

**ACT 284**

H.B. NO. 1588

A Bill for an Act Relating to Hazard Mitigation.

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

SECTION 1. The legislature finds that Congress enacted the Safeguarding Tomorrow through Ongoing Risk Mitigation (STORM) Act, Public Law 116-284, in 2021 to provide the conduit by which states can establish a revolving loan fund and make loans to local municipalities to conduct hazard mitigation and resiliency projects. The legislature further finds that, as emergencies become more prevalent, it is important for the State to take advantage of as many federal funding opportunities as possible.

The purpose of this Act is to:

- (1) Ensure that the State is ready to receive federal funds from the STORM Act by establishing the resilient Hawaii revolving loan fund;
- (2) Appropriate funds for the resilient Hawaii revolving loan fund; and
- (3) Establish and appropriate funds for two positions within the Hawaii emergency management agency to provide administrative support associated with the resilient Hawaii revolving loan fund.

SECTION 2. Chapter 127A, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

**“§127A- Resilient Hawaii revolving loan fund.** (a) There is established in the state treasury the resilient Hawaii revolving loan fund, into which shall be deposited:

- (1) Funds from federal or private funding sources;
- (2) Moneys appropriated by the legislature to the fund;
- (3) Investment and interest earnings of the fund;
- (4) Moneys received as repayment of loans, including interest and payments received on account of principal; and
- (5) All other moneys received by the fund from any other source.

(b) Moneys in the resilient Hawaii revolving loan fund shall be used to provide low- or no-interest loans to the counties and nonprofit organizations for local resilience projects that address mitigation of all hazards, including natural disasters. Moneys in the resilient Hawaii revolving loan fund may be used for administrative support associated with the revolving loan fund, including the hiring of necessary staff.

(c) Loans from the resilient Hawaii revolving loan fund shall be for a fixed loan period and may be used to satisfy the nonfederal match for federal mitigation grants.

(d) The resilient Hawaii revolving loan fund shall be administered by the administrator. The administrator shall apply to the Federal Emergency Management Agency under the provisions of the Safeguarding Tomorrow through Ongoing Risk Mitigation Act, Public Law 116-284, when funding is available, to capitalize the fund. Appropriations or authorizations from the fund shall be expended by the agency. The agency shall prioritize making loans to projects it determines to have the greatest impact on eliminating hazards.

(e) The resilient Hawaii revolving loan fund shall be administered, operated, and maintained to remain available in perpetuity to provide loans and other financial assistance pursuant to this section and the federal Safeguarding Tomorrow through Ongoing Risk Mitigation Act. All moneys deposited or paid into the fund and any interest earned on the balance of the fund shall be continuously available to the administrator for expenditures consistent with this section and shall not lapse to the general fund.

(f) The director of finance shall hold and invest moneys in the resilient Hawaii revolving loan fund in investments as permitted by law.

(g) Moneys expended from the resilient Hawaii revolving loan fund shall be supplemental to and shall not take the place of funding that otherwise would be appropriated to the counties for resilience projects.

(h) The agency shall establish application procedures and eligibility criteria for loans from the resilient Hawaii revolving loan fund. The eligibility criteria shall require that a county or nonprofit organization demonstrate:

- (1) The need for a loan to address hazard mitigation; and
- (2) The ability to repay the loan, if required, at a later date.”

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$500,000 or so much thereof as may be necessary for fiscal year 2022-2023 to be deposited into the resilient Hawaii revolving loan fund.

SECTION 4. There is appropriated out of the resilient Hawaii revolving loan fund the sum of \$500,000 or so much thereof as may be necessary for fiscal year 2022-2023 for the purposes of this Act, including the establishment and hiring of:

- (1) One full-time equivalent (1.00 FTE) position to support the resilience branch of the Hawaii emergency management agency; and
- (2) One full-time equivalent (1.00 FTE) position to support the finance and administration section of the Hawaii emergency management agency.

The sum appropriated shall be expended by the Hawaii emergency management agency for the purposes of this Act.

SECTION 5. New statutory material is underscored.<sup>1</sup>

SECTION 6. This Act shall take effect on July 1, 2022.

(Approved July 12, 2022.)

**Note**

1. Edited pursuant to HRS §23G-16.5.