

COUNCIL OF THE COUNTY OF MAUI

GOVERNMENT RELATIONS, ETHICS, AND TRANSPARENCY COMMITTEE

June 7, 2024

**Committee
Report No.** _____

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Government Relations, Ethics, and Transparency Committee, having met on May 17, 2024, makes reference to Bill 64 (2023), entitled “A BILL FOR AN ORDINANCE AMENDING SECTION 3.16.020, MAUI COUNTY CODE, RELATING TO SETTLEMENT OF CLAIMS AND OTHER CIVIL LITIGATION.”

Bill 64’s purpose is to amend language in subsections A (Workers’ Compensation Claims) and B (Other Claims or Civil Litigation) of Section 3.16.020, Maui County Code, to increase Corporation Counsel’s authority to settle claims, from \$7,500 to \$25,000, without Council approval.

Your Committee notes Section 3.16.020, Maui County Code, was last amended by Ordinance 3310 (2005), which increased Council approval for the settlement of claims and other civil litigation from \$3,000 to \$7,500.

Your Committee further notes the effect of inflation on dollar values has not been taken into account since the prior amount was set.

The Corporation Counsel explained the request to increase the Department’s settlement authority to \$25,000 resulted from discussion on the nationwide average amount at a Municipal Attorneys Conference.

The Corporation Counsel added that the City and County of Honolulu has the highest settlement authority in the State of Hawai’i at \$15,000, but noted they may propose similar legislation if Bill 64 is passed.

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The Corporation Counsel said settlement claims under \$25,000 are typically for claims where the settlement requests are documented through doctor's reports, receipts, invoices, and other matters not involving a lot of discretion.

The Corporation Counsel also noted that, in addition to decreasing expenses incurred by the County through lessened attorney fees and other expenses, the bill will enable the Department to settle claims in less time.

The Corporation Counsel added that an increase in workers' compensation claims is anticipated as a result of the August 2023 Maui wildfires.

Your Committee cited *Harris v. DeSoto*, which discusses executive versus legislative authority in settlements.

Your Committee expressed support for Bill 64 and its ability to increase the efficiency of the Department and Council relating to the settlement of claims. Bill 64 also emphasizes the importance of government transparency, including how County taxpayer dollars are spent.

Your Committee voted 7-0 to recommend passage of Bill 64 (2023), on first reading. Committee Chair U'u-Hodgins, Vice-Chair Paltin, and members Cook, Johnson, Kama, Lee, and Sugimura voted "aye." Committee members Rawlins-Fernandez and Sinenci were excused.

Your Committee is in receipt of Bill 64, CD1 (2023), approved as to form and legality by the Department of the Corporation Counsel, incorporating your Committee's nonsubstantive revisions.

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**Committee
Report No.** _____

Your Government Relations, Ethics, and Transparency Committee RECOMMENDS that Bill 64, CD1 (2023), as revised herein and attached hereto, entitled "A BILL FOR AN ORDINANCE AMENDING SECTION 3.16.020, MAUI COUNTY CODE, RELATING TO SETTLEMENT OF CLAIMS AND OTHER CIVIL LITIGATION," be PASSED ON FIRST READING and be ORDERED TO PRINT.

This report is submitted in accordance with Rule 8 of the Rules of the Council.



NOHELANI U'U-HODGINS, Chair

great:cr:24012aa:kmatt

ORDINANCE NO. _____

BILL NO. **64, CD1** (2023)

A BILL FOR AN ORDINANCE AMENDING SECTION 3.16.020,
MAUI COUNTY CODE, RELATING TO SETTLEMENT OF CLAIMS AND
OTHER CIVIL LITIGATION

BE IT ORDAINED BY THE PEOPLE OF THE COUNTY OF MAUI:

SECTION 1. Section 3.16.020, Maui County Code, is amended by amending subsections A and B to read as follows:

“A. Workers’ [Compensation Claims.] compensation claims. The corporation counsel, with the approval of the mayor, may settle, compromise, or otherwise resolve any workers’ compensation claim now existing or [which] that may [hereafter] arise[,] requiring payment of a total amount not exceeding the sum of: (1) the applicable permanent partial disability rating; (2) two [per cent] percent for residuals for each injured body part; and (3) no more than \$1,000 for disfigurement. In the case of a workers’ compensation claim that does not involve a permanent partial disability rating, the corporation counsel, with the approval of the mayor, may settle, compromise, or otherwise resolve the claim by payment of a total amount not exceeding [~~\$7,500.~~] \$25,000. Any workers’ compensation settlement in excess of the authority granted by this subsection [shall require] requires council authorization.

B. Other [Claims or Civil Litigation.] claims or civil litigation. The corporation counsel, with the approval of the mayor, may settle, compromise, or otherwise resolve any claim not described in subsection A [of this section,] now existing or [which] that may [hereafter] arise[,] requiring payment of a total amount not exceeding [~~\$7,500;~~] \$25,000 [provided, that] if the fund to settle claims has been appropriated and is available [therefor]. Any settlement in excess of [~~\$7,500~~] \$25,000 [shall require] requires council authorization.”

SECTION 2. Material to be repealed is bracketed. New material is underscored. In printing this bill, the County Clerk need not include the brackets, bracketed material, or the underscoring.

SECTION 3. This ordinance shall take effect upon its approval.

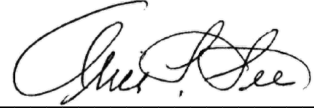
APPROVED AS TO FORM AND
LEGALITY:



VICTORIA J. TAKAYESU
Corporation Counsel

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INTRODUCED BY:

A handwritten signature in cursive script, appearing to read "Alice L. Lee".

ALICE L. LEE

Upon the request of the Mayor.