
A BILL FOR AN ACT

RELATING TO LOSS MITIGATION.

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

1 SECTION 1. Chapter 431, Hawaii Revised Statutes, is
2 amended by adding two new sections to article 22 to be
3 appropriately designated and to read as follows:

4 "§431:22-A Standards for the award of grants; earthquake
5 resistive devices. (a) Subject to the availability of funds
6 and the standards in this article, grants for earthquake
7 resistive devices shall be awarded by the commissioner:

8 (1) That reimburse fifty per cent of costs incurred for
9 the earthquake resistive devices and their
10 installation, up to a maximum total reimbursement of
11 \$5,000 per dwelling;

12 (2) On a first-come, first-served basis, as determined by
13 the commissioner; and

14 (3) For an earthquake resistive device or devices
15 installed only in a single- or multi-family
16 residential dwelling.



1 (b) Grants shall be awarded for the installation of the
2 earthquake resistive devices that meet the description,
3 specifications, engineering content, installation procedures,
4 guidelines, and requirements that shall be developed and
5 determined by the commissioner in the commissioner's sole
6 discretion. The commissioner, in the commissioner's sole
7 discretion, may amend, narrow, or expand the definitions,
8 description, specifications, and requirements of earthquake
9 resistive devices.

10 (c) In addition, a grant may be made to an applicant only
11 if the applicant has:

12 (1) Met the descriptions, specifications, guidelines, and
13 requirements established by the commissioner for the
14 grant program;

15 (2) Filed a completed application form, as determined
16 solely by the commissioner, together with all
17 supporting documentation required by the commissioner;

18 (3) In the case of a building with multiple dwellings,
19 filed together completed grant applications for all
20 dwellings in the building, for installation of
21 earthquake resistive devices;



- 1 (4) Installed an earthquake resistive device or devices
2 that meet the standards established, designated, and
3 approved by the commissioner;
- 4 (5) Fully paid, prior to applying for the grant, the cost
5 of the earthquake resistive device or devices, as well
6 as the installation costs for which the grant is
7 sought. The grant shall be used to reimburse only
8 these costs or a portion thereof;
- 9 (6) Hired an inspector, determined by the commissioner to
10 be qualified in accordance with the requirements of
11 the commissioner, who has verified in writing that the
12 installation of the earthquake resistive device or
13 devices is complete, and is in compliance with the
14 grant program specifications, guidelines, and
15 requirements, as determined by the commissioner;
- 16 (7) Installed the earthquake resistive device or devices
17 after July 1, 2008;
- 18 (8) Provided any other information deemed necessary by the
19 commissioner; and
- 20 (9) Met all additional requirements needed to implement
21 the grant program as determined by the commissioner.



1 §431:22-B Appropriations; uses. Moneys appropriated for
2 the loss mitigation grant program may be used to pay for the
3 costs of administering, operating, and marketing the grant
4 program, as determined by the commissioner."

5 SECTION 2. Section 431:22-101, Hawaii Revised Statutes, is
6 amended by adding a new definition to be appropriately inserted
7 and to read as follows:

8 "Earthquake resistive devices" means devices and
9 techniques as identified and determined by the commissioner, in
10 accordance with section 431:22-A, that increase a building's or
11 structure's resistance to damage from earthquakes and seismic
12 forces."

13 SECTION 3. Section 431:22-103, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "[~~+~~]**§431:22-103**[~~+~~] **Establishment of loss mitigation grant**
16 **program.** (a) The commissioner shall develop and implement a
17 pilot grant program to encourage the installation of wind and
18 earthquake resistive devices. The commissioner may spend up to
19 \$6,000,000 from the loss mitigation grant fund over [~~three~~] six
20 years for the grant program, which amounts shall include the
21 costs of administering, operating, and marketing the grant
22 program.



1 **(b)** For the first year of the grant program, the
2 commissioner may make grants only to former policyholders of the
3 Hawaii hurricane relief fund. From the second year onward, the
4 commissioner may also make grants to all single or multi-family
5 residential owners, which may include owners of townhouse units
6 or condominium apartments under section 431:22-104(c)(3)."

7 SECTION 4. Section 431:22-104, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "**§431:22-104 Standards for the award of grants**~~[~~-~~]~~; **wind**
10 **resistive devices.** (a) Subject to the availability of funds
11 and the standards in this article, grants for wind resistive
12 devices shall be awarded by the commissioner:

13 (1) That reimburse [~~thirty-five~~] fifty per cent of costs
14 incurred for the wind resistive devices and their
15 installation, up to a maximum total reimbursement of
16 [~~\$2,100~~] \$5,000 per dwelling;

17 (2) On a first-come, first-served basis, as determined by
18 the commissioner; and

19 (3) For a wind resistive device or devices installed only
20 in a single or multi-family residential dwelling.

21 (b) Grants shall be awarded for the installation of the
22 following:



- 1 (1) Uplift restraint ties at roof ridges and roof framing
- 2 members to wall or beam supports;
- 3 (2) Additional fastening of roof sheathing and roof
- 4 decking for high wind uplift;
- 5 (3) Impact and pressure resistant exterior opening
- 6 protective devices;
- 7 (4) Wall to foundation uplift restraint connections
- 8 strengthening for wood foundation posts on footings;
- 9 and
- 10 (5) Residential safe rooms.

11 The [~~description,~~] descriptions, specifications, engineering
12 content, installation procedures, guidelines, and requirements
13 for these wind resistive devices shall be further developed and
14 determined by the commissioner in the commissioner's sole
15 discretion. The commissioner, in the commissioner's sole
16 discretion, may amend, narrow, or expand the definitions,
17 description, specifications, and requirements of the wind
18 resistive devices.

19 (c) In addition, a grant may be made to an applicant only
20 if the applicant[+] has:



- 1 (1) [~~Has met~~] Met the descriptions, specifications,
2 guidelines, and requirements established by the
3 commissioner for the grant program;
- 4 (2) [~~Has filed~~] Filed a completed application form, as
5 determined solely by the commissioner, together with
6 all supporting documentation required by the
7 commissioner;
- 8 (3) [~~Has, in~~] In the case of a building with multiple
9 dwellings, filed together completed grant applications
10 for all dwellings in the building, for the
11 installation of wind resistive devices indicated in
12 section 431:22-104(b) (1), (2), and (4); provided that
13 this requirement [~~does~~] shall not apply to section
14 431:22-104 (b) (3);
- 15 (4) [~~Has installed~~] Installed a wind resistive device or
16 devices including residential safe room designs that
17 meet the standards established by the state department
18 of defense and that have been designated and approved
19 by the commissioner;
- 20 (5) [~~Has fully~~] Fully paid, prior to applying for the
21 grant, the cost of the wind resistive device or
22 devices, as well as the installation costs for which



1 the grant is sought. The grant shall be used to
2 reimburse only these costs or a portion thereof;

3 (6) [~~Has hired~~] Hired an inspector, determined by the
4 commissioner to be qualified in accordance with the
5 requirements of the commissioner, who has verified in
6 writing that the installation of the wind resistive
7 device or devices is complete and is in compliance
8 with the grant program specifications, guidelines, and
9 requirements, as determined by the commissioner;

10 (7) [~~Has installed~~] Installed the wind resistive device or
11 devices after July 1, 2002;

12 (8) [~~Has provided~~] Provided any other information deemed
13 necessary by the commissioner; and

14 (9) [~~Has met~~] Met all additional requirements needed to
15 implement the grant program as determined by the
16 commissioner.

17 [~~(d) Moneys appropriated for the grant program may be used~~
18 ~~to pay for the costs of administering, operating, and marketing~~
19 ~~the grant program, as determined by the commissioner.]"~~

20 SECTION 5. The insurance commissioner shall develop
21 criteria for earthquake resistive devices by January 1, 2009.



1 SECTION 6. There is appropriated out of the hurricane
2 reserve trust fund of the State of Hawaii the sum of \$
3 or so much thereof as may be necessary for fiscal year 2008-2009
4 for the deposit into the loss mitigation grant fund.

5 SECTION 7. There is appropriated out of the loss
6 mitigation grant fund of the State of Hawaii the sum of
7 \$ or so much thereof as may be necessary for fiscal
8 year 2008-2009 for the loss mitigation grant program established
9 under chapter 431, article 22, Hawaii Revised Statutes.

10 The sum appropriated shall be expended by the department of
11 commerce and consumer affairs for the purposes of this Act.

12 SECTION 8. The department of commerce and consumer
13 affair's insurance division shall develop a public awareness
14 campaign on hazard mitigation in collaboration with the hazard
15 mitigation forum's public education and awareness committee.

16 There is appropriated out of the general revenues of the
17 State of Hawaii the sum of \$ or so much thereof as may
18 be necessary for fiscal year 2008-2009 for the purposes of this
19 section.

20 The sum appropriated shall be expended by the state
21 insurance division for the purposes of this section.



1 SECTION 9. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$ or so
3 much thereof as may be necessary for fiscal year 2008-2009 to
4 finance the operation of a testing facility developed by the
5 state department of defense's civil defense division and the
6 University of Hawaii's college of engineering that has the
7 capacity to test safe room designs and other wind resistant
8 devices that can be used with Hawaii's unique housing stock.

9 The sum appropriated shall be expended by the civil defense
10 division for the purposes of this section.

11 SECTION 10. The State and each county shall plan for
12 natural hazards as early as possible in the development process
13 by considering such risks during land use district
14 classifications, the development or amendment of general or
15 community plans, zoning amendments, variances and special
16 management area permit decisions, and the design of new
17 subdivisions or associated infrastructure. The planning process
18 shall include consideration of the risk and vulnerability that
19 hurricanes, tsunamis, wave inundation, flooding, coastal
20 erosion, lava inundation, earthquakes, landslides, and other
21 natural hazards pose to the proposed development and the
22 mitigation of these hazards.



1 SECTION 11. The department of civil and environmental
2 engineering of the University of Hawaii college of engineering,
3 in collaboration with the social science research institute of
4 the University of Hawaii college of social sciences, shall
5 prepare a strategic planning report on the feasibility of
6 establishing comprehensive natural disaster hazard mapping for
7 the State of Hawaii. The strategic planning report shall
8 include the methodology to consider the probability and
9 intensity of natural disasters appropriate for building
10 standards that mitigate risk, and shall establish the steps
11 necessary to update natural disaster hazard mapping to include
12 but not be limited to hurricanes, high winds, flooding, lava
13 inundation, earthquakes, landslides, rockfalls, and tsunami
14 inundation. The report shall also investigate and make
15 recommendations for the use of the hazard maps in review
16 procedures for land use decisions made by state and county
17 agencies.

18 The University of Hawaii shall submit to the legislature
19 and the state building code council the strategic planning
20 report no later than twenty days prior to the regular session of
21 2009.



1 SECTION 12. No later than twenty days prior to the regular
2 session of 2009, the insurance commissioner shall submit to the
3 legislature a report on the feasibility of converting the Hawaii
4 hurricane relief fund established under chapter 431P, Hawaii
5 Revised Statutes, into a natural disaster relief program.

6 SECTION 13. There is appropriated out of the general
7 revenues of the State of Hawaii the sum of \$ or so much
8 thereof as may be necessary for fiscal year 2008-2009 for the
9 preparation of the strategic planning report described in
10 section 11 of this Act.

11 The sum appropriated shall be expended by the University of
12 Hawaii for the purposes of section 11 of this Act.

13 SECTION 14. In codifying the new sections added by section
14 1 of this Act, the revisor of statutes shall substitute
15 appropriate section numbers for the letters used in designating
16 the new sections in this Act.

17 SECTION 15. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 16. This Act shall take effect on July 1, 2050.



Report Title:

Loss Mitigation; Earthquake Resistive Devices

Description:

Includes earthquake resistive devices in the loss mitigation grant program. Directs the insurance commissioner to develop criteria for earthquake resistive devices. Sets grant reimbursement amount for earthquake resistive devices at 50% and caps grant at \$5,000. Increases grant reimbursement amount for wind resistive devices to 50% and caps grant at \$5,000. Establishes and funds a public awareness campaign on hazard mitigation. Appropriates funds for a testing facility to test wind resistant devices and safe room designs. Authorizes Insurance Commissioner to determine standards for earthquake and wind resistive installation procedures and engineering content. Extends the loss mitigation grant program for 3 years. Appropriates funds for the loss mitigation grant fund. Requires the University of Hawaii to prepare a strategic planning report on the feasibility of establishing comprehensive natural disaster hazard mapping for the State of Hawaii. Requires the Insurance Commissioner to report on the feasibility of converting the Hawaii Hurricane Relief Fund program into a natural disaster relief program. (SB2783 HD1)

