

STAND. COM. REP. NO.

3094

Honolulu, Hawaii

MAR 23 2018

RE: H.B. No. 1802  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health, to which was referred H.B. No. 1802, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CESSPOOLS,"

begs leave to report as follows:

The purpose and intent of this measure is to amend the cesspool upgrade, conversion, or connecting income tax credit by repealing the provision that restricts the Department of Health from certifying more than two residential large capacity cesspools as qualified cesspools.

Your Committee received testimony in support of this measure from the Department of Health and O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i. Your Committee received comments on this measure from the Department of Taxation.

Your Committee finds that there are approximately 88,000 cesspools in Hawaii, discharging approximately 53,000,000 gallons of untreated sewage into the groundwater every day. Groundwater flows into drinking water sources and recreational waters, harming public health and the environment. Your Committee finds that the cost of upgrading cesspools is high, averaging \$20,000 to \$30,000 per cesspool, but that some of those costs can be recovered through the cesspool upgrade, conversion, or connection income tax



credit. Your Committee finds that this measure will allow the Department of Health to certify more than two residential large capacity cesspools as qualified cesspools per year for purposes of claiming the income tax credit, thereby improving utilization of the tax credit and speeding the pace of cesspool upgrades.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1802, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1802, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Commerce, Consumer  
Protection, and Health,

  
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ROSALYN H. BAKER, Chair



