H.B. NO. 636

A BILL FOR AN ACT

RELATING TO SEPTIC SYSTEMS.

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

1	SECTION 1. Chapter 342D, Hawaii Revised Statutes, is
2	amended by adding two new sections to be appropriately
3	designated and to read as follows:
4	" <u>§342D-</u> Hawaii septic system loan program; eligibility;
5	amounts. (a) There is created the Hawaii septic system loan
6	program to be administered by the department of health, to
7	provide financial assistance to property owners who install
8	septic tanks on their property. Loan eligibility requirements
9	and loan amounts shall be established and awarded based on
10	criteria formulated by the department according to rules adopted
11	pursuant to chapter 91. The department may also adopt any other
12	rules necessary to administer this section pursuant to chapter
13	<u>91.</u>
14	(b) Based on the availability of funds, the department
15	shall provide loans to eligible borrowers from moneys in the
16	Hawaii septic system loan special fund; provided that all loans
17	made under this section shall bear interest at zero per cent
18	simple interest. Repayment of the principal amount shall be
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1	made acco	rding to rules adopted by the department pursuant to
2	chapter 9	1; provided that the department:
3	(1)	May place a lien on the real property with the
4		installed septic system to secure a loan under this
5		section; and
6	(2)	Shall require all loans to be paid in full upon any
7		transfer or change in the title to the real property
8		with the installed septic system.
9	(c)	The department may enter into written contracts with
10	collectio	n agencies for the purpose of collecting delinquent
11	loans. A	ll payments collected, exclusive of a collection
12	agency's	commission, shall revert and be credited to the Hawaii
13	septic sy	stem loan special fund. A collection agency that
14	<u>enters in</u>	to a written contract with the department for the
15	collectio	n of delinquent loans pursuant to this section, may
16	collect a	commission from the debtor in accordance with the
17	terms of,	and up to the amounts authorized in, the written
18	contract.	
19	(d)	As used in this section, "septic tank" means an above
20	ground se	ptic system used by residences within one hundred yards
21	of the sh	oreline.



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1	§342D- Hawaii septic system loan special fund. There is			
2	established the Hawaii septic system loan special fund to be			
3	administered by the department of health. All moneys received			
4	by the department from legislative appropriations, loan			
5	payments, or any other moneys related to the Hawaii septic			
6	system loan program shall be deposited into the special fund.			
7	All interest earned or accrued on moneys deposited in the			
8	special fund shall become part of the special fund. Moneys in			
9	the special fund shall be expended to cover loans and costs to			
10	administer the Hawaii septic system loan program and the special			
11	fund."			
12	SECTION 2. There is appropriated out of the general			
13	revenues of the State of Hawaii the sum of \$, or so much			
14	thereof as may be necessary for fiscal year 2007-2008, to be			
15	deposited into the Hawaii septic system loan special fund for			
16	the purposes of providing loans for the installation of septic			
17	systems.			
18	The sum appropriated shall be expended by the department of			
19	budget and finance for the purposes of this Act.			
20	SECTION 3. There is appropriated out of the Hawaii septic			
21	system loan special fund the sum of \qquad , or so much thereof			
22	as may be necessary for fiscal year 2007-2008, and the same sum			
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1 etc. to be expended for the purposes of providing loans for the 2 installation of septic systems.

3 The sums appropriated shall be expended by the department4 of health for the purposes of this Act.

5 SECTION 4. New statutory material is underscored.

6 SECTION 5. This Act shall take effect on July 1, 2007.

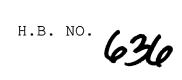
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INTRODUCED BY:

Mele Camel

JAN 1 9 2007





Report Title:

Septic Systems; Loans

Description:

Provides no interest loans for the installation of septic tanks on property that is within 100 yards of the shoreline.

