

JAN 28 2015

A BILL FOR AN ACT

MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF THE
ATTORNEY GENERAL.

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

1 SECTION 1. This Act is recommended by the governor for
2 immediate passage in accordance with section 9 of article VII of
3 the Constitution of the State of Hawaii.

4 SECTION 2. The State of Hawaii is involved in several
5 major lawsuits that could result in costly judgments against the
6 State if not defended vigorously. These major lawsuits will
7 require the State to retain expert witnesses and expert counsel.

8 SECTION 3. There is appropriated out of the general
9 revenues of the State of Hawaii the sum of \$1,100,000, or so
10 much thereof as may be necessary, for fiscal year 2014-2015 to
11 be used by the department of the attorney general in major
12 litigation involving the State.

13 The sum appropriated shall be expended by the department of
14 the attorney general for the purposes of this Act.

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S.B. NO. 1072

1 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: 

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BY REQUEST

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S.B. NO. 1072

Report Title:

Department of the Attorney General; Emergency Appropriation

Description:

Makes an emergency appropriation to the Department of the Attorney General for retention of expert witnesses and specialized legal counsel in major litigation against the State of Hawaii.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Attorney General

TITLE: A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF THE ATTORNEY GENERAL.

PURPOSE: To appropriate funds for expert witnesses and legal representation of the State of Hawaii in major litigation.

MEANS: Appropriation of general funds.

JUSTIFICATION: There are several major lawsuits that will require the retention of expert witnesses and specialized legal counsel. These major lawsuits include cases such as *James Dannenberg et al v. SOH*, *Kalima v. SOH*, *Liberty Dialysis-Hawaii, LLC v. SOH*, and an impending lawsuit by the State against Matson for damages caused by the molasses spill in Honolulu Harbor.

Impact on the public: Major cases against the State such as the above-referenced cases could result in costly judgments against the State if not defended vigorously. For the impending lawsuit to be brought by the State, the damages to the coral reef from the molasses spill are estimated to far outweigh damages caused by a Navy vessel in a prior case that resulted in a settlement to the State of \$7,500,000.

Impact on the department and other agencies: Funding for expert witnesses and specialized legal counsel will allow the affected state agencies to mount an effective defense in the lawsuits against the State, and may result in an increase in the settlement to the State in the Matson case.

The general fund appropriation included in this measure has been proposed with consideration of the statutorily defined appropriation ceiling for the Executive Branch pursuant to section 37-92, Hawaii Revised Statutes. Including appropriations made up to and including the regular session of 2014, there is still a margin of \$20,838,402 between the Executive Branch appropriation ceiling and currently authorized appropriations for fiscal year 2014-2015. However, total funding in emergency appropriation measures submitted to the Legislature will result in the appropriation ceiling for the Executive Branch to be exceeded in fiscal year 2014-2015. Because of the uncertainty in the order in which these measures will be enacted, it is being assumed that the funding requested in this measure to provide for the retention of expert witnesses and specialized legal counsel related to several major lawsuits and claims currently pending will result in the appropriation ceiling for the Executive Branch to be exceeded in fiscal year 2014-2015 by \$1,100,000 or .017 percent. This current declaration takes into account additional general fund appropriations authorized for fiscal year 2014-2015 in this measure only, and does not include other general fund appropriations for fiscal year 2014-2015 that may be authorized for the Executive Branch in other legislation submitted to the Legislature during the regular session of 2015.

GENERAL FUND: \$1,100,000.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: ATG 100.

OTHER AFFECTED AGENCIES: Department of Land and Natural Resources, Department of Human Services, and Department of Health.

EFFECTIVE DATE: Upon approval.