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# A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF REVENUE BONDS TO ASSIST THE MAUI  
REGION OF THE HAWAII HEALTH SYSTEMS CORPORATION.

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

1           SECTION 1. The legislature finds that significant public  
2 benefit will be realized through the planning, construction,  
3 improvement of, and purchase and replacement of equipment for  
4 the Maui memorial medical center, a facility located in the Maui  
5 region of the Hawaii health systems corporation. The  
6 legislature further finds that the issuance of revenue bonds  
7 under this Act is in the public interest and for the benefit of  
8 the public health, safety, and welfare.

9           SECTION 2. In addition to revenue bonds authorized by  
10 section 323F-7(c)(15), Hawaii Revised Statutes, under section 3  
11 of this Act, the Maui health care regional system board of the  
12 Hawaii health systems corporation, with the approval of the  
13 governor or the director of finance, is authorized to issue  
14 revenue bonds in a total amount of \$150,000,000 in one or more  
15 series, for the purpose of assisting the Maui region of the  
16 Hawaii health systems corporation to finance the construction,



1 improvement, and equipment of its health care facilities,  
2 including:

3 (1) Construction of a new heart, brain, and vascular  
4 center on Maui offering the following services:

5 (A) Cardiovascular services:

6 (i) Interventional cardiology;

7 (ii) Electrophysiology;

8 (iii) Vascular/endovascular;

9 (iv) Heart surgery;

10 (v) Cardiac rehabilitation; and

11 (vi) Disease management;

12 (B) Brain services, including interventional neuro  
13 radiology; and

14 (C) Neurosurgery; and

15 (2) Purchasing of new and replacement equipment for the  
16 center.

17 SECTION 3. Pursuant to section 323F-7(c)(15), Hawaii  
18 Revised Statutes, the Maui health care regional system board of  
19 the Hawaii health systems corporation, with the approval of the  
20 governor or the director of finance, is authorized to issue  
21 revenue bonds from time to time to finance, in whole or in part,  
22 the cost of the acquisition, purchase, construction,



1 reconstruction, improvement, betterment, or extension of any  
2 undertaking or the establishment and administration of any loan  
3 program as authorized by law.

4 SECTION 4. (a) Bond terms. The principal of and interest  
5 on the revenue bonds issued pursuant to section 2 shall be  
6 payable solely from and secured solely by the revenues produced  
7 by the heart, brain, and vascular center financed by the bonds.

8 (b) The revenue bonds may also be used to finance  
9 capitalized interest on the bonds and any other expenses  
10 incidental thereto or connected therewith, including planning,  
11 design, engineering, inspection, legal, and fiscal agent fees  
12 and costs of the issuance of the revenue bonds.

13 (c) The bonds shall be special, limited obligations of the  
14 State, payable exclusively from and secured by a lien on the  
15 revenues of the heart, brain, and vascular center financed by  
16 the bonds.

17 (d) The revenue bonds shall not be secured by the taxing  
18 power of the State. The principal on the bonds and any premiums  
19 upon the redemption thereof shall not constitute or evidence a  
20 debt of the State, nor a legal or equitable pledge, charge,  
21 lien, or encumbrance upon any of its property, or upon any of



1 its income, receipts, or revenues, except the revenues of the  
2 heart, brain, and vascular center financed by the bonds.

3 SECTION 5. The Maui health care regional system board of  
4 the Hawaii health systems corporation is authorized, from time  
5 to time, including times subsequent to June 30, 2013, to issue  
6 revenue bonds in whatever principal amounts the board shall  
7 determine to be necessary to refund the revenue bonds authorized  
8 in section 2 and to refund revenue bonds authorized in this  
9 section, regardless of whether the outstanding revenue bonds or  
10 refunding revenue bonds have matured or are the subject of  
11 redemption or whether the refunding revenue bonds shall be bonds  
12 for the multi-project programs described in section 2. In  
13 making this determination, the board shall comply with federal  
14 law relating to the exemption from federal income taxation of  
15 the interest on bonds of the nature authorized by this section.

16 SECTION 6. The revenue bonds and the refunding revenue  
17 bonds issued under this Act shall be issued pursuant to section  
18 323F-7(c)(15), Hawaii Revised Statutes.

19 SECTION 7. There is appropriated out of the revenue bond  
20 proceeds authorized by this Act the sum of \$150,000,000 or so  
21 much thereof as may be necessary for fiscal year 2008-2009 to  
22 carry out the purposes of this Act.



1           The sum appropriated shall be expended by the Maui health  
2 care regional system board of the Hawaii health systems  
3 corporation for the purposes of this Act.

4           SECTION 8. The authorization to issue revenue bonds under  
5 this Act shall lapse on June 30, 2013.

6           SECTION 9. This Act shall take effect on July 1, 2008.



S.B. NO. 2768  
S.D. 2  
H.D. 1  
C.D. 1

**Report Title:**

Maui Memorial Medical Center; Revenue Bonds; Heart, Brain,  
Vascular Center; Appropriation

**Description:**

Authorizes issuance of \$150,000,000 in revenue bonds for a  
heart, brain, and vascular center at the Maui memorial medical  
center. (CD1)

