JOSH GREEN, M.D. GOVERNOR KE KIA'ĀINA



## GOV. MSG. NO. 1414

#### EXECUTIVE CHAMBERS KE KE'ENA O KE KIA'ÂINA

July 8, 2025

The Honorable Ronald D. Kouchi President of the Senate, and Members of the Senate Thirty-Third State Legislature State Capitol, Room 409 Honolulu, Hawai'i 96813 The Honorable Nadine Nakamura Speaker, and Members of the House of Representatives Thirty-Third State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Aloha President Kouchi, Speaker Nakamura, and Members of the Legislature:

This is to inform you that on July 8, 2025, the following bill was signed into law:

H.B. NO. 1001, H.D. 1, S.D. 3, C.D. 1 RELATING TO SETTLEMENT OF CLAIMS RELATED TO THE MAUI WILDFIRES. ACT 301

Mahalo,

Yneen M.D.

Jósh Green, M.D. Governor, State of Hawaiʻi

#### Approved by the Governor

on JUL 8 2025 ;

HOUSE OF REPRESENTATIVES THIRTY-THIRD LEGISLATURE, 2025 STATE OF HAWAII

#### ACT 301 H.B. NO. <sup>1001</sup> <sup>H.D. 1</sup> <sup>S.D. 3</sup> <sup>C.D. 1</sup>

### 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:**

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

7	(1) Th	e 2023 Maui wildfires had a devastating impact on
8	th	e residents of Maui, resulting in real and personal
9	pr	operty damage, personal injury, wrongful death,
10	em	otional distress and inconvenience, and economic
11	lo	ss;

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;

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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

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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	settlemen	t agreements reached in November 2024 aim to resolve

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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 In re
15	Petition for the Coordination of Maui Fire Cases that property
16	and casualty insurance companies may only recover payments made
17	to policyholders for 2023 Maui wildfire damages using a
18	statutory lien. This limitation on the subrogation remedies
19	available to insurers allows the settlement to proceed as
20	planned.



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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

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.

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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	" <u>§28-</u> 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) The Maui wildfires settlement trust fund shall be
4	terminated upon payment of all claims and costs relating to
5	settlement of claims under the Maui wildfires settlement
6	agreements. Upon termination, moneys in the trust fund shall
7	revert back to the State and shall lapse to the general fund;
8	provided that any moneys advanced to the trust fund as a loan
9	shall be repaid without interest.
10	(d) The director of finance may loan moneys to the Maui
11	wildfires settlement trust fund from the general, special, or
12	revolving funds of the State that, in the director of finance's
13	judgment, are in excess of the amounts necessary for the State's
14	requirements and will not impede or hamper the necessary
15	financial operations of the State. The loans shall be without
16	interest. All loans shall be repaid upon demand of the director
17	of finance.
18	(e) Upon approval of the governor, the attorney general
19	may expend up to the balance in the trust fund for costs as
20	authorized by this section.

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1	(f) Any individual who receives compensation from the Maui
2	wildfires settlement trust fund under this section shall execute
3	a release that releases the State from any and all liabilities
4	arising out of the Maui wildfires.
5	(g) The department of the attorney general shall submit a
6	report to the legislature no later than thirty days prior to the
7	convening of each regular session that shall include their
8	receipts and disbursements of the Maui wildfires settlement
9	trust fund for the prior fiscal year."
10	SECTION 3. There is appropriated out of the general
11	revenues of the State of Hawaii the sum of \$400,000,000 or so
12	much thereof as may be necessary for fiscal year 2025-2026 and
13	the sum of \$407,500,000 or so much thereof as may be necessary
14	for fiscal year 2026-2027 to be deposited into the Maui
15	wildfires settlement trust fund to fund the State's contribution
16	to the settlement of claims related to the 2023 Maui wildfires
17	and for the payment of administrative expenses relating to the
18	Maui wildfires settlement agreements.
19	The sums appropriated shall be expended by the department
20	of the attorney general for the purposes of this Act.

21 SECTION 4. New statutory material is underscored.

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#### 1 SECTION 5. This Act shall take effect on July 1, 2025.



#### H.B. NO. <sup>1001</sup> H.D. 1 S.D. 3 C.D. 1

APPROVED this 8th day of July , 2025

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GOVERNOR OF THE STATE OF HAWAII

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#### THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 30, 2025 Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-Third Legislature of the State of Hawaii, Regular Session of 2025.

Machie K. Maha

Nadine K. Nakamura Speaker House of Representatives

With the

Brian L. Takeshita Chief Clerk House of Representatives

H.B. No. 1001, H.D. 1, S.D. 3, C.D. 1

#### THE SENATE OF THE STATE OF HAWAI'I

Date: April 30, 2025 Honolulu, Hawai'i 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate

of the Thirty-Third Legislature of the State of Hawai'i, Regular Session of 2025.

President of the Senate

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Clerk of the Senate