6, 1999.)