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# A BILL FOR AN ACT

RELATING TO THE MAJOR DISASTER FUND.

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

1           SECTION 1. The legislature finds that the devastating  
2 wildfires brought on by winds from hurricane Dora on August 8,  
3 2023, resulted in one of the worst natural disasters in the  
4 State's history. The wildfires caused loss of life and the  
5 displacement of thousands on the island of Maui. The disaster  
6 also destroyed nearly all of Lahaina.

7           The legislature further finds that to support response and  
8 recovery efforts and address immediate 2023 wildfire funding  
9 needs, the governor, through several emergency proclamations  
10 relating to wildfires and other executive powers, has redirected  
11 appropriations from selected general fund operating  
12 appropriations originally intended for specific purposes and  
13 capital improvement projects, to the department of budget and  
14 finance. The department of budget and finance subsequently  
15 transferred funds to the major disaster fund. With the veto of  
16 Senate Bill No. 3068, C.D. 2 in 2024, and the sunset of Senate  
17 Bill No. 582, C.D. 1 at the end of fiscal year 2023-2024,



1 provisions regarding transparency and accountability for the use  
2 of appropriations redirected no longer exist in statute.

3 The legislature believes that full transparency and  
4 accountability requires a full accounting of all appropriations  
5 transferred and deposited into the major disaster fund, and all  
6 reimbursements of Federal Emergency Management Agency funds  
7 received by the major disaster fund. In addition, assessing the  
8 impacts to departments of the transfers made from various  
9 appropriations is vital to ensuring that programs from which  
10 funding was transferred remain effective.

11 Accordingly, the purpose of this Act is to establish timely  
12 notice and reporting requirements to the legislature regarding  
13 the transfer of appropriations to the major disaster fund.

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

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



- 1 (1) The governor has issued a proclamation of a state of  
2 emergency;
- 3 (2) The governor shall not expend in excess of \$10,000,000  
4 for immediate relief as a result of any single  
5 emergency or disaster; and
- 6 (3) In addition to the funds in paragraph (2), an  
7 additional \$5,000,000 may be made available solely for  
8 the purpose of matching federal disaster relief funds  
9 when these funds become available to the State  
10 following a presidential disaster declaration.

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

18 (b) ~~[No later than sixty days after any allotment by the~~  
19 ~~governor or the expenditure of any fund moneys, the~~  
20 ~~administrator shall report to the legislature on the purpose of~~



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1 ~~the allotment or expenditure.]~~ Notwithstanding any other law to  
2 the contrary, the governor shall:

3       (1) Provide notice to the legislature no later than  
4           fourteen days prior to the date of any transfer of  
5           appropriations to the major disaster fund;

6       (2) Describe the subsequent use of the transferred funds;  
7           and

8       (3) Submit a report to the legislature within five days of  
9           each use of this authority, including, for Federal  
10          Emergency Management Agency eligible and ineligible  
11          expenses, respectively:

12           (A) The date of transfer;

13           (B) The amount of the transfer;

14           (C) The program identification number from which  
15           funds were transferred;

16           (D) The program identification number to which funds  
17           were transferred;

18           (E) The impact on the program identification number  
19           from which funds are transferred; and

20           (F) A detailed explanation of:

21           (i) The uses of the resources transferred; and



1                    (ii) The public purposes served by the transfer  
2                    of the resources.

3            [~~(e)~~] (d) Except as provided in subsections [~~(d)~~] (e) and  
4 [~~(e)~~], (f), federal reimbursement moneys for disaster relief  
5 shall be deemed to be trust moneys and shall be deposited into a  
6 trust account with and under the control of the Hawaii emergency  
7 management agency. Upon receipt by the Hawaii emergency  
8 management agency, these moneys shall be reimbursed to the  
9 originating fund of the expending agency; provided that if the  
10 original appropriation has lapsed, the funds shall be returned  
11 to the general fund.

12            [~~(d)~~] (e) Federal reimbursement moneys for disaster relief  
13 for the Maui wildfires disaster that began on August 8, 2023,  
14 shall be deemed to be trust moneys and shall be deposited into a  
15 trust account with and under the control of the Hawaii emergency  
16 management agency. These moneys and any interest earned thereon  
17 shall be used for the recovery efforts from the Maui wildfires  
18 disaster that began on August 8, 2023, and shall not lapse to  
19 the general fund.

20            [~~(e)~~] (f) In cases in which the department of education  
21 expends the funds appropriated to the department for purposes



1 deemed to be reimbursable by federal reimbursement moneys for  
2 disaster relief, the federal reimbursement moneys shall not  
3 lapse to the general fund and shall be credited directly to the  
4 department of education without regard to whether the original  
5 appropriation has lapsed. The funds shall carry over in  
6 accordance with section 37-41.5(c).

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

10        [~~g~~] (h) Each state department and agency shall submit to  
11 the administrator, no later than August 1 of each year, a report  
12 of all funds expended, if any, for the prior fiscal year by the  
13 state department and agency for disaster response. The report  
14 shall include:

- 15        (1) The source of funds, including the name and account  
16            number of the funding source;
- 17        (2) The amount and purpose of each expenditure; and
- 18        (3) Whether any programs, activities, or contracts were  
19            reduced as a result of disaster response spending by  
20            the state department and agency.



- 1            [~~(h)~~] (i) The administrator shall submit an annual report  
2 to the legislature no later than September 1 of each year on:
- 3            (1) The amount of federal reimbursement moneys for  
4            disaster response that the State could have applied  
5            for during the prior fiscal year. The report shall  
6            indicate the amount of federal reimbursement moneys  
7            for disaster response broken down by department and  
8            agency;
- 9            (2) The amount of federal reimbursement moneys for  
10           disaster response that the State applied for and the  
11           amount received during the prior fiscal year. The  
12           report shall indicate the amount of federal  
13           reimbursement moneys for disaster response broken down  
14           by department and agency;
- 15           (3) The justification for any difference in the amount of  
16           federal reimbursement moneys for disaster response  
17           that the State was eligible for and the amount the  
18           State applied for;
- 19           (4) The average amount of time between the submittal of an  
20           application for a Federal Emergency Management Agency  
21           reimbursement and receipt of the funds;



1 (5) The number of disaster accounts opened for the prior  
2 fiscal year; and

3 (6) The information relating to the expenditure of funds  
4 that is reported by each state department and agency  
5 pursuant to subsection ~~[(g)-]~~ (h)."

6 SECTION 4. (a) No later than the department of  
7 budget and finance shall submit to the legislature a detailed  
8 report containing the information specified in section 2 of this  
9 Act for each appropriation, transfer, reimbursement, and  
10 subsequent use of funds from August 8, 2023, through .

11 (b) No later than thirty days prior to the convening of  
12 the regular sessions of 2026 and 2027, the governor shall submit  
13 to the legislature a summary report containing the information  
14 specified in section 2 of this Act for each use of this  
15 authority for the previous twelve-month period from December 1,  
16 to November 30 of each year.

17 SECTION 5. This Act shall take effect upon its approval  
18 and shall be repealed on June 30, 2027.

19

INTRODUCED BY:

JAN 22 2025



# H.B. NO. 1296

**Report Title:**

Governor; Major Disaster Fund; Notice Requirement; Reporting Requirement

**Description:**

Establishes timely notice and reporting requirements to the Legislature by the Governor regarding the transfer of appropriations to the major disaster fund.

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

