
A BILL FOR AN ACT

RELATING TO SETTLEMENT OF CLAIMS RELATED TO THE MAUI WILDFIRES.

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

1 SECTION 1. The legislature finds that the payment of state
2 moneys to a fund established to pay claims related to the
3 devastating 2023 Maui wildfires, as those claims are compromised
4 and settled serves a public purpose and is for the public
5 health, safety, and general welfare of the State for the
6 following reasons:

7 (1) The 2023 Maui wildfires had a devastating impact on
8 the residents of Maui, resulting in real and personal
9 property damage, personal injury, wrongful death,
10 emotional distress and inconvenience, and economic
11 loss;

12 (2) Establishing a trust fund to allow the State to
13 respond with compassion and support for those affected
14 by the Maui wildfires, ensuring that victims or their
15 personal representatives are provided with fair and
16 just compensation on a timely basis is in the public
17 interest;



- 1 (3) Contributing state funds to be used along with
2 contributions from others, including the county of
3 Maui, Hawaiian Electric, the Kamehameha Schools,
4 Charter Communications/Spectrum, Hawaiian Telcom, and
5 the West Maui Land Company for the compromise and
6 settlement of claims against the State and others
7 related to the Maui wildfires to compensate those who
8 have suffered real and personal property damage,
9 personal injury, wrongful death, emotional distress
10 and inconvenience, or economic loss in the 2023 Maui
11 wildfires is in the public interest;
- 12 (4) Settling claims related to the 2023 Maui wildfires is
13 an efficient mechanism to address the urgent and
14 exceptional situation caused by the Maui wildfires,
15 and will offer a unique ability to help those in need;
- 16 (5) The complexity and challenges of tort litigation,
17 including the length of time needed to resolve
18 lawsuits, make it prudent to provide an alternative to
19 litigation through the State's contribution to the
20 2023 Maui wildfires settlement agreements that will
21 allow for the early compromise and settlement of



1 claims and expedite the compensation process for those
2 impacted by the 2023 Maui wildfires;

3 (6) It is in the public interest to encourage swift and
4 fair resolution to claims arising from the 2023 Maui
5 wildfires, thus alleviating the burden on the judicial
6 system and fostering community support, unity, and
7 recovery in the aftermath of the Maui wildfires; and

8 (7) Individuals receiving compensation pursuant to the
9 2023 Maui wildfires settlement agreements shall
10 release the State and other parties that contribute to
11 the 2023 Maui wildfires settlement agreements from
12 further liability and shall voluntarily waive their
13 rights to pursue damages through litigation for real
14 and personal property damage, personal injury,
15 wrongful death, emotional distress and inconvenience,
16 and economic loss contributing to a more efficient
17 resolution process.

18 The legislature further finds that the 2023 Maui wildfires
19 settlement agreements reached in November 2024 aim to resolve
20 lawsuits related to the 2023 Maui wildfires. Under the proposed
21 terms of the 2023 Maui wildfires settlement agreements, the



1 seven defendants - the State, the county of Maui, Hawaiian
2 Electric, the Kamehameha Schools, Charter
3 Communications/Spectrum, Hawaiian Telcom, and the West Maui Land
4 Company, collectively agreed to pay \$4.037 billion to provide
5 compensation to the approximately two thousand two-hundred
6 affected parties who filed lawsuits. The State's contribution
7 is approximately \$807,500,000, to be paid over four years. The
8 State's settlement amount is in addition to the State's \$65
9 million contribution to the one ohana fund for wildfire
10 assistance.

11 The allocation of funds and the determination of
12 individuals compensation amounts are still to be finalized.

13 Further, the Hawaii Supreme Court is currently reviewing
14 questions regarding whether insurance companies can recover
15 payments made for Maui wildfire damages from policyholders. The
16 resolution of this matter could affect the settlement's
17 implementation.

18 Consequently, the legislature finds that authorizing the
19 expenditure of public moneys as the State's payment to the
20 compromise and settlement of claims arising from the 2023 Maui
21 wildfires will provide a means of compensation to any individual



1 or personal representative of a deceased individual who suffered
2 real and personal property damage, personal injury, wrongful
3 death, emotional distress and inconvenience, or economic loss as
4 a result of the 2023 Maui wildfires, and will offer a timely and
5 compassionate resolution to those affected by the 2023 Maui
6 wildfires while relieving the burden on the judicial system and
7 contributing to the rebuilding of lives and community. The
8 State's contribution to the settlement of claims will be
9 distributed pursuant to the 2023 Maui wildfires settlement
10 agreements.

11 Further, the legislature finds that the Maui wildfires
12 settlement trust fund is recognized as a trust fund, where the
13 claimants of the 2023 Maui wildfires settlement hold a vested
14 beneficial interest that was established by a legislative
15 appropriation that restricts the use of the trust fund
16 exclusively for settling claims arising from the 2023 Maui
17 wildfires and covering its administrative costs.

18 Accordingly, the purpose of this Act is to:

19 (1) Establish the Maui wildfires settlement trust fund to
20 be administered by the attorney general; and



1 (2) Appropriate funds to fund the settlement of claims
2 related to the 2023 Maui wildfires.

3 SECTION 2. Chapter 28, Hawaii Revised Statutes, is amended
4 by adding a new section to part I to be appropriately designated
5 and to read as follows:

6 "§28- Maui wildfires settlement trust fund. (a) There
7 is established in the state treasury the Maui wildfires
8 settlement trust fund, which shall be administered by the
9 attorney general, and into which shall be deposited:

10 (1) Appropriations made by the legislature to the trust
11 fund;

12 (2) All interest accruing from the investment of moneys in
13 the trust fund; and

14 (3) Loans made to the trust fund.

15 (b) Moneys in the Maui wildfires settlement trust fund
16 shall be used for the following purposes:

17 (1) Payment of eligible claims pursuant to the Maui
18 wildfires settlement agreements; and

19 (2) Payment of administrative costs relating to the Maui
20 wildfires settlement agreements.



1 (c) The Maui wildfires settlement trust fund shall be
2 terminated upon payment of all claims and costs relating to
3 settlement of claims under the Maui wildfires settlement
4 agreements. Upon termination, moneys in the trust fund shall
5 revert back to the State and shall lapse to the general fund;
6 provided that any moneys advanced to the trust fund as a loan
7 shall be repaid without interest.

8 (d) The director of finance may loan moneys to the Maui
9 wildfires trust fund from the general, special, or revolving
10 funds of the State which in the director of finance's judgment
11 are in excess of the amounts necessary for the State's
12 requirements and will not impede or hamper the necessary
13 financial operations of the State. The loans shall be without
14 interest. All loans shall be repaid upon demand of the director
15 of finance.

16 (e) Upon approval of the governor, the attorney general
17 may expend up to the balance in the trust fund for costs as
18 authorized by this section.

19 (f) Any individual who receives compensation from the Maui
20 wildfires settlement agreements under this section shall execute



1 a release that releases the State from any and all liabilities
2 arising out of the Maui wildfires.

3 (g) The department of the attorney general shall submit a
4 report to the legislature no later than thirty days prior to the
5 convening of each regular session, which shall include their
6 receipts and disbursements of the Maui wildfires settlement
7 trust fund for the prior fiscal year."

8 SECTION 3. There is appropriated out of the general
9 revenues of the State of Hawaii the sum of \$ or so
10 much thereof as may be necessary for fiscal year 2025-2026 and
11 the sum of \$ or so much thereof as may be necessary
12 for fiscal year 2026-2027 to be deposited into the Maui
13 wildfires settlement trust fund to fund the State's contribution
14 to the settlement of claims related to the 2023 Maui wildfires
15 and for the payment of administrative expenses relating to the
16 Maui wildfires settlement agreements.

17 The sums appropriated shall be expended by the department
18 of the attorney general for the purposes of this Act.

19 SECTION 4. New statutory material is underscored.

20 SECTION 5. This Act shall take effect on April 23, 2057.



S.B. NO. 1320 S.D. 1

Report Title:

Maui Wildfires Settlement Trust Fund Established; Appropriations

Description:

Establishes the Maui Wildfires Settlement Trust Fund to be administered by the Attorney General. Appropriates funds to fund the settlement of claims related to the 2023 Maui wildfires. Effective 4/23/2057. (SD1)

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