

Honolulu, Hawaii  
Feb 3, 2006

RE: H.B. No. 2325

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Public Safety & Military Affairs, to which  
was referred H.B. No. 2325 entitled:

"A BILL FOR AN ACT RELATING TO MONEYS FOR DISASTER  
PREPAREDNESS,"

begs leave to report as follows:

The purpose of this bill is to improve Hawaii's disaster  
preparedness efforts by, among other things:

- (1) Clarifying that the Major Disaster Fund (MDF) may be  
used for emergencies in addition to disasters;
- (2) Raising the expenditure ceiling of the MDF to \$2,000,000  
for any single disaster or emergency;
- (3) Raising to \$2,000,000 the amount of funds available for  
matching federal disaster or emergency relief funds that  
become available following a presidential disaster or  
emergency declaration;
- (4) Establishing the Civil Defense Disaster Preparedness  
Special Fund (Special Fund) for various disaster  
preparedness measures and programs;
- (5) Clarifying that moneys in the Hurricane Reserve Trust  
Fund (Trust Fund) may be:



- (A) Used for the purposes of the Hawaii Hurricane Relief Fund (Relief Fund);
  - (B) Disbursed upon dissolution of the Relief Fund; provided that upon the Relief Fund's dissolution, the net moneys in the Trust Fund will lapse to the general fund; or
  - (C) Deposited to the Loss Mitigation Grant Fund (Grant Fund) pursuant to legislative appropriation;
- (6) Repealing the provision that transfers interest earned from the principal in the Trust Fund to the general fund;
  - (7) Specifying that prior to dissolution of the Relief Fund and in the event that the Relief Fund has no policyholders, the annual net investment income earned from the principal in the Trust Fund shall be deposited into the Special Fund; provided that in fiscal years 2006-2007 and 2007-2008, the first \$2,000,000 of the annual net investment income shall be deposited into the Grant Fund; and
  - (8) Repealing \$2,000,000 in funding for various tsunami and hurricane preparedness efforts and \$2,000,000 to be deposited into the Grant Fund and, instead, appropriating \$4,000,000 for the Special Fund for fiscal year 2006-2007.

The Department of Commerce and Consumer Affairs, Department of Accounting and General Services, and the Department of Defense supported this bill. The Hawaii Association of Realtors and a concerned individual submitted comments.

As affirmed by the record of votes of the members of your Committee on Public Safety & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2325 and recommends that it pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.



Respectfully submitted on  
behalf of the members of the  
Committee on Public Safety &  
Military Affairs,



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KEN ITO, Chair



