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# A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST CASTLE MEDICAL CENTER AND ITS AFFILIATES.

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

1           SECTION 1. The legislature finds and declares that the  
2 issuance of special purpose revenue bonds under this Act is in  
3 the public interest and for the public health, safety, and  
4 general welfare.

5           SECTION 2. Pursuant to part II, chapter 39A, Hawaii  
6 Revised Statutes, the department of budget and finance, with the  
7 approval of the governor, is authorized to issue special purpose  
8 revenue bonds in a total amount not to exceed \$30,000,000, in  
9 one or more series, for the purpose of assisting Castle Medical  
10 Center, a Hawaii not-for-profit corporation, and one or more of  
11 its nonprofit affiliates, to finance and refinance equipment  
12 purchases, and for the construction and improvement of health  
13 care facilities, including the following:

- 14           (1) Remodeling and rebuilding existing health care  
15                facilities;
- 16           (2) Constructing new health care facilities;
- 17           (3) Purchasing new equipment;



- 1           (4) Refinancing debt; and
- 2           (5) Other related projects for Castle Medical Center and
- 3                 its nonprofit affiliates.

4           The legislature finds and determines that the activities

5 and facilities of Castle Medical Center and its nonprofit

6 affiliates constitute a project as defined in part II, chapter

7 39A, Hawaii Revised Statutes, and the financing thereof is

8 assistance to a not-for-profit corporation that provides health

9 care facilities to the general public.

10           SECTION 3. The special purpose revenue bonds and the

11 refunding special purpose revenue bonds issued under this Act

12 shall be issued pursuant to part II, chapter 39A, Hawaii Revised

13 Statutes, relating to the power to issue special purpose revenue

14 bonds to assist not-for-profit corporations that provide health

15 care facilities to the general public.

16           SECTION 4. The special purpose revenue bonds issued under

17 this Act may be issued in one or more series for a single

18 project, multiple projects, a single-project party, or multiple-

19 project parties pursuant to the authority of this Act or the

20 combined authority of this Act and any one or more other

21 separate acts of the legislature pursuant to part II, chapter

22 39A, Hawaii Revised Statutes, and the department may combine



1 into a single issue of special purpose revenue bonds, in one or  
2 more series, two or more proposed issues of special purpose  
3 revenue bonds to be issued pursuant to part II, chapter 39A,  
4 Hawaii Revised Statutes, separately authorized, in the total  
5 amount not to exceed the aggregate of the proposed separate  
6 issues of special purpose revenue bonds.

7 SECTION 5. The department of budget and finance is  
8 authorized, from time to time, including times subsequent to  
9 June 30, 2013, to issue special purpose revenue bonds in  
10 whatever principal amounts the department shall determine to be  
11 necessary to refund the special purpose revenue bonds authorized  
12 in section 2 and to refund special purpose revenue bonds  
13 authorized in this section, regardless of whether the  
14 outstanding special purpose revenue bonds or refunding special  
15 purpose revenue bonds have matured or are the subject of  
16 redemption or whether the refunding special purpose revenue  
17 bonds shall be bonds for the multi-project programs described in  
18 section 2. In making this determination, the department of  
19 budget and finance shall comply with federal law relating to the  
20 exemption from federal income taxation of the interest on bonds  
21 of the nature authorized by section 2.



1 SECTION 6. The authorization to issue special purpose  
2 revenue bonds under this Act shall lapse on June 30, 2013.

3 SECTION 7. This Act shall take effect on July 1, 2008.



**Report Title:**

Special Purpose Revenue Bonds; Castle Medical Center

**Description:**

Authorizes special purpose revenue bonds to assist Castle Medical Center. Effective July 1, 2008. (HB2271 SD2)

