

EXECUTIVE CHAMBERS

HONOLULU

July 10, 2007

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 1764

Honorable Members
Twenty-Fourth Legislature
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 1764, entitled "A Bill for an Act Relating to the Issuance of Revenue Bonds to Assist Hawaii Health Systems Corporation or Any of its Regional Subsidiary Corporations."

This bill would authorize "the Hawaii health systems corporation, its regional system boards, or any of its regional subsidiary corporations," upon the approval of the Governor, to issue revenue bonds of up to \$100,000,000 to finance the costs of acquisition, construction, improvement, or extension of healthcare facilities exclusively on Maui.

This bill is objectionable because of its potential adverse impact upon the powers of newly created regional systems boards (regional boards) within the Hawaii Health Systems Corporation (HHSC). This session, Senate Bill No. 1792 has been passed to create five new regional boards within HHSC with the intent to give greater local control over the governance of the HHSC hospitals. Senate Bill No. 1792 vests all five of these

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regional boards with the authority to issue revenue bonds up to \$100,000,000. The issuance of these bonds is subject to approval by HHSC and the Governor or the Director of Budget and Finance. The bond underwriters would need to determine that there are sufficient revenues to support the issuance of revenue bonds.

However, Senate Bill No. 1792 specifically provides that if House Bill 1764 becomes law in any form this session, then the amendments to section 333F-7(c)(15) that empowers all five regional boards with bond issuing authority "shall not take effect." Therefore, this bill must be returned without my approval in order for all five regional boards to be vested with the full revenue bond issuing authority that is granted under Senate Bill No. 1792.

For the foregoing reason, I am returning House Bill No. 1764 without my approval.

Respectfully,



LINDA LINGLE
Governor of Hawaii