

ACT 185

H.B. NO. 670

A Bill for an Act Relating to Disaster Relief.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that in the aftermath of Hurricane Iwa, the county of Kauai, which was hardest hit by the hurricane, incurred extensive damages to or loss of public property. According to the damage claims submitted by individual agencies to the Federal Emergency Management Agency (FEMA), the estimated replacement value of losses to county property on Kauai is about \$6 million. Although FEMA will absorb 75 per cent of the cost of replacing damaged and destroyed property, the county is required to put up the remaining 25 per cent which will amount to about \$1.5 to \$2 million.

According to federal regulations, all repair work must be completed within 18 months of the disaster. Kauai, therefore, must act expeditiously to ensure completion of all required repair and reconstruction. The problem, however, is that

the county of Kauai does not have sufficient funds in its treasury to cover its share of the cost and without it the bidding and construction process cannot begin.

The legislature finds that the county of Kauai is not in a position to expend \$2 million because county revenues have been substantially reduced. For instance, revenues from tourism, which averaged about \$17.5 million a month before the hurricane, have declined by as much as 75 per cent. Low crop yields, due to hurricane damages, have also caused a decline in revenues generated from the sugar and papaya industries. Moreover, the crippling of the tourism and agricultural industries on Kauai contributed to the unemployment of nearly 1,400 workers. Another factor affecting county revenues is that damage to private property has resulted in the lowering of property valuations and a reduction in assessment revenues.

The legislature is deeply concerned about Kauai's plight and believes that in such an extraordinary situation as this, it is proper for the State to immediately provide emergency assistance to the county as it is struggling to recover from the effects of the hurricane. The legislature also believes that the governor shares its concern and will recommend the immediate passage of an emergency appropriation measure for the county of Kauai.

It is, therefore, the purpose of this Act to appropriate sufficient funds to ensure that Kauai is able to meet the federal matching requirement to immediately proceed with the repair and reconstruction of county property.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,500,000, or so much thereof as may be necessary, to cover the county of Kauai's share of the cost of repairing and reconstructing county property damaged or destroyed by Hurricane Iwa. Any unexpended or unencumbered balance of the appropriation made by this Act as of the close of business on June 30, 1984, shall lapse into the state general fund.

SECTION 3. The sum appropriated shall be expended by the county of Kauai.

SECTION 4. This Act shall take effect upon its approval.

(Approved June 6, 1983.)