



**WRITTEN TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2025**

ON THE FOLLOWING MEASURE:

H.B. NO. 1001, H.D. 1, S.D. 2, RELATING TO SETTLEMENT OF CLAIMS RELATED TO THE MAUI WILDFIRES.

BEFORE THE:

SENATE COMMITTEE ON WAYS AND MEANS

DATE: Tuesday, April 1, 2025

TIME: 10:01 a.m.

LOCATION: State Capitol, Room 211

TESTIFIER(S): **WRITTEN TESTIMONY ONLY.**

(For more information, contact Randall S. Nishiyama,
Deputy Attorney General, at (808) 586-1267)

Chair Dela Cruz and Members of the Committee:

The Department of the Attorney General supports this bill.

The purpose of this bill is to fund the State's share of payments for the Maui Wildfires Settlement Agreements (Agreements) for the compromise and settlement of claims arising from the August 8, 2023, Maui wildfires. Key aspects of the bill include:

1. Establishing the Maui Wildfires Settlement Trust Fund (Trust Fund) to pay for claims arising from the wildfires;
2. Requiring the defendant parties to the settlement other than the State to submit to the Attorney General a plan, and evidence, of their ability to pay their share of the settlement as the payments become due under the Agreements, subject to approval of the Attorney General, within thirty days of the effective date of this bill;
3. Requiring all defendant parties to the settlement except for the State to deposit their share of the settlement thirty days before the payments become due under the Agreements into an escrow account, under escrow instructions satisfactory to the Attorney General;
4. Requiring all other defendant parties' shares of the settlement to be paid before the State agrees to release its share of the settlement;

5. Requesting general fund appropriations of an unstated amount for fiscal year 2025-2026 and for fiscal year 2026-2027 to be deposited into the Trust Fund; and
6. Making legislative findings that the requested appropriations serve a public purpose.

This bill funds the State's share of the proposed \$4.037 billion settlement for the August 8, 2023, Maui wildfires. The 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 resolve claims against multiple defendant parties, 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 save significant legal costs for both plaintiffs and defendants.

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 releasing 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 disaster and develop solutions in times of crisis.

I. Proposed Amendments in Section 28- (c) and (d) Conflict with the Terms of the Agreements, page 7, lines 3-17.

Section 28- (c) and (d) proposes to amend the Agreements by imposing new terms that are inconsistent with the terms and conditions set forth in the Agreements.

Section 28- (c) requires the defendant parties to the Agreements except for the State to provide evidence of their ability to make payments of their portion of the settlement.

Section 28- (d) provides that the defendant parties to the Agreements except for the State shall pay their share of the settlement to an escrow account in advance. It also requires the State to be the last party to contribute its share of the settlement.

The Agreements provide that any amendments or modifications to the Agreements must be made in writing and signed by authorized representatives of all plaintiffs and defendants. Because section 28- (c) and (d) adds additional burdens to the parties on top of the terms of settlement that the parties and the court already agreed to, and because these added requirements would delay the payout to victims and their families longer than necessary, we request that they be deleted from the bill. We are satisfied that there are sufficient terms in the Agreements themselves to provide sufficient accountability, and the Department will provide a report to the Legislature.

II. General Fund Appropriations for Fiscal Year 2025-2026 and 2026-2027 are Essential to Implement the Provisions of this Bill, section 3, page 9, lines 3-16.

We request that a general fund appropriation in the amount of \$400,000,000 for fiscal year 2025-2026 and \$407,500,000 for fiscal year 2026-2027 be inserted into this bill at page 9, lines 4 and 6, respectively.

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.

We also request that the proviso at page 9, lines 11-14, relating to the deposit of state funds into the Trust Fund be deleted as it is inconsistent with the appropriation of funds to the Trust Fund:

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

wildfires settlement agreements[; ~~provided that the attorney general shall deposit funds into the Maui wildfires settlement trust fund in the same percentage of the total as the other defendant parties disperse funds for settlement~~].

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

We respectfully ask the Committee to pass this bill with the recommended amendments

Council Chair
Alice L. Lee

Vice-Chair
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Tom Cook
Gabe Johnson
Tamara Paltin
Keani N.W. Rawlins-Fernandez
Shane M. Sinenci
Nohelani U'u-Hodgins




Director of Council Services
David M. Raatz, Jr., Esq.

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COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
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March 28, 2025

TO: The Honorable Donovan M. Dela Cruz, Chair
Senate Committee on Ways and Means

FROM: Alice L. Lee
Council Chair 

SUBJECT: **HEARING OF APRIL 1, 2025; TESTIMONY IN SUPPORT OF HB1001, HD1, SD2, RELATING TO SETTLEMENT OF CLAIMS RELATED TO THE MAUI WILDFIRES**

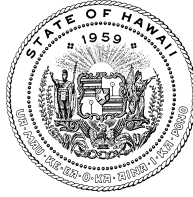
I **support** this measure to establish the Maui Wildfires Settlement Trust Fund, administered by the Attorney General, and to appropriate funds for the settlement of claims related to the 2023 Maui wildfires.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I **support** this measure for the following reasons:

1. The proposed \$4.037 billion settlement offers essential financial relief to the approximately 2,200 affected parties who filed lawsuits relating to the August 2023 wildfires. Funding the State's share will expedite this process and help survivors on their road to recovery.
2. This settlement consolidates multiple claims against various defendants. By resolving these issues collectively, the settlement avoids prolonged and costly litigation, providing a more efficient and coordinated approach to compensation.
3. Legislative funding for the settlement is critical in promoting economic stability and will help ensure that Maui can move forward with the rebuilding process.

Thank you for your consideration.



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

Senate Committee on Ways and Means

Tuesday, April 1, 2025

10:01 a.m.

State Capitol, Conference Room 211, and Videoconference

With Comments

**House Bill No. 1001, HD1, SD2, Relating to Settlement of Claims
Related to the Maui Wildfires**

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Senate Committee on Ways and Means:

The Office of the Governor supports H.B. No. 1001, HD1, SD2, which establishes the Maui Wildfires Settlement Trust Fund to be administered by the Attorney General and appropriates funds to fund the settlement of claims related to the 2023 Maui wildfires. The Office also notes that these Agreements represent a significant step toward resolving claims stemming from the tragic wildfires that devastated Maui on August 8, 2023.

This bill establishes the **Maui Wildfires Settlement Trust Fund**, which will facilitate payments to those impacted by the disaster. We request that the bill provides for the following general fund appropriations:

- **\$400 million** for Fiscal Year 2025-2026
- **\$407.5 million** for Fiscal Year 2026-2027

These funds will be deposited into the Trust Fund to fulfill the State's share of the comprehensive \$4.037 billion settlement.

The settlement offers expedited financial relief to the individuals and families who have filed lawsuits in the wake of the wildfires. By finalizing these claims swiftly, our affected residents can begin their rebuilding process without enduring years of legal uncertainty.

Additionally, this Agreement consolidates claims against the State of Hawaii, the County of Maui, and private entities. This structured resolution prevents prolonged and costly litigation, benefiting both the plaintiffs and the government by reducing legal expenses and avoiding a drawn-out judicial process.

This legislation represents a responsible, timely, and compassionate approach to disaster recovery. By supporting this bill, the Legislature ensures that:

- Those impacted by the fires receive much-needed financial assistance,
- The State minimizes prolonged legal battles and associated costs, and
- Maui can focus on rebuilding and recovery efforts without unnecessary delays.

For these reasons listed, the Office of the Governor respectfully urges the Committee to advance this measure **with the following amendments to ensure timely resolution:**

- **The Proposed Amendments in Section 28- (c) and (d) conflict with the terms of the Agreements, page 7, lines 3-17.** Specifically, the above-mentioned sections will add additional burdens to the parties on top of the terms of the settlement that the parties and the court already agreed to, and with the possibility that these added requirements will delay the payouts to victims and families longer than necessary, we respectfully ask that they be deleted from the bill. The Attorney General's Office has indicated that the current terms in the Agreements themselves provide sufficient accountability.
- **Deleting the proviso on page 9, lines 11-14, relating to the deposit of state funds into the Trust Fund.** This proviso is inconsistent with the appropriation of funds to the Trust Fund.

Thank you for the opportunity to provide testimony on this measure and we appreciate your consideration of the requested amendments.

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS; Establish Maui Wildfires Settlement Trust Fund

BILL NUMBER: HB 1001 SD 2

INTRODUCED BY: Senate Committee on Energy and Intergovernmental Affairs

EXECUTIVE SUMMARY: 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.

SYNOPSIS: Adds a new section to chapter 28, HRS, to establish the Maui wildfires settlement trust fund. Moneys in the fund are to be used for: (1) Payment of eligible claims pursuant to the Maui wildfires settlement agreements; and (2) Payment of administrative costs relating to the Maui wildfires settlement agreements. Any individual who receives compensation from the Maui wildfires settlement agreements under this Act shall execute a release that releases the State from any and all liabilities arising out of the Maui wildfires.

Requires that a defendant parties to the settlement except for the State shall submit a plan, and evidence, to the attorney general, of each respective defendant's ability to pay its share of the settlement as the payments become due under the settlement agreement, within thirty days of the effective date of this Act; provided that the attorney general, in its discretion, shall determine whether the plan and evidence is satisfactory.

Requires that all defendant parties to the settlement except for the State shall fund their share of the settlement thirty days before the payments become due under the settlement agreement into an escrow account, pursuant to escrow instructions satisfactory to the attorney general. All other defendants' shares of the settlement shall be paid before the State shall agree to release its share of the settlement.

Provides that the Director of Finance may loan moneys to the fund from any other general, special, or revolving funds that are in excess of the amounts necessary for the State's requirements and will not impede or hamper the necessary financial operations of the State. The loans shall be without interest. All loans shall be repaid upon demand of the director of finance.

Upon payment of all applicable claims and costs relating to settlement of claims, the fund will terminate, with any leftover money being returned to the general fund.

Appropriates \$ [unspecified] to the fund for FY 2025-26 and \$[unspecified] for FY 2026-27.

EFFECTIVE DATE: July 1, 3000.

STAFF COMMENTS: This is an Administration bill sponsored by the Department of Attorney General and designated ATG-14 (25).

On Oct. 9, 2023, we published a commentary suggesting enactment of a fund similar to the one presented here. It reads:

Who Really Pays?

Have you ever thought about who, really, pays the cost of something like a Lahaina wildfire or a Hurricane Iniki?

In the Lahaina wildfire case, victims are getting assistance from our federal and state governments. Some of them are trying to short-circuit the process by suing the government. Then the government is suing a private company, our electric utility. Some claimants are also suing private parties, such as owners of the properties that contained overgrown grass and brush which, according to the lawsuits, fueled the fire and should not have if the properties were maintained properly.

Who really pays for all of this, and how can the costs be minimized?

Let's start with the utility. Utilities work by providing a needed good or service (electricity has some characteristics of both goods and services, but that doesn't matter) and spreading the cost for providing it among the people who want it. And, because it is a private company, it needs to make a profit. So, the costs that fall on the utility and the profit that it gets are, in theory, paid by its customers.

The utility, like other businesses and people, might have bought insurance. If the insurance applies, then the cost that the insurer pays for is spread over a different set of buyers, namely other policy holders of the same insurance company. And, of course, the insurer is a private company as well, so it also needs to make a profit.

To the extent that government pays the costs, it also spreads the costs over a set of people, namely taxpayers. As we often say, "Governments don't pay taxes. Taxpayers pay taxes." But, at least in theory, there is no profit that is needed to run a government. There are inefficiencies, however, which is what we write about often. Inefficiencies include corruption, which some of our state politicians found out about when they received hefty federal sentences; and infighting, which costs a lot but produces little or nothing. (Just look at what's happening with the federal budget in Washington, DC, for multiple examples of infighting.)

The costs of fighting, attorney fees for example, are also a problem for individuals and businesses whether or not they are making a profit.

How do we lessen the overall cost of this tragedy to the ultimate bearers of these costs, namely us, as taxpayers and ratepayers and business customers?

First, we need to reduce the number of times that profits are mixed into the costs and expand to the extent possible the number of people who will be paying.

Second, we need to reduce or eliminate the costs of corruption, fraud, and related bad behavior.

Third, we need to get rid of the costs of fighting among ourselves relating to who pays the costs.

How about it, then, if we enact a law next session that says: There will be a fund of \$X. People who lived in the affected area can take \$x from the fund. Businesses with a physical location in the affected area can take \$y from the fund. Government, the utility, and other people or entities who had responsibility for the tragedy need to pay into the fund. Lawsuits won't be allowed by or against contributors or recipients of fund money. (This is somewhat like our workers' compensation system.) Anyone who submits a fraudulent claim or steals fund money gets thrown in the hoosegow without mercy. In the legislative process, we work out how much is paid by whom. There may be disagreements, but they should be resolved in one session and not over multiple years with judgments and appeals.

Maybe that will help all of us, who in one way or another are going to bear the costs of this tragedy.

We note that the previous committee added provisions to the effect that all defendants other than the State are to submit evidence to the Attorney General about their respective abilities to pay the agreed amounts, at which point the Attorney General, in its discretion, shall determine whether the plan and evidence is satisfactory. Furthermore, all defendants other than the State are to fund their share of the settlement thirty days before the payments become due under the settlement agreement into an escrow account, pursuant to escrow instructions satisfactory to the Attorney General. All other defendants' shares of the settlement shall be paid before the State shall agree to release its share of the settlement. These provisions appear to interfere with the procedure contemplated in HRS § 37-77 for claims against the State.

Digested: 3/27/2025

**TESTIMONY OF EVAN OUE ON BEHALF OF THE HAWAII
ASSOCIATION FOR JUSTICE (HAJ) IN SUPPORT OF
HB 1001**

Date: Tuesday, April 1, 2025

Time: 10:01 a.m.

My name is Evan Oue and I am presenting this testimony on behalf of the Hawaii Association for Justice (HAJ) in **SUPPORT of HB 1001, RELATING TO SETTLEMENT OF CLAIMS RELATED TO THE MAUI WILDFIRES.**

HAJ supports HB 1001 which establishes the Maui wildfires settlement trust fund to be administered by the attorney general and appropriates the funds to fund the settlement of claims related to the 2023 Maui wildfires.

HB 1001 enables the payment of claims pursuant to Maui wildfire settlement agreements to move forward and allow the victims of the 2023 Maui wildfire continue their recovery. Although the road to recovery remains long, this measure ensures that the State's portion of global settlement is available to permit settlements to move forward. Ultimately, HB 1001 prioritizes victims of the wildfires and encourages an expeditious resolution for all parties effected by this tragedy.

Thank you for allowing us to testify regarding this measure. Please feel free to contact us should you have any questions or desire additional information.