STAND. COM. REP. NO. 1310 -08

Honolulu, Hawaii

Monh 20, 2008

RE:

S.B. No. 2783

S.D. 2 H.D. 1

Honorable Calvin K.Y. Say Speaker, House of Representatives Twenty-Fourth State Legislature Regular Session of 2008 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2783, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO LOSS MITIGATION,"

begs leave to report as follows:

The purpose of this bill is to promote efforts to protect against natural disasters by, among other things:

- (1) Including earthquake resistive devices in the Loss Mitigation Grant Program (Program);
- (2) Extending the Program for three years;
- (3) Increasing grant reimbursement amounts for wind resistive devices;
- (4) Requiring the Insurance Commissioner to develop criteria for earthquake resistive devices;
- (5) Requiring the Insurance Division to develop a public awareness campaign on hazard mitigation; and
- (6) Appropriating funds for a testing facility to test safe room designs and other wind resistant devices.

Prior to the public hearing on this bill, your Committee circulated a proposed H.D. 1 that replaces the entire contents of this bill with provisions that:

- (1) Require and appropriate funds for the Research Corporation of the University of Hawaii, in collaboration with appropriate government agencies, to develop and prepare a report on comprehensive natural disaster impact zones to be used as the basis for disaster mitigation plans; and
- (2) Require the Insurance Commissioner to develop a plan to convert the Hawaii Hurricane Relief Fund (HHRF) program under Chapter 431P, Hawaii Revised Statutes, into a natural disaster relief program.

The Hawaii Association of REALTORS supported the intent of the proposed H.D. 1. The Structural Engineers Association of Hawaii, Hawaii Lumber Products Association, Hawaii Insurers Council, and several concerned individuals opposed the proposed H.D. 1. The Department of Commerce and Consumer Affairs and a concerned individual submitted comments on the proposed H.D. 1.

Upon further consideration, your Committee has amended this bill, as received, by retaining its original provisions and making the following amendments:

- (1) Requiring the State and each county to incorporate planning for natural hazards in land development processes;
- (2) Requiring and appropriating funds for the Department of Civil and Environmental Engineering of the University of Hawaii (UH) College of Engineering, in collaboration with the Social Science Research Institute of the UH College of Social Sciences, to prepare a strategic planning report on the feasibility of establishing comprehensive natural disaster hazard mapping for the State of Hawaii; and
- (3) Requiring the Insurance Commissioner to submit to the Legislature a report on the feasibility of converting the HHRF program into a natural disaster relief program.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2783, S.D. 2, as amended herein, and recommends that it be referred to the Committee on Finance in the form attached hereto as S.B. No. 2783, S.D. 2, H.D. 1.

Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

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ROBERT N. HERKES, Chair

State of Hawaii House of Representatives The Twenty-fourth Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB2783, SD2 (HSCR1114-08	Committee Referral:) PSM,CPC,FIN		Date: NARCH 17, 2008	
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. HERKES, Robert N. (C)				
2. McKELVEY, Angus L.K. (VC)				
3. EVANS, Cindy				
4. GREEN, Josh, M.D.	•			
5. ITO, Ken				
6. LUKE, Sylvia				
7. MORITA, Hermina M.				
8. SONSON, Alex M.				
9. SOUKI, Joseph M.	V			
10. TSUJI, Clift				
11. YAMANE, Ryan I.	<i>_</i>			1
12. YAMASHITA, Kyle T.				
13. MARUMOTO, Barbara C.				
14. THIELEN, Cynthia				
TOTAL (14)	, 10			4
The recommendation is: Adopted If joint referral, did not support recommendation. Committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office				