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

7 (1) The Maui wildfires had a devastating impact on the
8 residents of Maui, resulting in real and personal
9 property damage, personal injury, wrongful death,
10 emotional distress and inconvenience, and economic
11 loss;

12 (2) Establishing a trust fund to allow the State to
13 respond with compassion and support for those affected
14 by the Maui wildfires, ensuring that victims or their
15 personal representatives are provided with fair and
16 just compensation on a timely basis, is in the public
17 interest;



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



1 expedite the compensation process for those impacted
2 by the Maui wildfires;

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

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

18 The legislature further finds that the Maui wildfires
19 settlement agreements reached in November 2024 aim to resolve
20 lawsuits related to the Maui wildfires. Under the proposed
21 terms of the Maui wildfires settlement agreements, the seven



1 defendants - the State of Hawaii, county of Maui, Hawaiian
2 Electric Company, Kamehameha Schools, Charter
3 Communications/Spectrum, Hawaiian Telcom, and West Maui Land
4 Company - collectively agreed to pay \$4,037,000,000 to provide
5 compensation to the approximately two thousand two hundred
6 affected parties who filed lawsuits. The State of Hawaii's
7 contribution is approximately \$807,500,000, to be paid over four
8 years. The State's settlement amount is in addition to the
9 State's \$65,000,000 contribution to the One Ohana Fund for
10 wildfire assistance.

11 The allocation of funds and the determination of individual
12 compensation amounts have yet to be finalized.

13 Further, the Hawaii supreme court is currently reviewing
14 questions regarding whether insurance companies can recover
15 payments made for Maui wildfire damages from policyholders. The
16 resolution of this matter could affect the settlement's
17 implementation.

18 Consequently, the legislature finds that authorizing the
19 expenditure of public moneys as the State's payment to the
20 compromise and settlement of claims arising from the Maui
21 wildfires will provide a means of compensation to any individual



1 or personal representative of a deceased individual who suffered
2 real and personal property damage, personal injury, wrongful
3 death, emotional distress and inconvenience, or economic loss as
4 a result of the Maui wildfires, and will offer a timely and
5 compassionate resolution to those affected by the Maui wildfires
6 while relieving the burden on the judicial system and
7 contributing to the rebuilding of lives and community. The
8 State's contribution to the settlement of claims will be
9 distributed pursuant to the Maui wildfires settlement
10 agreements.

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

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



1 "§28- Maui wildfires settlement trust fund. (a) There
2 shall be established in the state treasury the Maui wildfires
3 settlement trust fund, which shall be administered by the
4 attorney general, and into which shall be deposited:

5 (1) Appropriations made by the legislature to the trust
6 fund;

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

9 (3) Loans made to the trust fund.

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

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

14 (2) Payment of administrative costs relating to the Maui
15 wildfires settlement agreements.

16 (c) The Maui wildfires settlement trust fund shall be
17 terminated upon payment of all claims and costs relating to
18 settlement of claims under the Maui wildfires settlement
19 agreements. Upon termination, moneys in the trust fund shall
20 revert back to the State and shall lapse to the general fund;



1 provided that any moneys advanced to the trust fund as a loan
2 shall be repaid without interest.

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

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

14 (f) Any individual who receives compensation from the Maui
15 wildfires settlement trust fund under this section shall execute
16 a release that releases the State from any and all liabilities
17 arising out of the Maui wildfires.

18 (g) The department of the attorney general shall submit a
19 report to the legislature no later than thirty days prior to the
20 convening of each regular session that shall include their



1 receipts and disbursements of the Maui wildfires settlement
2 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 \$ or so
5 much thereof as may be necessary for fiscal year 2025-2026 and
6 the sum of \$ or so much thereof as may be necessary
7 for fiscal year 2026-2027 to be deposited into the Maui
8 wildfires settlement trust fund to fund the State's contribution
9 to the settlement of claims related to the August 8, 2023, Maui
10 wildfires and for the payment of administrative expenses
11 relating to the Maui wildfires settlement agreements.

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

14 SECTION 4. New statutory material is underscored.

15 SECTION 5. This Act shall take effect on July 1, 3000.



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. Effective 7/1/3000.
(HD1)

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