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# A BILL FOR AN ACT

RELATING TO CLAIMS AGAINST THE STATE.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 SECTION 1. Section 41D-3, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "§41D-3 Adjustment of claims against the State. (a) The  
4 attorney general may review any claim. The attorney general may  
5 refer claims to the comptroller for informal resolution.

6 (b) All claims against the State that are within the  
7 purview of section 41D-8 shall be reviewed in the first instance  
8 by the comptroller for informal resolution as provided in this  
9 section.

10 [~~(e)~~] (1) The comptroller may compromise or settle a claim  
11 within the purview of section 41D-8 for an amount not  
12 exceeding \$15,000, or, after June 30, 2016, the  
13 maximum amount determined under subsection (c), and  
14 the comptroller may pay the claim without review by  
15 the attorney general.

16 [~~(d)~~] (2) The comptroller may compromise or settle and pay a  
17 tort claim not within the purview of section 41D-8 for



1           an amount not exceeding \$10,000 [~~or less~~] or, after  
2           June 30, 2016, the maximum amount determined under  
3           subsection (c), without the necessity of court  
4           approval[, and the comptroller may pay the claim].

5           (c) The comptroller shall determine the maximum amounts  
6           that may be paid from the state risk management revolving fund  
7           for claims against the State that are arbitrated, compromised,  
8           or settled by the comptroller or the attorney general pursuant  
9           to this section or section 662-11, respectively. The  
10           comptroller shall adjust the maximum amounts each year by  
11           applying to the base amount the annual increase in the average  
12           United States Department of Labor Consumer Price Index for All  
13           Urban Consumers for Honolulu as released annually in February  
14           for the second half of the previous year. The comptroller shall  
15           use the applicable adjusted maximum amount for each year as the  
16           base amount for the next year. The adjusted maximum amounts for  
17           each year shall be effective no later than July 1 of that year.

18           For the adjusted maximum amounts applicable as of July 1,  
19           2016, the base amount shall be:



- 1        (1) \$15,000 for claims within the purview of section 41D-8  
2        and compromised or settled by the comptroller pursuant  
3        to subsection (b) (1);
- 4        (2) \$10,000 for claims not within the purview of section  
5        41D-8 and compromised or settled by the comptroller  
6        pursuant to subsection (b) (2); and
- 7        (3) \$10,000 for claims arbitrated, compromised, or settled  
8        by the attorney general pursuant to section 662-11.
- 9        (d) By June 15 of each year, the comptroller shall publish  
10       and notify the legislature and the attorney general of the  
11       adjusted maximum amounts that will be effective on July 1 of  
12       that year. The first publication and notification shall be  
13       issued by June 15, 2016, for the maximum adjusted amounts that  
14       will be effective on July 1, 2016.
- 15       (e) Upon referral by the comptroller, the attorney  
16       general, in the attorney general's discretion, shall make  
17       determinations of whether a claim would or would not be within  
18       the purview of section 41D-8 for purposes of [~~subsections (e)~~  
19       ~~and (d).~~] subsection (b).



1 (f) If the tort claim cannot be resolved informally as set  
2 forth in [~~subsections (c) and (d),~~] subsection (b) the  
3 comptroller promptly shall inform the attorney general.

4 (g) All of the efforts of the comptroller or the  
5 comptroller's delegate under this section shall be "compromise  
6 negotiations" within the meaning of rule 408, Hawaii Rules of  
7 Evidence, as set forth in section 626-1.

8 (h) Claims compromised or settled under this section shall  
9 be paid from the state risk management revolving fund."

10 SECTION 2. Section 41D-4, Hawaii Revised Statutes, is  
11 amended by amending subsection (f) to read as follows:

12 "(f) The comptroller shall prepare, for each fiscal year,  
13 a report of all claims arbitrated, compromised, or settled [~~for~~  
14 ~~\$10,000 or less~~] and paid from the state risk management  
15 revolving fund[~~-~~] as provided in section 41D-3. The report  
16 shall be submitted to the legislature twenty days prior to the  
17 commencement of the regular session next succeeding the year for  
18 which the report is made."

19 SECTION 3. Section 662-11, Hawaii Revised Statutes, is  
20 amended to read as follows:



1           "§662-11 **Compromise.** (a) The attorney general may  
2 arbitrate, compromise, or settle any claim cognizable under this  
3 chapter.

4           (b) Claims arbitrated, compromised, or settled by the  
5 attorney general for an amount not exceeding \$10,000 [~~or less~~]  
6 or, after June 30, 2016, the maximum amount determined under  
7 section 41D-3, shall be paid from the state risk management  
8 revolving fund. Claims arbitrated, compromised, or settled by  
9 the attorney general for more than [~~\$10,000~~] that amount shall  
10 be paid only after funds are appropriated by the legislature for  
11 the payment of those claims."

12           SECTION 4. This Act does not affect rights and duties that  
13 matured, penalties that were incurred, and proceedings that were  
14 begun before its effective date.

15           SECTION 5. Statutory material to be repealed is bracketed  
16 and stricken. New statutory material is underscored.

17           SECTION 6. This Act shall take effect on July 1, 2015.



**Report Title:**

Claims Against the State; Risk Management Fund; Inflation

**Description:**

Requires the Comptroller to annually adjust the threshold amount for which settlements for claims against the State must be approved by the legislature for inflation. (HB189 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

