STAND. COM. REP. NO. Honolulu, Hawaii , 2016 S.B. No. 3084 RE: S.D. 1

H.D. 2

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Eighth State Legislature Regular Session of 2016 State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 3084, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CESSPOOLS,"

begs leave to report as follows:

The purpose of this measure is to incentivize discontinued use of cesspools for residential waste disposal by:

- Repealing eligibility for the income tax credit for cesspool upgrade, conversion, or connection for taxpayers whose adjusted gross income exceeds \$200,000, \$300,000, or \$400,000, depending on the taxpayers filing status;
- (2) Clarifying the availability of the credit for cesspools connected to multiple residential units;
- (3) Authorizing the Department of Health to establish a cesspool upgrade, conversion, or connection tax credit or rebate program to offset qualified expenses incurred by low-income households; and
- (4) Requiring the Department of Health to report to the Legislature no later than 20 days before the Regular Session of 2017 on further recommendations to compel or incentivize discontinued use of cesspools.



STAND. COM. REP. NO. 1697 -16 Page 2

The Department of Health, Department of Taxation, Tax Foundation of Hawaii, and Hawaii Association of Realtors provided comments for this measure.

Your Committee has amended this measure by inserting the contents of H.B. No. 2517, H.D. 2, which:

- (1) Adds county-certified cesspools within 200 feet of an existing sewer system to the definition of "qualified cesspool" for the purposes of determining eligibility for an upgrade, conversion, or connection income tax credit; and
- (2) Amends the maximum available credit amount.

SB3084 HD2 HSCR FIN HMS 2016-3182

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3084, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 3084, S.D. 1, H.D. 2.

> Respectfully submitted on behalf of the members of the Committee on Finance,

SYLVIA LUKE, Chair

HSCR 1697-16

State of Hawaii House of Representatives The Twenty-eighth Legislature

Record of Votes of the Committee on Finance

	mmittee Referral: P/HLT, FIN			
The committee is reconsidering its previous of	decision on the measure.	·		3 771477
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)				
2. NISHIMOTO, Scott Y. (VC)				
3. CACHOLA, Romy M.				
4. CULLEN, Ty J.K.				
5. DeCOITE, Lynn				
6. JOHANSON, Aaron Ling				
7. JORDAN, Jo				
8. KEOHOKALOLE, Jarrett				
9. KOBAYASHI, Bertrand				
10. LoPRESTI, Matthew S.				
11. LOWEN, Nicole E.				
12. ONISHI, Richard H.K.				
13. TOKIOKA, James Kunane				
14. YAMASHITA, Kyle T.			1	
15. POUHA, Feki			w	
16. WARD, Gene				· · · · · · · · · · · · · · · · · · ·
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TOTAL (16)	16			
The recommendation is: Adopted INot Adopted				
If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				