

ACT 105

H.B. NO. 660

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

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

SECTION 1. 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.

SECTION 2. Pursuant to part II of 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 \$240,000,000, in one or more series, for the purpose of assisting Hawai'i Pacific Health, a Hawaii nonprofit corporation, and one or more of its nonprofit affiliates to finance the costs of construction of, improvements to, and equipping of health care facilities, including the following:

- (1) Design, construction, furniture, fixtures, equipment, and information technology of Phase 1 of a multi-phase redevelopment project to existing health care facilities at Straub Medical Center (Straub) to create a future-forward medical facility to serve the people of Hawaii in the years ahead;
- (2) Phase 1 involves construction of a new parking facility to triple the number of parking stalls, which will ease congestion and improve accessibility to Straub; renovations also include a conference and meeting center and an employee wellness center to promote employee wellness, as well as the acquisition of equipment, including solar panels to create a more environmentally-friendly medical facility;
- (3) Planning and design related to Phase 2 - a new sixteen-story hospital tower and low-rise structure with a second rooftop garden. The new tower will include an expanded emergency department, larger patient rooms, and more space to provide exceptional quality care; and
- (4) Other related projects for Straub.

The legislature hereby finds and determines that the activities and facilities of Hawai'i Pacific Health and its nonprofit affiliates constitute a project as

defined in part II of chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to not-for-profit corporations that provide health care facilities to the general public.

SECTION 3. The special purpose revenue bonds and the refunding special purpose revenue bonds issued under this Act shall be issued pursuant to part II of chapter 39A, Hawaii Revised Statutes, relating to the power to issue special purpose revenue bonds to assist not-for-profit corporations that provide health care facilities to the general public.

SECTION 4. The department of budget and finance is authorized, from time to time, including times subsequent to June 30, 2028, to issue special purpose revenue bonds in whatever principal amounts the department shall determine to be necessary to refund the special purpose revenue bonds authorized in section 2 and to refund special purpose revenue bonds authorized in this section, regardless of whether the outstanding special purpose revenue bonds or refunding special purpose revenue bonds have matured or are the subject of redemption or whether the refunding special purpose revenue bonds shall be bonds for the multi-project programs described 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 by this section.

SECTION 5. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 2028.

SECTION 6. The authorization of special purpose revenue bonds pursuant to this Act shall be made notwithstanding any limitation in Act 182, Session Laws of Hawaii 2022.

SECTION 7. This Act shall take effect on July 1, 2023.

(Approved June 22, 2023.)