

STAND. COM. REP. NO. 3422

Honolulu, Hawaii

APR 02 2024

RE: H.B. No. 679
H.D. 1
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 679, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO STATE FUNDS,"

begs leave to report as follows:

The purpose and intent of this measure is to amend, from \$300,000,000 to an unspecified amount, the appropriation of general funds to the rental housing revolving fund made by Act 236, Session Laws of Hawaii 2022.

Prior to the hearing on this measure, your Committee made available for public review a proposed S.D. 2 of this measure. The proposed S.D. 2:

- (1) Removes language amending Act 236, Session Laws of Hawaii 2022;
- (2) Appropriates \$297,000,000 for noncongregate housing and other costs for individuals affected by the August 8, 2023 wildfires;
- (3) Appropriates \$65,000,000 to the One Ohana Bank Trust Account for the State's contribution of the compromise and settlement of claims relating to the 2023 Maui wildfires;



- (4) Amends Act 164, Session Laws of Hawaii 2023, by changing the appropriation of \$230,000,000 in general funds to the Hawaii Housing Finance and Development Corporation to \$230,000,000 in general obligation bond funds;
- (5) Authorizes the Director of Finance to transfer the excess balance of various non-general funds to the general fund; and
- (6) Repeals language in Act 247, Session Laws of Hawaii 2022, that authorizes the Director of Finance to issue \$300,000,000 in general obligation bonds for the Other Post-Employment Benefits Trust Fund.

Your Committee received written comments in support of this measure from the Office of the Governor and the Hawaii Housing Finance and Development Corporation.

Your Committee received written comments in opposition to this measure from the Hawaii Technology Development Corporation.

Your Committee received written comments on this measure from the Department of Budget and Finance, Department of the Attorney General, Hawaii Department of Agriculture, Department of Land and Natural Resources, Department of Human Services, and Hawaii Tourism Authority.

Your Committee finds that due to the size and scope of the Maui wildfires disaster, recovery efforts are expected to exceed the limit on the amount that may be expended from the Major Disaster Fund, which is \$10,000,000 per emergency or disaster. Accordingly, your Committee believes that allowing all federal reimbursements to the fund to be expended will help to ensure that those moneys may be expended as necessary for disaster relief.

Your Committee has amended this measure by adopting the proposed S.D. 2 and further amending it by:

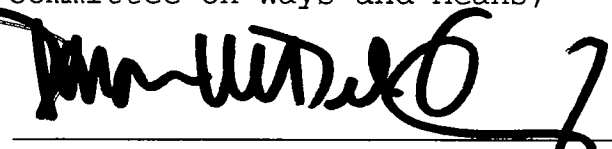
- (1) Amending the requirements related to the appropriation for noncongregate housing and other costs for individuals affected by the August 8, 2023 Maui wildfires, as follows:



- (A) Advancing the lapse date of the appropriation from June 30, 2026, to June 30, 2024;
 - (B) Adding a requirement for the Auditor to conduct an audit on each contract funded by the appropriation; and
 - (C) Requiring that the Governor provide notice and a report to the Legislature regarding any transfer of the appropriated funds to the Major Disaster Fund;
- (2) Requiring that upon closure of the One Ohana Bank Trust Account, the remaining balance after the settlement of all administrative costs shall be returned to the contributors in proportion to their contributions;
 - (3) Inserting, as a new part, temporary amendments to statutory provisions relating to the Major Disaster Fund to allow federal reimbursements to be deposited into the Major Disaster Fund and later expended without regard to the expenditure cap of the Fund;
 - (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
 - (5) 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 Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 679, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 679, H.D. 1, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



