

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

ON THE FOLLOWING MEASURE:

S.B. NO. 696, RELATING TO EMERGENCY MANAGEMENT.

BEFORE THE:

SENATE COMMITTEES ON PUBLIC SAFETY AND MILITARY AFFAIRS AND ON
COMMERCE AND CONSUMER PROTECTION

DATE: Monday, February 10, 2025 **TIME:** 9:30 a.m.

LOCATION: State Capitol, Room 229

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Stella M.L. Kam, Deputy Attorney General

Chairs Elefante and Keohokalole and Members of the Committee:

The Department of the Attorney General provides the following comments.

The purpose of this bill is to appropriate funds for the Office of the Governor, in collaboration with the Insurance Division of the Department of Commerce and Consumer Affairs (DCCA), to: (1) plan and administer income tax credits relating to emergency management or disaster preparedness; (2) plan and administer grants for low-income taxpayers making eighty percent or less of the area median income to fortify their residential real property against hurricanes; (3) oversee the increase of emergency shelters, including hurricane and tsunami shelters; and (4) hire personnel as needed to carry out the purposes of the Act.

This bill does not appear to contain legally sufficient standards for grants of public money as required by article VII, section 4, of the Constitution of the State of Hawaii--"[n]o grant of public money or property shall be made except pursuant to standards provided by law." To ensure compliance, we recommend amending the bill to insert appropriate standards for the issuance of grants.

Examples of existing statutes that provide standards for agencies to issue grants are part II of chapter 9 and sections 10-17, 210D-11, and 383-128, Hawaii Revised Statutes.

We have attached sample provisions that authorize the Office of the Governor, in collaboration with the Insurance Division of the DCCA, to award administrative grants and establish standards. These provisions could be inserted as a new section of the bill.

We respectfully ask the Committee to consider our comments.

POSSIBLE STANDARDS FOR THE GRANTS IN THIS BILL

(a) The office of the governor, in collaboration with the insurance division of the department of commerce and consumer affairs, shall oversee and administer grants to low-income residents, and condominium associations on behalf of low-income condominium owners, to fortify residential real property against hurricanes. Applications for grants shall be made to the office of the governor and contain such information as the office shall require. At minimum, the applicant shall show:

- (1) The name of the requesting individual or condominium association;
 - (2) A description of the residential real property or condominium units for which the grant will be used;
 - (3) For an applicant who is an individual, information to show that the applicant earns eighty per cent or less of the area median income;
 - (4) For an applicant that is a condominium association, information to show that the owners of units for which grant funds will be used make eighty per cent or less of the area median income;
 - (5) The costs of the grant; and
 - (6) That the grant shall be used for activities that are consistent with the purposes of this chapter.
- (b) Grants in this Act shall only be awarded if:
- (1) The applicant has applied for or received all applicable licenses and permits, when such is required to conduct the work for which a grant is awarded;
 - (2) The applicant agrees to comply with applicable federal, state, and county laws;
 - (3) The grant shall not be used for purposes of entertainment;

Testimony of the Department of the Attorney General

Thirty-Third Legislature, 2025

Page 4 of 4

- (4) All activities and improvements undertaken with funds received shall comply with all applicable federal, state, and county statutes and ordinances, including applicable building codes and agency rules; and
- (5) The applicant will indemnify and hold harmless the office of the governor, the State of Hawaii, its officers, agents, and employees from and against any and all claims arising out of or resulting from activities carried out or projects undertaken with funds provided hereunder, and procure sufficient insurance to provide this indemnification if requested to do so by the office of the governor.

(c) Every grant awarded under this Act shall be monitored by the office of the governor to ensure compliance with this chapter and the purposes and intent of the grant; and evaluated annually to determine whether the grant attained the intended results in the manner contemplated.

(d) Grants made by the office of the governor under this Act may be made without regard to chapters 103D and 103F.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



STEPHEN F. LOGAN
MAJOR GENERAL
ADJUTANT GENERAL
KA 'AKUKANA KENELALA

JAMES DS. BARROS
ADMINISTRATOR OF
EMERGENCY MANAGEMENT
KAHU HO'OMALU PŪLIA

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF DEFENSE
KA 'OIHANA PILI KAUA
HAWAI'I EMERGENCY MANAGEMENT AGENCY
4204 DIAMOND HEAD ROAD
HONOLULU, HAWAI'I 96816-4420

STATE OF HAWAI'I
DEPARTMENT OF DEFENSE
HAWAI'I EMERGENCY MANAGEMENT AGENCY

TESTIMONY ON SENATE BILL 696,
RELATING TO EMERGENCY MANAGEMENT

BEFORE THE SENATE COMMITTEES ON
COMMERCE AND CONSUMER PROTECTION &
PUBLIC SAFETY AND MILITARY AFFAIRS

BY

JAMES DS. BARROS
ADMINISTRATOR
HAWAI'I EMERGENCY MANAGEMENT AGENCY

FEBRUARY 10, 2025

Aloha Chairs Keohokalole and Elefante, Vice-Chairs Fukunaga and Wakai, and Members of both Committees:

Thank you for the opportunity to submit testimony to **COMMENT ON** Senate Bill 696.

The Hawai'i Emergency Management Agency believes in the intent of SB 696, especially its focus on allocating funds to enhance disaster preparedness and strengthen residential properties. In essence, HIEMA endorses any initiative that aims to bolster the resilience of real properties within the communities of Hawai'i.

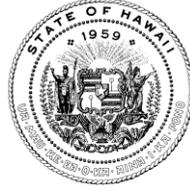
Should appropriate resources be allocated to HIEMA to support the funding of personnel for planning and managing this initiative, we would fully welcome such legislative action. However, we respectfully request the omission of line 20.

Given HIEMA's extensive experience in disaster management and coordination, we believe we would be well-positioned to effectively manage these funds and ensure the successful implementation of the proposed initiatives.

The agency would be committed to leveraging its resources and expertise to oversee the responsible and effective use of these appropriations for the benefit of the residents of Hawai'i.

Thank you for the opportunity to provide comment testimony on Senate Bill 696.

James Barros: james.barros@hawaii.gov; 808-733-4300



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Testimony of the Department of Commerce and Consumer Affairs

Before the
Senate Committees on Commerce and Consumer Protection
and
Public Safety and Military Affairs
Monday, February 10, 2025
9:30 a.m.

State Capitol, Conference Room 229 and via Videoconference

On the following measure:
S.B. 696, RELATING TO EMERGENCY MANAGEMENT

Chair Keohokalole, Chair Elefante, and Members of the Committee:

My name is Jerry Bump, and I am the Acting Insurance Commissioner of the Department of Commerce and Consumer Affairs' (Department) Insurance Division. The Department appreciates the intent of this bill and offers the following comments.

The purpose of this bill is to appropriate funds for the Office of the Governor, in collaboration with the Insurance Division of the Department of Commerce and Consumer Affairs, to: (1) plan and administer income tax credits relating to emergency management or disaster preparedness and grants for low-income taxpayers to fortify their residential real property; (2) oversee the development of emergency shelters; and (3) hire necessary personnel.

The Department appreciates the initiative to provide taxpayers with the opportunity to obtain financial assistance for the purpose of fortifying their homes against disasters. This will contribute to the overall well-being and safety of the

Testimony of DCCA

S.B. 696

Page 2 of 2

community and safeguard the property values and their insurability. The Insurance Division is willing to collaborate with the Office of the Governor, but does not currently have the expertise to administer a grant program and income tax credits relating to emergency management or disaster preparedness.

Thank you for the opportunity to testify.

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, NET INCOME; Disaster Preparedness Tax Credit for Low Income Taxpayers

BILL NUMBER: SB 696, HB 354

INTRODUCED BY: SB by GABBARD, CHANG, FUKUNAGA; HB by BELATTI, GRANDINETTI, KITAGAWA, PERRUSO, POEPOE, TAKAYAMA, TARNAS

EXECUTIVE SUMMARY: Appropriates funds for the Office of the Governor, in collaboration with the Insurance Division of the Department of Commerce and Consumer Affairs, to: (1) plan and administer income tax credits relating to emergency management or disaster preparedness and grants for low-income taxpayers to fortify their residential real property; (2) oversee the development of emergency shelters; and (3) hire necessary personnel.

SYNOPSIS: Appropriates \$_____, or so much as may be necessary for fiscal year 2025-2026 and the same amount for fiscal year 2026-2027. The sums appropriated will be expended by the Office of the Governor, in collaboration with the Insurance division of Commerce and Consumer Affairs to:

- 1) Plan and administer:
 - (A) Any income tax credits related to emergency management or disaster preparedness, and
 - (B) Grants for low-income taxpayers making 80% or less of the area median income to fortify their residential real property.
- 2) Oversee the development of emergency shelters, including hurricane and tsunami shelters; and
- 3) Hire personnel as needed to carry out the purposes of this Act.

EFFECTIVE DATE: July 1, 2025.

STAFF COMMENTS: This bill is somewhat more specific than a short form bill but it does not propose any specific change to existing law. It contains an appropriation to the office of the governor to plan and administer tax credits but contains no specifics on what the creditable activity is and how much credits are earned as a result of that activity.

In short, this bill is too vague to be enacted into law. It does not seem possible to administer it as it is currently written. By the same token, there are too few details presented for there to be a meaningful public discussion about the bill.

Digested: 2/6/2025



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The State Legislature
Senate Committee on Commerce and Consumer Protection
Monday, February 10, 2025
Conference Room 229, 9:35a.m.

LATE

LATE

TO: The Honorable Jarrett Keohokalole, Chair
FROM: Keali'i S. López, State Director
RE: Support for S.B. 696 Relating to Emergency Management

Aloha Chair Keohokalole and Members of the Committee:

I am Keali'i Lopez, State Director of AARP Hawai'i. AARP is a nonprofit, nonpartisan, social impact organization dedicated to empowering people 50 and older to choose how they live as they age. We advocate at the state and federal level for the issues that matter most to older adults and their families. On behalf of our nearly 135,000 members statewide, thank you for the opportunity to share our testimony.

AARP is in support of S.B. 696, which appropriates funds to: (1) plan and administer income tax credits relating to emergency management or disaster preparedness and grants for low-income taxpayers to fortify their residential real property; (2) oversee the development of emergency shelters; and (3) hire necessary personnel.

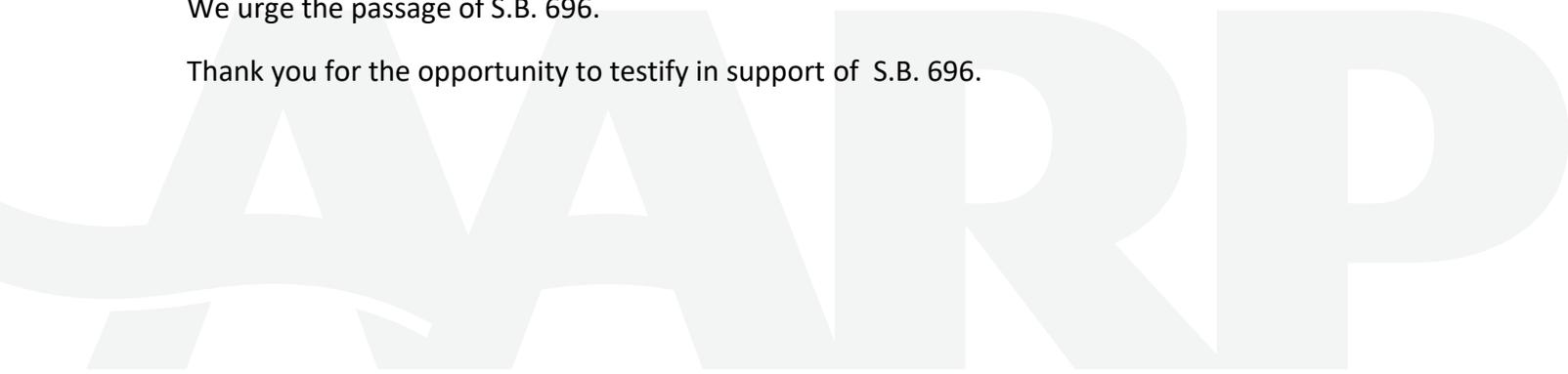
Thank you for the opportunity to testify in support of this measure. As you know, kupuna are the most vulnerable population in every kind of natural disaster from wildfires to hurricanes to tsunami. S.B. 696 would make it easier for kupuna and others to fortify their homes so they can shelter in place during a storm. It would also help those who have to evacuate to a shelter.

AARP believes community planning is vital to reducing the risk of death and injury during natural disasters. People need to know where they can shelter during an emergency and need to know that shelters will be safe and organized.

Strengthening existing homes and the development of adequate emergency shelters is crucial for the state's disaster resilience.

We urge the passage of S.B. 696.

Thank you for the opportunity to testify in support of S.B. 696.



SB-696

Submitted on: 2/7/2025 5:12:59 PM

Testimony for PSM on 2/10/2025 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Jacob Wiencek	Individual	Support	Written Testimony Only

Comments:

Aloha Committee Members,

Enhancing our collective disaster resiliency and preparedness is not an option. The last several years have presented us with seemingly unending disasters. Not only is there a tragic, human toll to all of this, there is also a financial toll. Unprepared communities are facing dramatically higher insurance costs across the country. We've got to do better.

I strongly urge this Committee to **SUPPORT** this bill!

SB-696

Submitted on: 2/8/2025 11:34:20 AM

Testimony for PSM on 2/10/2025 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Dr. Kioni Dudley	Individual	Support	Remotely Via Zoom

Comments:

As most of you are aware, we have six bills for hurricane preparedness before the legislature this year.

This is the most important of them. We currently aren't doing hardly anything to prepare for hurricanes because we don't have an office to oversee all the things that need to be done.

FEMA is great for cleaning up after a disaster. So is HI-EMA. Cleaning up afterwards is their primary activity. We need an office focused on preparing.

You all know clearly that as the seas have warmed farther and farther north, the spawning area for hurricanes over by Mexico has moved northward too, and now hurricanes that used to pass 200 miles below us are headed directly at us. With warming seas, hurricanes are getting stronger and stronger. Categories 3, 4 and 5 are going to become the norm. We've got to start preparing!

We need absolutely need this office. It's the only way we can save thousands of people. With funding, this office will oversee *grants* to low-income people to fortify their houses and apartments, oversee *tax breaks* to fortify their homes for the more fortunate, oversee the strengthening of existing hurricane shelters and the building of new ones, and make sure that all new homes and new public buildings are built to withstand the strong hurricanes that will be coming.

This bill is critical to everything we are trying to do. Please pass it.