

ACT 116

H.B. NO. 1586

A Bill for an Act Relating to Disaster Response.

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

SECTION 1. The legislature finds that Hawaii has always been vulnerable to natural disasters, including hurricanes, earthquakes, volcanic eruptions,

storm surges, tsunamis, and wildfires. The legislature further finds that over the years, various state departments and agencies have been affected by natural disasters and emergencies and have spent departmental funds to respond to incidents as necessary. Many departments apply for reimbursement for the costs of emergency response measures from the Federal Emergency Management Agency. Disaster reimbursement may take months or years, depending on the federal government. The delay in disaster reimbursements has resulted in the holding of federal reimbursement funds in the major disaster fund, rather than the funds being returned to the originating department or agency.

The purpose of this Act is to:

- (1) Clarify that federal funds received by the State for reimbursement of disaster-related expenses, except for federal funds received by the State to reimburse the department of education for disaster-related expenses, shall first be applied to the originating fund used by the department or agency for payment of disaster relief expenses; provided that if the original appropriation has lapsed, the funds shall be returned to the general fund; and
- (2) Require the administrator of the Hawaii emergency management agency to submit an annual report to the legislature on the status of federal reimbursement moneys for disaster response, and disaster response spending by each state department and agency.

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

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

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

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

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

(c) Except as provided in subsection (d), federal reimbursement moneys for disaster relief shall be deemed to be trust moneys and ~~may~~ shall be deposited into a trust account with and under the control of the Hawaii emergency management agency. ~~[These moneys and any interest earned thereon shall be used for the purpose identified in subsection (a) and shall not lapse to the general fund.]~~ Upon receipt by the Hawaii emergency management agency, these moneys shall be reimbursed to the originating fund of the expending agency; provided that if the original appropriation has lapsed, the funds shall be returned to the general fund.

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

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

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

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

(g) The administrator shall submit an annual report to the legislature no later than September 1 of each year on:

- (1) The amount of federal reimbursement moneys for disaster response that the State could have applied for during the prior fiscal year. The report shall indicate the amount of federal reimbursement moneys for disaster response broken down by department and agency;
- (2) The amount of federal reimbursement moneys for disaster response that the State applied for and the amount received during the prior fiscal year. The report shall indicate the amount of federal reimbursement moneys for disaster response broken down by department and agency;
- (3) The justification for any difference in the amount of federal reimbursement moneys for disaster response that the State was eligible for and the amount the State applied for;
- (4) The average amount of time between the submittal of an application for a Federal Emergency Management Agency reimbursement and receipt of the funds;
- (5) The number of disaster accounts opened for the prior fiscal year; and
- (6) The information relating to the expenditure of funds that is reported by each state department and agency pursuant to subsection (f)."

SECTION 3. If any part of this Act is found to be in conflict with federal requirements that are a prescribed condition for the allocation of federal funds to the State, the conflicting part of this Act is inoperative solely to the extent of the conflict and with respect to the agencies directly affected, and this finding does not affect the operation of the remainder of this Act in its application to the agencies concerned. The rules under this Act shall meet federal requirements that are a necessary condition to the receipt of federal funds by the State.

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

SECTION 5. This Act shall take effect on July 1, 2022.

(Approved June 27, 2022.)