

Honolulu, Hawaii

FEB 16, 2024

RE: H.B. No. 2700
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred H.B. No. 2700, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO WILDFIRES,"

begs leave to report as follows:

The purpose of this measure is to establish the Hawaii Wildfire Relief Fund and Corporation to provide compensation for property damage resulting from catastrophic wildfires, regardless of cause.

Your Committee received testimony in support of this measure from Hawaiian Electric; Retail Merchants of Hawaii; Par Hawaii; Hawai'i Association of REALTORS; Hawai'i Farm Bureau; Building Industry Association of Hawaii; Hawaii Cattlemen's Council; Kona-Kohala Chamber of Commerce; Operating Engineers Local Union No. 3; Hawai'i Island Chamber of Commerce; International Brotherhood of Electrical Workers Local Union 1260; Maui Chamber of Commerce; and numerous individuals. Your Committee received testimony in opposition to this measure from State Farm Mutual Automobile Insurance Company; National Association of Mutual Insurance Companies; Hawaii Association for Justice; and one individual. Your Committee received comments on this measure from the Office of the Governor; Department of Commerce and Consumer Affairs; Department of Budget and Finance; Public Utilities Commission; Division of Consumer Advocacy of the Department of



Commerce and Consumer Affairs; Office of Administrative Hearings of the Department of Commerce and Consumer Affairs; Kaua'i Island Utility Cooperative; and Tax Foundation of Hawaii.

Your Committee finds that catastrophic wildfires have the potential to cause widespread property damage for all landowners in Hawaii, public and private, insured and uninsured. The result can be a destabilizing effect on the entire State, the insurance industry, and public utilities. This measure attempts to minimize the financial implications of catastrophic wildfires by proposing a system whereby various entities, including governmental entities, public utilities, and private landowners, contribute monies to a fund, known as the Wildfire Relief Fund, which may later be used to pay claims for damages caused by catastrophic wildfires.

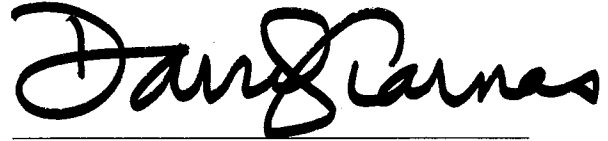
Your Committee has amended this measure by:

- (1) Deleting language that would have required future legislatures to consider certain information to determine whether adjustments to the Wildfire Relief Fund should be implemented;
- (2) Requiring that there be different contribution amounts by investor-owned utilities and non-investor owned utilities, taking into account the differences in revenues and assets between the ownership models;
- (3) Permanently exempting the Wildfire Relief Fund Administrator from civil service laws; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2700, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 2700, H.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,

A handwritten signature in black ink, reading "David Tarnas". The signature is written in a cursive style with a large, prominent "D" and "T".

DAVID A. TARNAS, Chair



