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

7       (1) The 2023 Maui wildfires had a devastating impact on  
8 the 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 2023 Maui wildfires, ensuring that victims or  
15 their personal representatives are provided with fair  
16 and just compensation on a timely basis, is in the  
17 public interest;



1 (3) Contributing state funds to be used along with  
2 contributions from others, including the county of  
3 Maui, Hawaiian Electric, Kamehameha Schools, Charter  
4 Communications/Spectrum, Hawaiian Telcom, and West  
5 Maui Land Company, for the compromise and settlement  
6 of claims against the State and others related to the  
7 2023 Maui wildfires to compensate those who have  
8 suffered real and personal property damage, personal  
9 injury, wrongful death, emotional distress and  
10 inconvenience, or economic loss in the 2023 Maui  
11 wildfires is in the public interest;

12 (4) Settling claims related to the 2023 Maui wildfires is  
13 an efficient mechanism to address the urgent and  
14 exceptional situation caused by the 2023 Maui  
15 wildfires, and will offer a unique ability to help  
16 those in need;

17 (5) The complexity and challenges of tort litigation,  
18 including the length of time needed to resolve  
19 lawsuits, make it prudent to provide an alternative to  
20 litigation through the State's contribution to the  
21 Maui wildfires settlement agreements that will allow



1 for the early compromise and settlement of claims and  
2 expedite the compensation process for those impacted  
3 by the 2023 Maui wildfires;

4 (6) It is in the public interest to encourage swift and  
5 fair resolution to claims arising from the 2023 Maui  
6 wildfires, thus alleviating the burden on the judicial  
7 system and fostering community support, unity, and  
8 recovery in the aftermath of the 2023 Maui wildfires;  
9 and

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

20 The legislature further finds that the Maui wildfires  
21 settlement agreements reached in November 2024 aim to resolve



1 lawsuits related to the 2023 Maui wildfires. Under the proposed  
2 terms of the Maui wildfires settlement agreements, the seven  
3 defendants - the State of Hawaii, county of Maui, Hawaiian  
4 Electric, Kamehameha Schools, Charter Communications/Spectrum,  
5 Hawaiian Telcom, and West Maui Land Company - collectively  
6 agreed to pay \$4,037,000,000 to provide compensation to the  
7 approximately two thousand two hundred affected parties who  
8 filed lawsuits. The State's contribution is approximately  
9 \$807,500,000, to be paid over four years. The State's  
10 settlement amount is in addition to the State's \$65,000,000  
11 contribution to the One Ohana Fund for wildfire assistance.

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

14 Further, the Hawaii supreme court recently decided in  
15 *Matter of Petition for Coordination of Maui Fire Cases* that  
16 property and casualty insurance companies may only recover  
17 payments made to policyholders for 2023 Maui wildfire damages  
18 using a statutory lien. This limitation on the subrogation  
19 remedies available to insurers allows the settlement to proceed  
20 as planned.



1           Consequently, the legislature finds that authorizing the  
2   expenditure of public moneys as the State's payment to the  
3   compromise and settlement of claims arising from the 2023 Maui  
4   wildfires will provide a means of compensation to any individual  
5   or personal representative of a deceased individual who suffered  
6   real and personal property damage, personal injury, wrongful  
7   death, emotional distress and inconvenience, or economic loss as  
8   a result of the 2023 Maui wildfires, and will offer a timely and  
9   compassionate resolution to those affected by the Maui wildfires  
10   while relieving the burden on the judicial system and  
11   contributing to the rebuilding of lives and community. The  
12   State's contribution to the settlement of claims will be  
13   distributed pursuant to the Maui wildfires settlement  
14   agreements.

15           Further, the legislature finds that the Maui wildfires  
16   settlement trust fund is recognized as a trust fund, where the  
17   claimants of the Maui wildfires settlement hold a vested  
18   beneficial interest that was established by a legislative  
19   appropriation that restricts the use of the trust fund  
20   exclusively for settling claims arising from the 2023 Maui  
21   wildfires and covering its administrative costs.



1 Accordingly, the purpose of this Act is to:

- 2 (1) Establish the Maui wildfires settlement trust fund to  
3 be administered by the attorney general; and  
4 (2) Appropriate funds to fund the settlement of claims  
5 related to the 2023 Maui wildfires.

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

9 **"§28- Maui wildfires settlement trust fund. (a) There**  
10 **shall be established in the state treasury the Maui wildfires**  
11 **settlement trust fund, which shall be administered by the**  
12 **attorney general, and into which shall be deposited:**

13 (1) Appropriations made by the legislature to the trust  
14 fund;

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

17 (3) Loans made to the trust fund.

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

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



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

3       (c) All defendant parties to the settlement except for the  
4       State shall submit a plan, and evidence, to the attorney  
5       general, of each respective defendant's ability to pay its share  
6       of the settlement as the payments become due under the  
7       settlement agreement, within thirty days of the effective date  
8       of this Act; provided that the attorney general, in its  
9       discretion, shall determine whether the plan and evidence is  
10      satisfactory.

11      (d) All defendant parties to the settlement except for the  
12      State shall fund their share of the settlement thirty days  
13      before the payments become due under the settlement agreement  
14      into an escrow account, pursuant to escrow instructions  
15      satisfactory to the attorney general. All other defendants'  
16      shares of the settlement shall be paid before the State shall  
17      agree to release its share of the settlement.

18      (e) The Maui wildfires settlement trust fund shall be  
19      terminated upon payment of all claims and costs relating to  
20      settlement of claims under the Maui wildfires settlement  
21      agreements. Upon termination, moneys in the trust fund shall



1 revert back to the State and shall lapse to the general fund;  
2 provided that any moneys advanced to the trust fund as a loan  
3 shall be repaid without interest.

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

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

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

19 (i) The department of the attorney general shall submit a  
20 report to the legislature no later than thirty days prior to the  
21 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 2023 Maui wildfires  
10 and for the payment of administrative expenses relating to the  
11 Maui wildfires settlement agreements; provided that the attorney  
12 general shall deposit funds into the Maui wildfires settlement  
13 trust fund in the same percentage of the total as the other  
14 defendant parties disperse funds for settlement.

15 The sums appropriated shall be expended by the department  
16 of the attorney general for the purposes of this Act.

17 SECTION 4. New statutory material is underscored.

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



**Report Title:**

Maui Wildfires Settlement Trust Fund; Establishment;  
Appropriations

**Description:**

Establishes the Maui Wildfires Settlement Trust Fund to be administered by the Attorney General. Appropriates funds to fund the settlement of claims related to the 2023 Maui wildfires. Effective 7/1/3000. (SD1)

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