
A BILL FOR AN ACT

RELATING TO EMERGENCY MANAGEMENT.

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

1 SECTION 1. The legislature finds that the State is in the
2 midst of ongoing response efforts to address the heartbreaking
3 aftermath of the August 8, 2023, wildfires in the counties of
4 Hawaii and Maui, which caused extensive loss of life and damage
5 to Lahaina. Initial estimates are that the State's share of the
6 costs of recovery efforts could total several hundreds of
7 millions of dollars over multiple fiscal years.

8 Under current law, federal reimbursement moneys, such as
9 funds to be provided by the Federal Emergency Management Agency
10 for the wildfire disaster, are generally deposited into a trust
11 account of the major disaster fund and reimbursed to the
12 originating fund of the expending agency incurring the cost. If
13 the originating funds have lapsed by the time reimbursement is
14 received, then they are reimbursed to the general fund. Only a
15 small amount is allowed to roll over to the next fiscal year and
16 remain available in the major disaster fund.



1 Due to the size and scope of the wildfire disaster,
2 disaster recovery efforts are expected to continue for several
3 years. However, the State has been informed that the Federal
4 Emergency Management Agency reimbursements of amounts outlaid by
5 the State via the major disaster fund are not expected to be
6 paid on a predictable schedule during any given fiscal year
7 regardless of when the State incurs the expense. Therefore, if
8 current law is applied, critical recovery efforts and services
9 could be interrupted due to lack of available funds until
10 another legislative appropriation is made.

11 The legislature further finds that following the governor's
12 seventh emergency proclamation relating to wildfires dated
13 September 8, 2023, the governor issued executive memorandum no.
14 23-08 on October 10, 2023, amending executive memorandum no.
15 23-05, the fiscal year 2023-2024 budget execution policies and
16 instructions, to transfer \$164,097,551, after adjustments, in
17 funds appropriated in Act 164, Session Laws of Hawaii 2023, to
18 the department of budget and finance for the State's response to
19 the 2023 wildfires. The department established the 2023
20 wildfires general fund sub-account no. G-24-383-0 (BUF101) to
21 hold the transferred funds.



1 The legislature further finds that the governor provided
2 \$100,000,000 to the major disaster fund established in section
3 127A-16, Hawaii Revised Statutes, as authorized by emergency
4 proclamations for wildfire recovery efforts, from the following
5 sources:

6 (1) \$5,000,000 pursuant to the appropriations in Act 164,
7 Session Laws of Hawaii 2023, to satisfy section
8 127A-16(a)(3), Hawaii Revised Statutes;

9 (2) \$30,000,000 of the \$200,000,000 appropriated to the
10 department of budget and finance (BUF101) by section 5
11 of Act 164, Session Laws of Hawaii 2023; and

12 (3) \$65,000,000 from the 2023 wildfires general fund sub-
13 account no. G-24-383-O.

14 These funds were placed in major disaster fund account no. G-
15 24-324-G.

16 The legislature further finds that the remaining balance in
17 the 2023 wildfires general fund sub-account no. G-24-383-O is
18 \$99,097,551. This balance has been set aside to cover the
19 State's portion of wildfire response costs for debris removal
20 and non-congregate housing, which is being paid for directly
21 from Federal Emergency Management Agency funding and which the



1 State will be billed for its cost-sharing requirements (ten per
2 cent).

3 The purpose of this Act is to facilitate the continued
4 uninterrupted provision of assistance to wildfire victims and
5 ongoing wildfire recovery efforts by temporarily lifting various
6 restrictions on the use of funds for these purposes and
7 extending the lapse date of certain funds set aside for wildfire
8 response.

9 SECTION 2. Section 127A-16, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "§127A-16 Major disaster fund. (a) The administrator
12 shall submit requests to the legislature to appropriate from the
13 general revenues of the State sufficient moneys as may be
14 necessary for expenditure by or under the direction of the
15 governor for immediate relief in response to an emergency or
16 disaster in any part of the State; provided that:

17 (1) The governor has issued a proclamation of a state of
18 emergency;

19 (2) The governor shall not expend in excess of \$10,000,000
20 for immediate relief as a result of any single
21 emergency or disaster; and



1 (3) In addition to the funds in paragraph (2), an
2 additional \$5,000,000 may be made available solely for
3 the purpose of matching federal disaster relief funds
4 when these funds become available to the State
5 following a presidential disaster declaration.

6 In expending the moneys, the governor may allot any portion
7 thereof to any agency, office, or employee of the State or a
8 county for the most efficient relief for the population.
9 Notwithstanding this subsection, the only exception to
10 paragraphs (1), (2), and (3) is that the administrator may use
11 up to \$250,000 per year to support the emergency management
12 reserve corps.

13 (b) No later than sixty days after any allotment by the
14 governor or the expenditure of any fund moneys, the
15 administrator shall report to the legislature on the purpose of
16 the allotment or expenditure.

17 (c) Except as provided in [~~subsection (d),~~] subsections
18 (d) and (e), federal reimbursement moneys for disaster relief
19 shall be deemed to be trust moneys and shall be deposited into a
20 trust account with and under the control of the Hawaii emergency
21 management agency. Upon receipt by the Hawaii emergency



1 management agency, these moneys shall be reimbursed to the
2 originating fund of the expending agency; provided that if the
3 original appropriation has lapsed, the funds shall be returned
4 to the general fund.

5 (d) Federal reimbursement moneys for disaster relief for
6 the Hawaii wildfires disaster that began on August 8, 2023,
7 shall be deemed to be trust moneys and shall be deposited into a
8 trust account with and under the control of the Hawaii emergency
9 management agency. These moneys and any interest earned thereon
10 shall be used for the recovery efforts from the Hawaii wildfires
11 disaster that began on August 8, 2023, and shall not lapse to
12 the general fund.

13 [~~d~~] (e) In cases in which the department of education
14 expends the funds appropriated to the department for purposes
15 deemed to be reimbursable by federal reimbursement moneys for
16 disaster relief, the federal reimbursement moneys shall not
17 lapse to the general fund and shall be credited directly to the
18 department of education without regard to whether the original
19 appropriation has lapsed. [~~Such~~] The funds shall carry over in
20 accordance with section 37-41.5(c).



1 [~~(e)~~] (f) Any unspent funding under \$2,500,000 shall be
2 rolled over to the next fiscal year to support current and
3 future emergencies and disasters.

4 [~~(f)~~] (g) Each state department and agency shall submit to
5 the administrator no later than August 1 of each year a report
6 of all funds expended, if any, for the prior fiscal year by the
7 state department and agency for disaster response. The report
8 shall include:

- 9 (1) The source of funds, including the name and account
10 number of the funding source;
- 11 (2) The amount and purpose of each expenditure; and
- 12 (3) Whether any programs, activities, or contracts were
13 reduced as a result of disaster response spending by
14 the state department and agency.

15 [~~(g)~~] (h) The administrator shall submit an annual report
16 to the legislature no later than September 1 of each year on:

- 17 (1) The amount of federal reimbursement moneys for
18 disaster response that the State could have applied
19 for during the prior fiscal year. The report shall
20 indicate the amount of federal reimbursement moneys



- 1 for disaster response broken down by department and
2 agency;
- 3 (2) The amount of federal reimbursement moneys for
4 disaster response that the State applied for and the
5 amount received during the prior fiscal year. The
6 report shall indicate the amount of federal
7 reimbursement moneys for disaster response broken down
8 by department and agency;
- 9 (3) The justification for any difference in the amount of
10 federal reimbursement moneys for disaster response
11 that the State was eligible for and the amount the
12 State applied for;
- 13 (4) The average amount of time between the submittal of an
14 application for a Federal Emergency Management Agency
15 reimbursement and receipt of the funds;
- 16 (5) The number of disaster accounts opened for the prior
17 fiscal year; and
- 18 (6) The information relating to the expenditure of funds
19 that is reported by each state department and agency
20 pursuant to subsection [~~(f)~~] (g)."



1 SECTION 3. Section 37-41.5, Hawaii Revised Statutes, is
2 amended by amending subsection (c) to read as follows:

3 "(c) In addition to the five per cent retainage under
4 subsection (a), the department of education may retain any
5 appropriation received pursuant to section 127A-16(a) or as
6 reimbursement for disaster relief pursuant to section
7 [~~127A-16(d)~~] 127A-16(e) at the close of the fiscal year in which
8 the appropriation or reimbursement was received and the funds
9 retained shall not lapse until June 30 of the first fiscal year
10 of the next fiscal biennium. Such funds shall be considered as
11 separate and distinct from the funds the department of education
12 is authorized to retain pursuant to subsection (a)."

13 SECTION 4. Notwithstanding any other provision of law, any
14 general fund appropriation amounts from Act 164, Session Laws of
15 Hawaii 2023, transferred by the governor to the department of
16 budget and finance's 2023 wildfires general fund sub-account no.
17 G-24-383-0 for the State's response to the 2023 wildfires
18 pursuant to the governor's seventh emergency proclamation
19 relating to wildfires dated September 8, 2023, and executive
20 memorandum no. 23-08 dated October 10, 2023, and as amended by
21 departmental allocations, shall not lapse at the end of the



1 fiscal year for which the appropriations were made; provided
2 that any such transferred funds that are unencumbered as of
3 June 30, 2026, shall lapse as of that date.

4 SECTION 5. Notwithstanding any other provision of law, any
5 unexpended funds for fiscal year 2023-2024 in major disaster
6 fund account no. G-24-324-G, transferred into the account
7 pursuant to section 127A-16(a), Hawaii Revised Statutes, by the
8 department of budget and finance pursuant to section 5 of Act
9 164, Session Laws of Hawaii 2023, and from the department of
10 budget and finance's 2023 wildfires general fund sub-account
11 no. G-24-383-0 for the State's response to the 2023 wildfires
12 pursuant to the governor's seventh emergency proclamation
13 relating to wildfires dated September 8, 2023, and executive
14 memorandum no. 23-08 dated October 10, 2023, and as amended by
15 departmental allocations shall not lapse at the end of the
16 fiscal year for which the appropriations were made; provided
17 that any funds from account no. G-24-324-G that are unencumbered
18 as of June 30, 2026, shall lapse as of that date; provided
19 further that the funds from account no. G-24-324-G shall be used
20 for the recovery efforts for the Hawaii wildfires that began on
21 August 8, 2023; and provided further that the requirements of



1 section 127A-16(a) shall not apply to the funds in account no.
2 G-24-324-G.

3 SECTION 6. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 7. This Act, upon its approval, shall take effect
6 on June 29, 2024; provided that on July 1, 2029, sections 2 and
7 4 of this Act shall be repealed and section 127A-16, Hawaii
8 Revised Statutes, shall be reenacted in the form in which it
9 read on the day prior to the effective day of this Act; and
10 provided further that on July 1, 2029, any unencumbered trust
11 account moneys retained in the account to be used for the
12 recovery efforts from the Hawaii wildfires disaster that began
13 on August 8, 2023, pursuant to this Act, shall lapse to the
14 general fund.



Report Title:

Emergency Management; Hawaii Wildfires Response; Major Disaster Fund

Description:

Temporarily lifts various restrictions on the use of funds for Hawaii wildfire response and extends the lapse date of certain funds set aside for this purpose. (SD1)

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

