STAND. COM. REP. NO. 1838

Honolulu, Hawaii

APR 0 4 2025

RE: H.B. No. 1001 H.D. 1 S.D. 3

Honorable Ronald D. Kouchi President of the Senate Thirty-Third State Legislature Regular Session of 2025 State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1001, H.D. 1, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO SETTLEMENT OF CLAIMS RELATED TO THE MAUI WILDFIRES,"

begs leave to report as follows:

The purpose and intent of this measure is to provide a timely and compassionate resolution to those affected by the 2023 Maui wildfires.

Specifically, this measure:

- Establishes the Maui wildfires settlement trust fund, to be administered by the Attorney General; and
- (2) Appropriates moneys to fund the settlement of claims related to the 2023 Maui wildfires.

Your Committee written comments in support of this measure from the Office of the Governor, Attorney General, Chairperson of the County Council for the County of Maui, and Hawaii Association for Justice.

Your Committee received written comments on this measure from the Tax Foundation of Hawaii.



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Your Committee finds that the 2023 Maui wildfires had a devastating impact on the residents of Maui. Your Committee further finds that encouraging a swift and fair resolution to claims arising from this tragic event will help to alleviate the burden on the judicial system and foster community support, unity, and recovery.

Your Committee also notes the previous work of your Committee on Energy and Intergovernmental Affairs on this measure, and the Committee's recognition of concerns from both legislators and the public regarding the long-term financial ability of other defendant parties to timely fulfill their obligations under the Maui wildfires settlement agreements.

To address these concerns and to ensure that state funds would be expended prudently, your Committee on Energy and Intergovernmental Affairs amended this measure to:

- Require each defendant party, other than the State, to submit to the Attorney General a plan and evidence of the respective defendant's ability to pay its share of the settlement; and
- (2) Require all defendant parties, other than the State, to pay their share of the settlement into escrow accounts before the State releases its share of the settlement.

Your Committee shares the same concerns that were expressed by your Committee on Energy and Intergovernmental Affairs and wants to ensure that all defendants named in the settlement can equitably pay their portion of the settlement in a timely manner.

Your Committee further notes that the Administration did not provide periodic updates to the Legislature on the progress of the global settlement negotiations as they were being conducted. Your Committee believes that more transparency is needed to make it clear that all parties to the settlement will adhere to the terms of the settlement.

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However, your Committee notes the testimony of the Attorney General, which expressed concern that the amended language was inconsistent with the terms and conditions set forth in the settlement agreements. Accordingly, your Committee has amended this measure by removing language that would have required:

- Each defendant party to the settlement, except the State, to:
 - (A) Submit a plan and evidence to the Attorney General of the defendant's ability to pay its share of the settlement as the payments became due under the settlement; and
 - (B) Pay into an escrow account the defendant's share of the settlement thirty days before the payments became due under the settlement agreement;
- (2) All other defendant parties to pay their share of the settlement before the State released its share of the settlement; and
- (3) The Attorney General to deposit certain percentages of moneys into the Maui wildfires settlement trust fund based on the amounts of moneys other defendant parties disbursed for the settlement.

Your Committee respectfully requests that, if a Committee on Conference convenes to deliberate on this measure, the Committee on Conference consider the testimony of the Attorney General, which requested general fund appropriations of \$400,000,000 for fiscal year 2025-2026 and \$407,500,000 for fiscal year 2026-2027, to be deposited into the Maui wildfires settlement trust fund

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1001, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1001, H.D. 1, S.D. 3.

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Respectfully submitted on behalf of the members of the Committee on Ways and Means,

DONOVAN M. DELA CRUZ, Ch

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The Senate Thirty-Third Legislature State of Hawaiʻi

Record of Votes Committee on Ways and Means WAM

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The Committee is reconsidering its previous decision on this measure.								
If so, then the previous decision was to: <u>PASS</u> Unamended								
The Recommendation is:								
Pass, unamended Recommit 2312 2311 2310 2313								
	Aye	Aye (W	R) Nay	Excused				
DELA CRUZ, Donovan M. (C)								
MORIWAKI, Sharon Y. (VC)								
AQUINO, Henry J.C.								
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Chair's or Designee's Signature:								
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*Only <u>one</u> measure per Record of Votes

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The Senate Thirty-Third Legislature State of Hawaiʻi

Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:*	Committee Referral:			Date:				
HB 1001 HD1 SD2	JDC, EIG, WAM			4-1-2025				
The Committee is reconsidering its previous decision on this measure.								
If so, then the previous decision was to:								
The Recommendation is:								
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313								
Members		Ауе	Aye (WR)	Nay	Excused			
DELA CRUZ, Donovan M. (C)		X						
MORIWAKI, Sharon Y. (VC)		X						
AQUINO, Henry J.C.		X						
DECOITE, Lynn					X			
ELEFANTE, Brandon J.C.		Х						
HASHIMOTO, Troy N.		X						
INOUYE, Lorraine R.		X						
KANUHA, Dru Mamo		X						
KIDANI, Michelle N.		X						
KIM, Donna Mercado		X						
LEE, Chris		Х						
WAKAI, Glenn		X						
FEVELLA, Kurt		X						
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TOTAL		12	0	D	1			
Recommendation:								
Chair's of Designee's Signature:								
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*Only <u>one</u> measure per Record of Votes