

ACT 108

S.B. NO. 1218

A Bill for an Act Relating to Natural Disasters.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Chapter 234, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§234- Additional claims commissions.** (a) Upon a declaration by the governor of a major natural disaster for the State or a portion of the State pursuant to section 234-2, the governor may establish additional natural disaster claims commissions as may be needed in each county affected, whose membership shall have the same composition, powers, and duties as claims commissions established pursuant to section 234-3.

(b) Notwithstanding section 234-3(c), where the governor determines that there is an insufficient number of persons who are willing or able to serve as members of a commission with respect to a major natural disaster, the governor may appoint any person to a claims commission established pursuant to this section regardless of whether or not the person has an interest in a claim, is related to any claimant by affinity or consanguinity within the third degree, or is employed by, is an agent of, or is connected in business with any one or more of the claimants.

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(c) Members of the commission shall serve without compensation but shall be reimbursed for any reasonable and necessary expenses incurred in the course of their duties as commissioners.

(d) Additional claims commissions established pursuant to this section shall continue in existence until all losses within the particular county are fully determined and certified with respect to the major natural disaster.”

SECTION 2. Section 234-1, Hawaii Revised Statutes, is amended to read as follows:

**“§234-1 Definitions.** As used in this chapter[:], unless the context indicates otherwise:

[(1)] “Commission” means [the] a natural disaster claims commission of a county wherein a taxpayer resides, established pursuant to [this chapter.] section 234-3, or an additional natural disaster claims commission established pursuant to section 234-

[(3)] “Director” means the state director of taxation or county director of finance, as appropriate, unless specifically indicated.

“Major natural disaster” means any natural disaster in which the governor determines that the scope of the natural disaster is such that more than five hundred claims will likely be filed pursuant to section 234-4.

[(2)] “Natural disaster” means any unfortunate, severe, and extraordinary damages caused by seismic wave, tsunami, hurricane, volcanic eruption, typhoon, earthquake, or prolonged drought declared by the governor pursuant to section 234-2 to have caused losses and suffering of such character and magnitude as to require and justify rehabilitative assistance from the State.

[(4)] “Tax benefit” means the product of the income tax rate of the state or federal tax law of the claimant times the amount of deduction allowed for the particular natural disaster by the commission or the federal Internal Revenue Service, as the context so requires.”

SECTION 3. Section 234-2, Hawaii Revised Statutes, is amended to read as follows:

**“§234-2 Governor’s determination.** Upon the occurrence of a natural disaster, the governor may make a determination as to whether a natural disaster has occurred and, thereafter [may], declare either a natural disaster or a major natural disaster for the entire State or any portion thereof. In making this determination the governor shall consider whether the effect on the health and living standards of a substantial number of persons and the effect on the economy of the State are of such a nature[,], as to warrant assistance from the state government.”

SECTION 4. Section 234-3, Hawaii Revised Statutes, is amended to read as follows:

**“§234-3 Claims commission.** (a) Whenever, pursuant to section 234-2, the governor has declared that a natural disaster has occurred, there shall be established in each county affected, a natural disaster claims commission as defined in section [234-1(1),] 234-1, whose duties shall be to receive, process, and pass upon the application for tax relief by certification as provided for in this chapter.

(b) The commissions shall be composed of three members each, who may be residents of the county for which the commission is formed. At least one of the members of the commission shall be a qualified appraiser[.], or the commission

shall have available to it the services of a qualified appraiser. The members of the commission shall be appointed by the governor.

(c) No person shall sit as a member of a commission for a particular disaster in which the person has any interest, directly or indirectly, in any type of claim, or who is related to any claimant by affinity or consanguinity within the third degree, or who is employed by, is an agent of, or is connected in business with any one or more of the claimants.

(d) The commission shall continue in existence until all losses within the particular county are fully determined and certified.

(e) The members of the commission shall elect their [chairman] chairperson and [shall] serve without pay, but shall be reimbursed [by the State] for any reasonable and necessary expense incurred in the course of their duties as commissioners.

(f) The members of the commission [shall have the power to] may administer oaths or affirmations with respect to any matter falling within the scope of the duties of the commission.

(g) Each commission established pursuant to this section shall be placed within the department of taxation for [supervision.] administrative purposes.”

SECTION 5. Statutory material to be repealed is bracketed. New statutory material is underscored.<sup>1</sup>

SECTION 6. This Act shall take effect upon its approval.

(Approved May 17, 1993.)

**Note**

1. Edited pursuant to HRS §23G-16.5.