



**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, RELATING TO SETTLEMENT OF CLAIMS RELATED TO THE MAUI WILDFIRES.

BEFORE THE:

SENATE COMMITTEE ON JUDICIARY

DATE: Tuesday, March 11, 2025

TIME: 9:45 a.m.

LOCATION: State Capitol, Room 016

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Randall S. Nishiyama, Deputy Attorney General

Chair Rhoads 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. 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.
3. 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 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 resolve 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 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.

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.

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 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.

Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

March 10, 2025

TO: The Honorable Karl Rhoads, Chair
Senate Committee on Judiciary

FROM: Alice L. Lee
Council Chair 

SUBJECT: **HEARING OF MARCH 11, 2025; TESTIMONY IN SUPPORT OF HB1001, HD1, RELATING TO SETTLEMENT OF CLAIMS RELATED TO THE MAUI WILDFIRES**

I **support** this measure to fund the State's share of payments for the Maui Wildfires Settlement Agreements.

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. Funding the State's share of the proposed \$4.037 billion settlement would help provide swift financial relief to approximately 2,200 affected parties who filed lawsuits after the August 2023 wildfires.
2. The agreements resolve claims against multiple defendants. This comprehensive approach avoids piecemeal and protracted litigation and provides a coordinated path forward for all parties, reducing costs for both plaintiffs and defendants.
3. Legislative funding of the agreements is crucial for promoting economic stability and allowing people to move forward in their recovery efforts.

Thank you for your consideration.

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 HD 1

INTRODUCED BY: House Committee on Judiciary & Hawaiian Affairs

EXECUTIVE SUMMARY: 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.

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.

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

Re: HB 1001 HD 1

Page 3

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.

Digested: 3/8/2025

LATE

HB-1001-HD-1

Submitted on: 3/10/2025 6:41:37 PM

Testimony for JDC on 3/11/2025 9:45:00 AM

Submitted By	Organization	Testifier Position	Testify
Master Shelby "Pikachu" Billionaire	Testifying for Ohana Unity Party & Kingdom of The Hawaiian islands	Support	Remotely Via Zoom

Comments:

Dear Esteemed Members of the Hawaii State Legislature,

I am writing to express my strong support for House Bill No. 1001, which establishes the Maui Wildfires Settlement Trust Fund to facilitate the state's \$807.5 million contribution to a \$4.037 billion settlement for claims arising from the devastating August 8, 2023, Maui wildfires. This legislation represents a compassionate and efficient response to an unprecedented tragedy, offering timely relief to approximately 2,200 affected individuals and families while alleviating the burden on our judicial system. The data below underscores the urgent need for this measure, and I respectfully urge your affirmative vote, coupled with efforts to address its practical challenges, to ensure its success.

The Maui wildfires inflicted profound harm, necessitating a robust state response:

- **Catastrophic Losses:** The fires claimed 102 lives, destroyed over 2,000 structures, displaced 12,000 residents, and caused \$5.5 billion in damages (AP News, 2023), leaving survivors grappling with property loss, personal injury, wrongful death, emotional distress, and economic hardship.
- **Economic Strain:** 71% of impacted Maui residents reduced spending on essentials post-fire (Hawaii State Rural Health Association, 2024), amplifying the need for swift compensation amid a state where 44% of households are below the ALICE threshold (Aloha United Way, 2022).
- **Litigation Burden:** The settlement resolves 450 lawsuits, averting years of complex tort litigation that could overwhelm courts, as noted by legal experts (Civil Beat, 2025).
- **Collaborative Effort:** The \$4.037 billion fund, with contributions from Maui County, Hawaiian Electric (\$1.99 billion), Kamehameha Schools (\$872.54 million), and others, leverages collective responsibility, with the state's \$807.5 million (over four years) a manageable ~4% of its \$19.1 billion 2024-2025 budget.
- **Precedent Success:** The state's prior \$65 million to the One Ohana Fund demonstrates commitment, aligning with models like the 9/11 Victim Compensation Fund, which expedited relief effectively.

H.B. No. 1001's provisions are well-crafted to deliver this relief:

- **Trust Fund:** Administered by the Attorney General, it ensures funds—appropriated for 2025-2026 and 2026-2027, plus interest and loans—are dedicated to claims and administrative costs, dissolving post-settlement with residuals reverting to the general fund.
- **Timely Resolution:** By requiring claimants to waive litigation rights, it accelerates payments (targeted for mid-2025), offering a compassionate alternative to drawn-out lawsuits.
- **Annual Accountability:** Reports due 30 days before each session ensure transparency on receipts and disbursements.

While I enthusiastically endorse this bill, its practicality hinges on addressing key challenges:

- **Funding Clarity:** The unspecified appropriation (“\$___”) for 2025-2027 covers only half the \$807.5 million pledge, leaving \$403.75 million unfunded for 2027-2029. Securing the full amount is critical, given Hawaii’s \$12 billion recovery costs (Governor Green, 2024).
- **Effective Date Error:** The July 1, 3000, start date—likely a typo for July 1, 2025—must be corrected to align with the urgent mid-2025 payout goal.
- **Legal Uncertainty:** Insurers’ \$2.34 billion in claims (Hawaii Insurance Division, 2024) and a pending Hawaii Supreme Court ruling on subrogation (February 2025) could delay or disrupt implementation if unresolved.
- **Administrative Load:** The Attorney General’s office needs resources to manage a \$4+ billion fund for 2,200 claimants, a task untested at this scale without specified staffing.

I urge you to support H.B. No. 1001 and refine it by specifying \$403.75 million for 2025-2027, correcting the effective date to July 1, 2025, and ensuring administrative capacity—steps to guarantee its promise is fulfilled. This bill offers a lifeline to Maui’s wildfire victims, fosters community healing, and sets a precedent for disaster response. Thank you for your leadership in advancing this critical measure for the public health, safety, and welfare of our state.

Sincerely,
Master Shelby "Pikachu" Billionaire, HRM

Ohana Unity Party, Chairman

www.Ohanaunityparty.com