
A BILL FOR AN ACT

RELATING TO STATE FUNDS.

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

1 PART I

2 SECTION 1. This Act is recommended by the governor for
3 immediate passage in accordance with section 9 of article VII of
4 the Constitution of the State of Hawaii.

5 PART II

6 SECTION 2. In accordance with section 9 of article VII of
7 the Constitution of the State of Hawaii and sections 37-91 and
8 37-93, Hawaii Revised Statutes, the legislature has determined
9 that the general fund expenditure ceiling for fiscal year
10 2023-2024 has already been exceeded by \$1,005,342,735 or 9.4 per
11 cent. The appropriations contained in this Act will cause the
12 state general fund expenditure ceiling for fiscal year 2023-2024
13 to be further exceeded by \$ or per cent. This
14 declaration takes into account the additional general fund
15 appropriations authorized for fiscal year 2023-2024 in this Act
16 only. The reasons for exceeding the general fund expenditure
17 ceiling are that:



1 (1) The appropriations made in this Act are necessary to
2 serve the public interest; and

3 (2) The appropriations made in this Act meet the needs
4 addressed by this Act.

5 PART III

6 SECTION 3. The legislature finds that the devastating
7 wildfires brought on by winds from Hurricane Dora on August 8,
8 2023, resulted in one of the worst natural disasters in the
9 State's history. The wildfires caused loss of life and
10 displacement of thousands on the island of Maui. The disaster
11 also destroyed nearly all of Lahaina.

12 The legislature further finds that to support response and
13 recovery efforts and address immediate 2023 wildfire funding
14 needs, the governor, through the seventh emergency proclamation
15 relating to wildfires, dated September 8, 2023, and executive
16 memorandum no. 23-08, redirected \$164,100,000, after
17 adjustments, from selected general fund operating appropriations
18 from Act 164, Session Laws of Hawaii 2023, originally intended
19 for specific purposes and capital improvement projects, to the
20 department of budget and finance. The department of budget and
21 finance subsequently transferred the \$164,100,000 amount to the



1 major disaster fund along with another \$30,000,000 that the
2 governor authorized pursuant to section 5 of Act 164, Session
3 Laws of Hawaii 2023. With the existing \$5,000,000 major
4 disaster fund appropriation, a total of \$199,100,000 has been
5 allocated to the major disaster fund for initial wildfire
6 response and recovery, including the State's expected share of
7 noncongregate housing and debris clean-up costs initially being
8 paid by the Federal Emergency Management Agency. These steps
9 provided what was thought to be sufficient funding for the State
10 to address the expected fiscal year 2023-2024 response and
11 recovery expenses as of the beginning of January 2024. The
12 legislature further finds that the Federal Emergency Management
13 Agency executed the contract for debris clean-up costs, and the
14 State executed the contracts for noncongregate housing and
15 related expenses for room and board of wildfire victims
16 displaced from their homes.

17 The State's expenses for noncongregate housing and other
18 expenses including expenses for individuals impacted by the
19 wildfires who have been classified as not eligible for Federal
20 Emergency Management Agency assistance is expected to exceed the
21 amounts previously transferred to the major disaster fund.



1 Because the State executed these contracts, the State is
2 responsible for making payment and will seek reimbursement from
3 the Federal Emergency Management Agency for eligible costs.
4 Issues have recently arisen over what costs are eligible for
5 reimbursement, and the timeline in which the State will be
6 reimbursed for eligible costs is currently not clear. The State
7 will thus require additional funds to cover these immediate
8 expenses in fiscal year 2023-2024.

9 Accordingly, the purpose of this part is to make an
10 emergency appropriation to cover the State's immediate expenses
11 incurred in the Maui wildfires disaster response efforts.

12 SECTION 4. There is appropriated out of the general
13 revenues of the State of Hawaii to the department of budget and
14 finance, departmental administration and budget division
15 (BUF101), the sum of \$297,000,000 or so much thereof as may be
16 necessary for fiscal year 2023-2024 for expenses related to
17 noncongregate housing and other costs relating to the provision
18 of food, housing, or other assistance for individuals affected
19 by the Maui wildfires disaster that began on August 8, 2023;
20 provided that:



- 1 (1) Any unexpended or unencumbered balance shall lapse to
2 the general fund on June 30, 2024;
- 3 (2) The auditor shall conduct an audit on all contracts
4 funded by the appropriation made by this section;
- 5 (3) Any law to the contrary notwithstanding, the governor
6 may authorize the transfer of these funds to the major
7 disaster fund established by section 127A-16, Hawaii
8 Revised Statutes;
- 9 (4) The governor shall provide notice to the legislature
10 no later than fourteen days prior to the date of any
11 transfer and submit a report to the legislature within
12 five days of each use of this authority;
- 13 (5) The report shall include the date of transfer, the
14 amount of the transfer, the program ID from which
15 funds were transferred, the program ID to which funds
16 were transferred, the impact to the program ID from
17 which funds are transferred, and a detailed
18 explanation of the public purposes served by the
19 transfer of resources; and
- 20 (6) No later than thirty days prior to the convening of
21 the regular session of 2025, the governor shall submit



1 to the legislature a summary report containing the
2 aforementioned information for each use of this
3 authority for the previous twelve month period from
4 December 1 to November 30.

5 SECTION 5. The sum appropriated shall be expended by the
6 department of budget and finance for the purposes of this part.

7 PART IV

8 SECTION 6. The legislature finds that the State's
9 contribution of public funds to the one ohana bank trust account
10 is for the compromise and settlement of claims to compensate
11 individuals or their personal representatives affected by
12 serious physical injury or death caused by the Maui wildfires
13 and serves a public purpose.

14 The purpose of this part is to make an emergency
15 appropriation to fund the State's contribution to the one ohana
16 bank trust account for the compromise and settlement of claims
17 based on the Maui wildfires.

18 SECTION 7. The legislature finds and declares that the
19 contribution of state moneys to the one ohana bank trust account
20 under this part for the compromise and settlement of claims is



1 in the public interest and for the public health, safety, and
2 general welfare of the State for the following reasons:

- 3 (1) The State recognizes the devastating impact of the
4 Maui wildfires on its residents, resulting in physical
5 injury and loss of life;
- 6 (2) It is imperative for the State to respond with
7 compassion and support for those affected by the Maui
8 wildfires, ensuring that victims or their personal
9 representatives are provided with fair and just
10 compensation on a timely basis;
- 11 (3) The State's contribution to the one ohana bank trust
12 account is for the compromise and settlement of claims
13 for those who have lost loved ones or suffered serious
14 physical injuries in the Maui wildfires.
15 Participation in seeking compensation from the one
16 ohana bank trust account is purely voluntary;
- 17 (4) The legislature recognizes that contributors to the
18 one ohana bank trust account besides the State
19 include, among others, the county of Maui, Hawaiian
20 Electric Company, the Kamehameha Schools, Charter



- 1 Communications/Spectrum, Hawaiian Telcom, and the West
2 Maui Land Company;
- 3 (5) The legislature recognizes the one ohana bank trust
4 account as an efficient mechanism to address this
5 urgent and exceptional situation, and understands the
6 one ohana bank trust account's unique ability to
7 provide assistance to those in need;
- 8 (6) The legislature recognizes the complexity and
9 challenges of tort litigation and finds it prudent to
10 provide an alternative through the one ohana bank
11 trust account of streamlining the compensation process
12 for those impacted by the Maui wildfires;
- 13 (7) The legislature finds that it is in the public
14 interest to encourage swift and fair resolution to
15 claims arising from the Maui wildfires, thus
16 alleviating the burden on the judicial system, and
17 fostering community support, unity, and recovery in
18 the aftermath of the Maui wildfires; and
- 19 (8) The legislature recognizes that individuals seeking
20 compensation from the one ohana bank trust account
21 will be required to release the contributing parties



1 to the fund from further liability and are willingly
2 waiving their rights to pursue damages through tort
3 litigation for wrongful death or personal injury
4 claims, contributing to a more efficient resolution
5 process.

6 Consequently, the legislature finds and declares that the
7 public purpose is served by authorizing the expenditure of
8 public moneys as the State's contribution to the one ohana bank
9 trust account for the compromise and settlement of claims to
10 provide an alternative for compensation to any individual or
11 personal representative of a deceased individual who suffered
12 serious physical injury or died as a result of the Maui
13 wildfires, thus offering a timely and compassionate resolution
14 to those affected by the Maui wildfires while relieving the
15 burden on the judicial system and contributing to the rebuilding
16 of lives and community.

17 SECTION 8. Any individual who receives compensation from
18 the one ohana fund under this Act shall waive the right to sue
19 for damages related to physical injury or death resulting from
20 the Maui wildfires, recognizing the one ohana fund as an
21 alternative to tort litigation.



1 SECTION 9. The department of the attorney general shall
2 submit a report to the legislature no later than twenty days
3 prior to the convening of each regular session, which shall
4 include lists of:

- 5 (1) Claims and the amounts paid by the one ohana bank
6 trust account for the calendar year;
- 7 (2) The administrative costs incurred for the one ohana
8 bank trust account for the calendar year; and
- 9 (3) Contributors and their contribution amounts to the one
10 ohana bank trust account received during the calendar
11 year.

12 SECTION 10. There is appropriated out of the general
13 revenues of the State of Hawaii the sum of \$65,000,000, or so
14 much thereof as may be necessary for fiscal year 2023-2024, to
15 fund the State's contribution to the one ohana bank trust
16 account for the compromise and settlement of claims to
17 compensate individuals or personal representatives affected by
18 serious physical injury or death caused by the 2023 Maui
19 wildfires; provided that the moneys appropriated in this section
20 shall not lapse at the end of the fiscal year for which the
21 appropriation is made; and provided further that any moneys that



1 remain unencumbered on June 30, 2025, shall lapse on that date;
 2 provided further that upon closure of the one ohana bank trust
 3 account, the remaining balance after the settlement of all
 4 administrative costs shall be returned to the contributors to
 5 the one ohana bank trust account in proportion to their
 6 contributions, with the State's proportionate contribution being
 7 returned to the general fund.

8 SECTION 11. The sum appropriated shall be expended by the
 9 department of the attorney general for the purposes of this
 10 part.

11 PART V

12 SECTION 12. Part II of Act 164, Session Laws of Hawaii
 13 2023, is amended by amending section 3 as follows:

14 1. By amending item A-24 to read:

15 "24. BED160 - HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

16	OPERATING	BED	150,000,000A	[230,000,000A]
17				<u>A</u>
18		BED	3,100,000N	3,100,000N
19			23.00*	23.00*
20			45.00#	45.00#
21		BED	13,533,889W	14,046,265W
22		BED	3,000,000P	3,000,000P
23	INVESTMENT CAPITAL	BED	45,000,000C	<u>230,000,000C"</u>

24 PART VI

25 SECTION 13. The legislature determines that there are
 26 amounts in excess of the requirements of the various funds



1 listed in this Act. The director of finance is authorized to
2 transfer the following amounts or so much thereof as may be
3 necessary for fiscal year 2023-2024 from the following funds to
4 the general fund:



	Account Code - Fund Name	Amount in excess of the requirements of the fund as determined by the legislature (\$)	Amount authorized to be transferred to the general fund by the director of finance (\$)
Department of Agriculture (AGR)			
1	S-303-A-AGRICULTURAL LOAN REVOLVING FUND	2,000,000	2,000,000
2	S-305-A NON-AGRICULTURAL PARK LANDS SPECIAL FUND	45,000	45,000
3	S-310-A AQUACULTURE LOAN RESERVE FUND	408,135	408,135
4	S-315-A-MILK CONTROL SPECIAL FUND	11,881	11,881
5	S-317-A AGRICULTURAL PARKS SPECIAL FUND	45,000	45,000
6	S-320-A-IRRIGATION SYSTEM REVOLVING FUND	87,000	87,000
7	S-322-A INDUSTRIAL HEMP PROGRAM SPECIAL FUND	90,374	90,374
Department of the Attorney General (ATG)			
8	S-305-N-DNA REGISTRY SPECIAL FUND	79,996	79,996
9	S-350-N-INTERNET CRIMES AGAINST CHILD SPECIAL FUND	181,386	181,386
Department of Business, Economic Development, and Tourism (BED)			
10	S-305-B-ENERGY SECURITY FUND	463,555	463,555
11	S-342-B-STRATEGIC DEVELOPMENT PROGRAMS REVOLVING FUND	5,000,000	5,000,000
12	S-348-B-TOURISM SPECIAL FUND	1,325,891	1,325,891
13	S-361-B-CONVENTION CENTER ENTERPRISE SPECIAL FUND	11,000,000	11,000,000
14	S-376-B-HOUSING FINANCE REVOLVING FUND	2,000,000	2,000,000
Department of Defense (DEF)			
15	S-352-G-HAZARD MITIGATION SPECIAL FUND	390,320	390,320
16	S-353-G-RESILIENT HI REVOLVING LOAN FUND	435,622	435,622
Department of Human Services (HMS)			
17	S-317-K-GENERAL ASSISTANCE PAYMENTS	901,783	901,783
Department of Human Resources Development (HRD)			
18	S-310-P-HUMAN RESOURCES DEVELOPMENT SPECIAL FUND	149,760	149,760
Department of Health (HTH)			
19	S-331-H-EARLY INTERVENTION SPECIAL FUND	204,329	204,329



20	S-338-H-VITAL STATISTICS IMPROVEMENT SPECIAL FUND	11,074	11,074
21	T-981-H-STATE HOSPITAL - DONATIONS (NOT IN S/T)	50,407	50,407
Department of Labor and Industrial Relations (LBR)			
22	T-904-L-WAGE CLAIM FUND	2,000,000	2,000,000
Department of Land and Natural Resources (LNR)			
23	S-302-C-CONSERVATION & RESOURCES ENFORCEMENT	650,858	650,858
24	S-303-C-WATER AND LAND DEVELOPMENT	509,063	509,063
25	S-309-C-BUREAU OF CONVEYANCES SPECIAL FUND	250,000	250,000
26	S-316-C-SPECIAL LAND DEVELOPMENT FUND	1,000,000	1,000,000
27	S-325-C-BEACH RESTORATION SPECIAL FUND	2,166,442	2,166,442
28	S-326-C-WATER RESOURCE MANAGEMENT FUND	65,740	65,740
29	S-342-C-NATURAL AREA RESERVE & WATERSHED MANAGEMENT	174,853	174,853
30	S-349-C-CONSERVATION AND RESOURCES ENFORCEMENT	841,237	841,237
31	S-359-C-OCEAN-BASED RECREATION SPECIAL FUND	2,000,000	2,000,000
Department of Transportation (TRN)			
32	S-318-D-SAFE ROUTES TO SCHOOL PROGRAM	1,814,826	1,814,826
33	S-329-D-MOTORCYCLE/MOTOR SCOOTER OPERATORS EDUCATIONAL FUND	723,725	723,725

1 PART VII

2 SECTION 14. Act 247, Session Laws of Hawaii 2022, is

3 amended by amending section 1 to read as follows:

4 "~~SECTION 1. The director of finance is authorized to~~

5 ~~issue general obligation bonds in the sum of \$300,000,000 or so~~

6 ~~much thereof as may be necessary and the same sum or so much~~

7 ~~thereof as may be necessary is appropriated for fiscal year~~

8 ~~2022-2023 for the other post employment benefits trust fund~~

9 ~~governed by section 87A-42, Hawaii Revised Statutes, to pay or~~



1 ~~prepay the State's other post employment benefits liability;~~
2 ~~provided that:~~

3 ~~(1) The appropriation made for this transaction as~~
4 ~~authorized by this section shall not lapse at the end~~
5 ~~of the fiscal year for which the appropriation is~~
6 ~~made;~~

7 ~~(2) All moneys from the appropriation unencumbered as of~~
8 ~~June 30, 2024, shall lapse as of that date; and~~

9 ~~(3) The general obligation bonds authorized by this~~
10 ~~section shall be issued in the sole discretion of the~~
11 ~~director of finance; provided that:~~

12 ~~(A) To determine the annual required contribution, a~~
13 ~~preliminary annual required contribution to the~~
14 ~~trust fund shall be developed that treats the~~
15 ~~outstanding bond balance as part of the trust~~
16 ~~fund's unfunded actuarial accrued liability. The~~
17 ~~net cash contribution required to be contributed~~
18 ~~to the trust fund shall be the greater of:~~

19 ~~(i) The preliminary annual required contribution~~
20 ~~less the related general obligation bond~~
21 ~~payment for the respective year; or~~



- 1 ~~(ii) The annual required contribution amount~~
- 2 ~~calculated under section 87A 42(f)(2),~~
- 3 ~~Hawaii Revised Statutes, without any special~~
- 4 ~~consideration given to the outstanding~~
- 5 ~~balance of the general obligation bonds or~~
- 6 ~~any related general obligation bond~~
- 7 ~~payments, for the respective year;~~
- 8 ~~(B) Entities shall only be permitted to issue general~~
- 9 ~~obligation bonds if the all in true interest cost~~
- 10 ~~of the bonds is at least three hundred basis~~
- 11 ~~points less than the assumed rate of return of~~
- 12 ~~the trust fund, to which the proceeds will be~~
- 13 ~~contributed;~~
- 14 ~~(C) General obligation bonds shall not be issued as a~~
- 15 ~~means for addressing budget shortfalls related to~~
- 16 ~~contributions required by law; and~~
- 17 ~~(D) General obligation bonds shall only be issued as~~
- 18 ~~a means to produce long term savings.] Repealed."~~

PART VIII

20 SECTION 15. Section 37-41.5, Hawaii Revised Statutes, is
21 amended by amending subsection (c) to read as follows:



1 "(c) In addition to the five per cent retainage under
2 subsection (a), the department of education may retain any
3 appropriation received pursuant to section 127A-16(a) or as
4 reimbursement for disaster relief pursuant to section
5 [~~127A-16(d)~~] 127A-16(e) at the close of the fiscal year in which
6 the appropriation or reimbursement was received, and the funds
7 retained shall not lapse until June 30 of the first fiscal year
8 of the next fiscal biennium. [~~Such~~] The funds shall be
9 considered as separate and distinct from the funds the
10 department of education is authorized to retain pursuant to
11 subsection (a)."

12 SECTION 16. Section 127A-16, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "**§127A-16 Major disaster fund.** (a) The administrator
15 shall submit requests to the legislature to appropriate from the
16 general revenues of the State sufficient moneys as may be
17 necessary for expenditure by or under the direction of the
18 governor for immediate relief in response to an emergency or
19 disaster in any part of the State; provided that:

20 (1) The governor has issued a proclamation of a state of
21 emergency;



1 (2) The governor shall not expend in excess of \$10,000,000
2 for immediate relief as a result of any single
3 emergency or disaster; and

4 (3) In addition to the funds in paragraph (2), an
5 additional \$5,000,000 may be made available solely for
6 the purpose of matching federal disaster relief funds
7 when these funds become available to the State
8 following a presidential disaster declaration.

9 In expending the moneys, the governor may allot any portion
10 thereof to any agency, office, or employee of the State or a
11 county for the most efficient relief for the population.

12 Notwithstanding this subsection, the only exception to
13 paragraphs (1), (2), and (3) is that the administrator may use
14 up to \$250,000 per year to support the emergency management
15 reserve corps.

16 (b) No later than sixty days after any allotment by the
17 governor or the expenditure of any fund moneys, the
18 administrator shall report to the legislature on the purpose of
19 the allotment or expenditure.

20 (c) Except as provided in [~~subsection (d),~~] subsections
21 (d) and (e), federal reimbursement moneys for disaster relief



1 shall be deemed to be trust moneys and shall be deposited into a
2 trust account with and under the control of the Hawaii emergency
3 management agency. Upon receipt by the Hawaii emergency
4 management agency, these moneys shall be reimbursed to the
5 originating fund of the expending agency; provided that if the
6 original appropriation has lapsed, the funds shall be returned
7 to the general fund.

8 (d) Federal reimbursement moneys for disaster relief for
9 the Maui wildfires disaster that began on August 8, 2023, shall
10 be deemed to be trust moneys and shall be deposited into a trust
11 account with and under the control of the Hawaii emergency
12 management agency. These moneys and any interest earned thereon
13 shall be used for the recovery efforts from the Maui wildfires
14 disaster that began on August 8, 2023, and shall not lapse to
15 the general fund.

16 [~~(d)~~] (e) In cases in which the department of education
17 expends the funds appropriated to the department for purposes
18 deemed to be reimbursable by federal reimbursement moneys for
19 disaster relief, the federal reimbursement moneys shall not
20 lapse to the general fund and shall be credited directly to the
21 department of education without regard to whether the original



1 appropriation has lapsed. [~~Such~~] The funds shall carry over in
2 accordance with section 37-41.5(c).

3 [~~(e)~~] (f) Any unspent funding under \$2,500,000 shall be
4 rolled over to the next fiscal year to support current and
5 future emergencies and disasters.

6 [~~(f)~~] (g) Each state department and agency shall submit to
7 the administrator, no later than August 1 of each year, a report
8 of all funds expended, if any, for the prior fiscal year by the
9 state department and agency for disaster response. The report
10 shall include:

11 (1) The source of funds, including the name and account
12 number of the funding source;

13 (2) The amount and purpose of each expenditure; and

14 (3) Whether any programs, activities, or contracts were
15 reduced as a result of disaster response spending by
16 the state department and agency.

17 [~~(g)~~] (h) The administrator shall submit an annual report
18 to the legislature no later than September 1 of each year on:

19 (1) The amount of federal reimbursement moneys for
20 disaster response that the State could have applied
21 for during the prior fiscal year. The report shall



- 1 indicate the amount of federal reimbursement moneys
2 for disaster response broken down by department and
3 agency;
- 4 (2) The amount of federal reimbursement moneys for
5 disaster response that the State applied for and the
6 amount received during the prior fiscal year. The
7 report shall indicate the amount of federal
8 reimbursement moneys for disaster response broken down
9 by department and agency;
- 10 (3) The justification for any difference in the amount of
11 federal reimbursement moneys for disaster response
12 that the State was eligible for and the amount the
13 State applied for;
- 14 (4) The average amount of time between the submittal of an
15 application for a Federal Emergency Management Agency
16 reimbursement and receipt of the funds;
- 17 (5) The number of disaster accounts opened for the prior
18 fiscal year; and
- 19 (6) The information relating to the expenditure of funds
20 that is reported by each state department and agency
21 pursuant to subsection [~~(f)~~] (g)."



1 PART IX

2 SECTION 17. Statutory material to be repealed is bracketed
3 and stricken. New statutory material is underscored.

4 SECTION 18. This Act shall take effect on July 1, 2050;
5 provided that on July 1, 2026, sections 15 and 16 of this Act
6 shall be repealed and sections 37-41.5 and 127A-16, Hawaii
7 Revised Statutes, shall be reenacted in the form in which they
8 read on the day prior to the effective date of this Act;
9 provided further that on June 30, 2026, any unencumbered trust
10 account moneys retained, pursuant to section 16 of this Act, in
11 the account to be used for the recovery efforts from the Maui
12 wildfires disaster that began on August 8, 2023, shall lapse to
13 the general fund.



Report Title:

Wildfires; Emergency Appropriations; HHFDC; Auditor; General Fund Expenditure Ceiling Exceeded

Description:

Appropriates funds to support the State's response to the August 2023 wildfires that affected the County of Maui. Requires the Auditor to conduct an audit on the contracts funded by the appropriation. Makes an appropriation to the One Ohana Bank Trust Account to compensate victims of the 2023 Maui wildfires. Repeals general obligation bond issuance and appropriation for the Other Post-Employment Benefits Trust Fund. Changes the 2024-2025 general fund appropriation to the Hawaii Housing Finance and Development Corporation to general obligation bond funds. Transfers to the general fund the excess balances of various non-general funds from various state departments and agencies. Temporarily lifts various restrictions on the use of funds for Maui wildfire response. Appropriates moneys. Declares that the appropriations exceed the state general fund expenditure ceiling for 2023-2024. Effective 7/1/2050. (SD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

