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HEMA President



## '24 LEGISLATIVE SESSION SUMMARY

*Hawaii's 2024 Legislative Session adjourned* on Friday, May 3, and a total of 2,678 bills were introduced during the session with an additional 257 carryover bills that were considered. A total of 262 bills were passed by the Legislature (143 House Bills, 119 Senate Bills). The Governor has provided the Legislature with his intent to veto list and has until July 10 to sign, veto, or take no action (effectively enabling bills to become law without his signature).

The significant focus of this year's session was the Maui wildfire; however, the Legislature was able to address other priorities that included: (i) affordable housing; (ii) mental health services; and (iii) the high cost of living in Hawaii. The Legislators were able to accomplish funding of approximately \$1Bn for Maui response initiatives -- without reducing the desired financial resources for the other priority programs in Hawaii. Furthermore, the Legislature did not need to access their Rainy Day Fund, but rather was able to fund an additional \$300MM deposit this year.

### State Budget

Hawaii's supplemental budget bill for FY'25 included a total operating budget of \$19.2Bn, with approximately \$10.4Bn in general funds, nearly \$6Bn in capital improvement programs, and the balance in other state-funded programs.

### Maui Wildfire

The Legislature's \$1Bn funding for the Maui wildfire appropriated \$362MM for the current fiscal year, and \$297MM will be used to provide non-congregate housing for individuals affected by the wildfire and \$65MM will be

deposited into the One Ohana Fund that is being used to provide voluntary settlement payments to families of those who died or were injured in the wildfire. In addition, \$200MM was approved for insurance claim payments, \$186MM for wildfire recovery costs, \$20MM for wildfire response, recovery and preventative measures, and another \$10MM for fire and emergency response equipment.



### Housing

The Maui wildfire amplified the Legislature's belief in the need for affordable housing and to eliminate illegal short-term rentals, which led to their passing of a bill that enables Hawaii counties to apply additional authority in their regulation of short-term rentals. Maui County is the first to respond to this legislation by their indication to introduce legislation that will phase-out the nearly 7,000 short-term rentals in Maui County.

Furthermore, a reportedly controversial bill passed this session that allows for denser residential development in urban districts. The bill requires each county to adopt ordinances defining its standards to allow for at least two accessory dwelling units on all residentially zoned lots.

Finally, a bill was passed that will enable commercial buildings’ conversion to residential units, which will provide more housing options for Hawaii’s citizens.

**Minimum Wage**

Hawaii’s minimum wage increases by 2028 to \$18/hour, which has led to concern that this would lead employees and their families to a higher income tax bracket that would result in their state taxes. As such, the Legislature passed a bill that will increase the standard deductions over the next seven years, effectively increasing to \$24,000 for those filing a joint return by 2031. Furthermore, the bill also amends the income tax brackets, which effectively reduces taxes for each existing bracket, while providing for additional income tax brackets.

**Tourism**

The Legislature approved a budget of \$63MM for the Hawaii Tourism Authority (HTA) and \$34MM for the Hawaii Convention Center. In contrast and during the prior legislative session in ’23, funding was not provided for the HTA that required the Governor Green to use a discretionary fund to provide approximately \$60MM for the HTA.

For the second year in a row, Governor Green attempted to create a visitor impact fee, but this legislation failed to pass. This impact fee would have imposed an additional \$25 tax on transient accommodations, which would have been deposited into the climate health and environment action special fund.

**HAWAII ELECTIONS**

*Legislators are now focused on the Primary Elections.* Hawaii’s candidate filing deadline was June 4, 2024, and the Primary Election Day is August 10, 2024. With the General Election on November 5, 2024, Hawaii voters will receive their mail-in ballots by October 18, 2024 or may vote in-person.

Four state legislators have announced that they will not be seeking reelection. Meanwhile, U. S. Senator Mazie Hirono and U.S. Representatives Ed Case and Jill Tokuda are all up for reelection. Furthermore, City and County of Honolulu Mayor Rick Blangiardi and Hawaii County Mayor Mitch Roth are both up for reelection this year.

**MAUI WILDFIRE**

*The Army Corps of Engineers* has cleared nearly 1,300 residential lots of the approximately 1,400 that were destroyed, while only approximately 30 percent of the 159 commercial properties destroyed have been cleared. In addition, the County is working to restore its services infrastructure, with approximately 65 percent of the sewer system in the burn zone having been restored – and all sewer services should be restored by December ’24.

Furthermore, the County anticipates that, despite being contaminated, all water service lines within the burn zone will be restored by August 2024.

Maui County’s Office of Recovery, which was created after the wildfires, is working to help property owners expedite disaster recovery building permits. As of June 2024, twenty-three building permits had been granted within the burn zone, while another seventy building permit applications were in review.

Furthermore, Maui County is holding workshops to gather input from the community regarding its master plan for both the historic and business districts’ rebuilding. This Master Plan is expected to be ready for review by the end of ’24.

Finally, the Federal Bureau of Alcohol, Tobacco, Firearms and Explosives has completed its origin and cause report on the wildfires, but the public will not be able to read the report until the Maui County Fire Department authorizes its release. The Federal ATF Officials met with Maui County Officials during June 2024 to provide their briefing of the report’s findings.

*Please note that HEMA approved during its summer board meeting an additional \$2,000 contribution to the Maui Strong Fund, which will supplement WPMA’s and its Member States’ prior \$10,000 donation to the Maui United Way.*



Rainbow Falls, Hilo, HI