
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 Hawaii 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 by
19 the Hawaii wildfires disaster that began on August 8, 2023;
20 provided that any unexpended or unencumbered balance shall lapse
21 to the general fund on June 30, 2026; provided further that any



1 law to the contrary notwithstanding, the governor may authorize
2 the transfer of these funds to the major disaster fund
3 established by section 127A-16, Hawaii Revised Statutes.

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

6 PART IV

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

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

17 SECTION 7. The legislature finds and declares that the
18 contribution of state moneys to the one ohana bank trust account
19 under this part for the compromise and settlement of claims is
20 in the public interest and for the public health, safety, and
21 general welfare of the State for the following reasons:



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



1 (5) The legislature recognizes the one ohana bank trust
2 account as an efficient mechanism to address this
3 urgent and exceptional situation, and understands the
4 one ohana bank trust account's unique ability to
5 provide assistance to those in need;

6 (6) The legislature recognizes the complexity and
7 challenges of tort litigation and finds it prudent to
8 provide an alternative through the one ohana bank
9 trust account of streamlining the compensation process
10 for those impacted by the Maui wildfires;

11 (7) The legislature finds that it is in the public
12 interest to encourage swift and fair resolution to
13 claims arising from the Maui wildfires, thus
14 alleviating the burden on the judicial system, and
15 fostering community support, unity, and recovery in
16 the aftermath of the Maui wildfires; and

17 (8) The legislature recognizes that individuals seeking
18 compensation from the one ohana bank trust account
19 will be required to release the contributing parties
20 to the fund from further liability and are willingly
21 waiving their rights to pursue damages through tort



1 litigation for wrongful death or personal injury
2 claims, contributing to a more efficient resolution
3 process.

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

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

20 SECTION 9. The department of the attorney general shall
21 submit a report to the legislature no later than twenty days



1 prior to the convening of each regular session, which shall
2 include lists of:

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

10 SECTION 10. There is appropriated out of the general
11 revenues of the State of Hawaii the sum of \$65,000,000, or so
12 much thereof as may be necessary for fiscal year 2023-2024, to
13 fund the State's contribution to the one ohana bank trust
14 account for the compromise and settlement of claims to
15 compensate individuals or personal representatives affected by
16 serious physical injury or death caused by the 2023 Maui
17 wildfires; provided that the moneys appropriated in this section
18 shall not lapse at the end of the fiscal year for which the
19 appropriation is made; and provided further that any moneys that
20 remain unencumbered on June 30, 2025, shall lapse on that date.



1 SECTION 11. The sum appropriated shall be expended by the
2 department of the attorney general for the purposes of this
3 part.

4 PART V

5 SECTION 12. Part II of Act 164, Session Laws of Hawaii
6 2023, is amended by amending section 3 as follows:

7 1. By amending item A-24 to read as follows:

8	"24. BED160 - HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION			
9	OPERATING	BED	150,000,000A	[230,000,000A]
10				^A
11		BED	3,100,000N	3,100,000N
12			23.00*	23.00*
13			45.00#	45.00#
14		BED	13,533,889W	14,046,265W
15		BED	3,000,000P	3,000,000P
16	INVESTMENT CAPITAL	BED	45,000,000C	<u>230,000,000C"</u>

17 PART VI

18 SECTION 13. The legislature determines that there are
19 amounts in excess of the requirements of the various funds
20 listed in this Act. The director of finance is authorized to
21 transfer the following amounts or so much thereof as may be
22 necessary for fiscal year 2023-2024 from the following funds to
23 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



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. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 16. This Act shall take effect upon its approval.



Report Title:

Wildfires; Emergency Appropriations; HHFDC; 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. 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. Appropriates moneys. Declares that the appropriations exceed the state general fund expenditure ceiling for 2023-2024. (SD2 Proposed)

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

