

JAN 23 2025

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:



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BY REQUEST

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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

SB. NO. 1320

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

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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.