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# A BILL FOR AN ACT

RELATING TO SETTLEMENT OF CLAIMS RELATED TO THE MAUI  
WILDFIRES.

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

1       SECTION 1. The legislature finds that the payment of  
2 state moneys to a fund established to pay claims related to  
3 the devastating Maui wildfires that occurred on August 8,  
4 2023, as those claims are compromised and settled serves a  
5 public purpose and is for the public health, safety, and  
6 general welfare of the State for the following reasons:

- 7       (1) The Maui wildfires had a devastating impact on  
8       the residents of Maui, resulting in real and  
9       personal property damage, personal injury,  
10      wrongful death, emotional distress and  
11      inconvenience, and economic loss;
- 12      (2) Establishing a trust fund to allow the State to  
13      respond with compassion and support for those  
14      affected by the Maui wildfires, ensuring that  
15      victims or their personal representatives are  
16      provided with fair and just compensation on a  
17      timely basis is in the public interest;

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- 1           (3)   Contributing state funds to be used along with  
2               contributions from others, including the county  
3               of Maui, the Hawaiian Electric Company, the  
4               Kamehameha Schools, Charter  
5               Communications/Spectrum, Hawaiian Telcom, and the  
6               West Maui Land Company for the compromise and  
7               settlement of claims against the State and others  
8               related to the Maui wildfires to compensate those  
9               who have suffered real and personal property  
10              damage, personal injury, wrongful death,  
11              emotional distress and inconvenience, or economic  
12              loss in the Maui wildfires is in the public  
13              interest;
- 14           (4)   Settling claims related to the Maui wildfires is  
15               an efficient mechanism to address the urgent and  
16               exceptional situation caused by the Maui  
17               wildfires, and will offer a unique ability to  
18               help those in need;
- 19           (5)   The complexity and challenges of tort litigation,  
20               including the length of time needed to resolve  
21               lawsuits make it prudent to provide an  
22               alternative to litigation through the State's

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1 contribution to the Maui wildfires settlement  
2 agreements that will allow for the early  
3 compromise and settlement of claims and expedite  
4 the compensation process for those impacted by  
5 the Maui wildfires;

6 (6) It is in the public interest to encourage swift  
7 and fair resolution to claims arising from the  
8 Maui wildfires, thus alleviating the burden on  
9 the judicial system and fostering community  
10 support, unity, and recovery in the aftermath of  
11 the Maui wildfires; and

12 (7) Individuals receiving compensation pursuant to  
13 the Maui wildfires settlement agreements shall  
14 release the State and other parties that  
15 contribute to the Maui wildfires settlement  
16 agreements from further liability and shall  
17 voluntarily waive their rights to pursue damages  
18 through litigation for real and personal property  
19 damage, personal injury, wrongful death,  
20 emotional distress and inconvenience, and  
21 economic loss contributing to a more efficient  
22 resolution process.

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1           The legislature further finds that the Maui wildfires  
2   settlement agreements reached in November 2024 aim to  
3   resolve lawsuits related to the Maui wildfires. Under the  
4   proposed terms of the Maui wildfires settlement agreements,  
5   the seven defendants - the State of Hawaii, the county of  
6   Maui, the Hawaiian Electric Company, the Kamehameha  
7   Schools, Charter Communications/Spectrum, Hawaiian Telcom,  
8   and the West Maui Land Company, collectively agreed to pay  
9   \$4.037 billion to provide compensation to the approximately  
10   2,200 affected parties who filed lawsuits. The State of  
11   Hawaii's contribution is approximately \$807,500,000, to be  
12   paid over four years. The State's settlement amount is in  
13   addition to the State's \$65 million contribution to the One  
14   Ohana Fund for wildfire assistance.

15           The allocation of funds and the determination of  
16   individuals compensation amounts are still to be finalized.

17           Further, the Hawaii Supreme Court is currently  
18   reviewing questions regarding whether insurance companies  
19   can recover payments made for Maui wildfire damages from  
20   policyholders. The resolution of this matter could affect  
21   the settlement's implementation.

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1           Consequently, the legislature finds that authorizing  
2 the expenditure of public moneys as the State's payment to  
3 the compromise and settlement of claims arising from the  
4 Maui wildfires will provide a means of compensation to any  
5 individual or personal representative of a deceased  
6 individual who suffered real and personal property damage,  
7 personal injury, wrongful death, emotional distress and  
8 inconvenience, or economic loss as a result of the Maui  
9 wildfires, and will offer a timely and compassionate  
10 resolution to those affected by the Maui wildfires while  
11 relieving the burden on the judicial system and  
12 contributing to the rebuilding of lives and community. The  
13 State's contribution to the settlement of claims will be  
14 distributed pursuant to the Maui wildfires settlement  
15 agreements.

16           Further, the legislature finds that the Maui wildfires  
17 settlement trust fund is recognized as a trust fund, where  
18 the claimants of the Maui wildfires settlement hold a  
19 vested beneficial interest that was established by a  
20 legislative appropriation that restricts the use of the  
21 trust fund exclusively for settling claims arising from the  
22 Maui wildfires and covering its administrative costs.

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1           SECTION 2. Chapter 28, Hawaii Revised Statutes, is  
2 amended by adding to part I a new section to be  
3 appropriately designated and to read as follows:

4           "§28- Maui wildfires settlement trust fund. (a)

5 There is established in the state treasury the Maui  
6 wildfires settlement trust fund, which shall be  
7 administered by the attorney general, and into which shall  
8 be deposited:

9           (1) Appropriations made by the legislature to the  
10 trust fund;

11           (2) All interest accruing from the investment of  
12 moneys in the trust fund; and

13           (3) Loans made to the trust fund.

14           (b) Moneys in the Maui wildfires settlement trust  
15 fund shall be used for the following purposes:

16           (1) Payment of eligible claims pursuant to the Maui  
17 wildfires settlement agreements; and

18           (2) Payment of administrative costs relating to the  
19 Maui wildfires settlement agreements.

20           (c) The Maui wildfires settlement trust fund shall be  
21 terminated upon payment of all claims and costs relating to  
22 settlement of claims under the Maui wildfires settlement

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1 agreements. Upon termination, moneys in the trust fund  
2 shall revert back to the State and shall lapse to the  
3 general fund, provided that any moneys advanced to the  
4 trust fund as a loan shall be repaid without interest.

5 (d) The director of finance may loan moneys to the  
6 Maui wildfires trust fund from the general, special, or  
7 revolving funds of the State which in the director of  
8 finance's judgment are in excess of the amounts necessary  
9 for the State's requirements and will not impede or hamper  
10 the necessary financial operations of the State. The loans  
11 shall be without interest. All loans shall be repaid upon  
12 demand of the director of finance.

13 (e) Upon approval of the governor, the attorney  
14 general may expend up to the balance in the trust fund for  
15 costs as authorized by this section.

16 (f) Any individual who receives compensation from the  
17 Maui wildfires settlement agreements under this Act shall  
18 execute a release that releases the State from any and all  
19 liabilities arising out of the Maui wildfires.

20 (g) The department of the attorney general shall  
21 submit a report to the legislature no later than thirty  
22 days prior to the convening of each regular session, which

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1 shall include their receipts and disbursements of the Maui  
2 wildfires settlement trust fund for the prior fiscal year."

3 SECTION 3. There is appropriated out of the general  
4 revenues of the State of Hawaii the sum of \$400,000,000 or  
5 so much thereof as may be necessary for fiscal year 2025-  
6 2026 and the sum of \$407,500,000 or so much thereof as may  
7 be necessary for fiscal year 2026-2027 to be deposited into  
8 the Maui wildfires settlement trust fund to fund the  
9 State's contribution to the settlement of claims related to  
10 the August 8, 2023, Maui wildfires and for the payment of  
11 administrative expenses relating to the Maui wildfires  
12 settlement agreements.

13 The sums appropriated shall be expended by the  
14 department of the attorney general.

15 SECTION 4. New statutory material is underscored.

16 SECTION 5. This Act, upon its approval, shall take  
17 effect on July 1, 2025.

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INTRODUCED BY:

*Nedra K. Parker*

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BY REQUEST

JAN 21 2025



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**Report Title:**

Maui Wildfires Settlement Trust Fund Established; General Fund

**Description:**

Makes general fund appropriations for fiscal years 2025-2026 and 2026-2027 to fund the settlement of claims related to the Maui wildfires. Establishes the Maui Wildfires Settlement Trust Fund to be administered by the Attorney General.

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

JUSTIFICATION SHEET

DEPARTMENT: Attorney General

TITLE: A BILL FOR AN ACT RELATING TO SETTLEMENT OF CLAIMS RELATED TO THE MAUI WILDFIRES.

PURPOSE: To fund the State's share of payments to the Maui Wildfires Settlement Agreements (Agreements) for the compromise and settlement of claims arising from the August 8, 2023, Maui wildfires.

MEANS: Add a new section to part I of chapter 28, Hawaii Revised Statutes, and appropriate general funds for fiscal years 2025-2026 and 2026-2027.

JUSTIFICATION: This bill funds the State's share of the proposed \$4.037 billion settlement for the August 8, 2023, Maui wildfires. The proposed Agreements would provide swift financial relief to approximately 2,200 affected parties who filed lawsuits following the devastating wildfires. By resolving these claims quickly, victims and their families can begin rebuilding their lives much sooner than if litigation were to drag on for years.

The Agreements resolves claims against multiple defendants, including the State of Hawaii, the County of Maui, and several major corporations. This comprehensive approach avoids piecemeal litigation and provides a coordinated path forward for all parties involved.

By avoiding protracted lawsuits, the Agreements saves significant legal costs for both plaintiffs and defendants. These savings can be redirected toward recovery efforts.

A timely resolution to the lawsuits allows the Maui community to focus on healing and

rebuilding rather than enduring years of contentious legal battles.

In return for receiving payments under the Agreements, the plaintiffs will be required to release the State from any and all liabilities arising out of the Maui wildfires.

Approving this settlement sets a positive precedent for efficient disaster response and resolution of claims. It demonstrates Hawaii's ability to coordinate quickly to respond to emergencies and develop solutions in times of crisis.

Legislative funding of the Agreements is crucial for providing timely relief to wildfire victims, promoting economic stability, and allowing Maui to move forward in its recovery efforts.

Impact on the public: This bill will contribute to help those individuals directly impacted by the Maui wildfires. It will serve the public by helping the community move forward in its recovery.

Impact on the department and other agencies: The Attorney General is responsible for the handling of litigation arising from the Maui wildfires. The Agreements will significantly impact the Department of the Attorney General's operations, resources, and responsibilities for years to come.

GENERAL FUND:	\$807,500,000.
OTHER FUNDS:	Not applicable.
PPBS PROGRAM DESIGNATION:	To be determined.
OTHER AFFECTED AGENCIES:	Department of Budget and Finance.
EFFECTIVE DATE:	July 1, 2025.