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COUNTY COUNCIL
COUNTY OF MAUI
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November 8, 2024

Mr. Luis P. Salaveria, Director
State of Hawai'i
Department of Budget and Finance
P.O. Box 150
Honolulu, Hawaii 96810

Via Email: BudgetandFinance@hawaii.gov

Dear Mr. Salaveria:

**SUBJECT: DISCUSSION ON THE ESTABLISHMENT OF THE
PROPOSED WEST MAUI HOSPITAL AND MEDICAL
CENTER THROUGH THE GUARANTEE OF STATE
SPECIAL PURPOSE REVENUE BOND ISSUANCE
(DRIP-2(23))**

At its meeting of October 30, 2024, the Maui County Council's Disaster, Resilience, International Affairs, and Planning Committee discussed the establishment of the proposed West Maui Hospital and Medical Center through the guarantee of State special purpose revenue bond issuance.

Act 73, Session Laws of Hawai'i 2023, authorized the issuance of state-special purpose revenue bonds to assist West Maui Hospital Foundation, Inc., for a total amount not to exceed \$20 million. The bonds would finance the costs related to the design and construction of and equipment for the West Maui Hospital and Medical Center, including any necessary infrastructure improvements, under Section 3 of Act 73.

May I please request your response to the following:

1. Please explain the State's role in issuing special purpose revenue bonds and the County's role, if any, in this process.

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2. Please explain whether state-special purpose revenue bonds authorized under Act 73 may be used for land acquisition.

May I further request you transmit your response to drip.committee@mauicounty.us by **November 22, 2024**. To ensure efficient processing, please include the Committee item number in the subject line.

Should you have any questions, please contact me or the Committee staff (Jarret Pascual at 808-270-7141, or Megan Moniz at 808-270-7145).

Sincerely,

A handwritten signature in black ink that reads "Tamara A.M. Paltin". The signature is written in a cursive, flowing style.

TAMARA PALTIN, Chair
Disaster, Resilience, International
Affairs, and Planning Committee

[drip:ltr:002\(23\)abuf01:jpp](#)

Attachment

ACT 73

H.B. NO. 1255

A Bill for an Act Relating to Special Purpose Revenue Bonds.

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

SECTION 1. The legislature finds that the west Maui community critically needs a hospital. Currently, even with additional funding and improvements, ambulance access on Maui is stretched thin. The portion of west Maui that would be served by the proposed West Maui Hospital and Medical Center is connected to the rest of the island only by a small airport having limited services and a two-lane highway that is constantly under threat of being blocked due to an accident, fire, or other natural disaster. The legislature further finds that a hospital in this region would integrate well with the island's existing health care system.

The legislature also finds that the west Maui area continues to grow, with the development of new affordable housing projects, a projected new development by the department of Hawaiian home lands, and ever-increasing visitor numbers. As a result, the need for a new health care facility to serve the region will also continue to grow.

The legislature additionally finds that the State recently remedied a similar situation when it granted Queen's North Hawaii Community Hospital a certificate of need, which allowed for the construction of a facility comparable to the proposed West Maui Hospital and Medical Center.

Accordingly, the legislature finds that establishing the proposed West Maui Hospital and Medical Center would help meet the community's emergency medical needs and provide crucial bed capacity, with the possibility of providing access to specialty and long-term care for the ever-growing but isolated west Maui community.

The legislature further finds that special purpose revenue bonds are an important tool that may be used to financially support the development of health care facilities. Therefore issuing special purpose revenue bonds for the construction of West Maui Hospital and Medical Center will help build the capital required to realize the construction and operation of this long-overdue medical facility.

Accordingly, the purpose of this Act is to authorize the issuance of special purpose revenue bonds to assist West Maui Hospital Foundation, Inc., in the construction of West Maui Hospital and Medical Center, including any necessary infrastructure.

SECTION 2. 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 3. 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 \$20,000,000, in one or more series, for the purpose of assisting West Maui Hospital Foundation, Inc., a Hawaii nonprofit corporation, with financing of costs related to the design and construction of and equipment for West Maui Hospital and Medical Center in the county of Maui, including any necessary infrastructure improvements. The legislature hereby finds and determines that the construction of West Maui Hospital and Medical Center constitutes a project as defined in part II, chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to a not-for-profit corporation that provides health care facilities to the general public.

SECTION 4. The special purpose revenue bonds and the refunding special purpose revenue bonds issued under this Act shall be issued pursuant to part II, 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 5. 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 3 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 3. 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 6. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 2028.

ACT 73

SECTION 7. 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 8. This Act shall take effect on July 1, 2023.

(Approved June 13, 2023.)