

# HB 1802 HD 1

Measure Title: RELATING TO CESSPOOLS.

Report Title: Cesspools; Income Tax Credit

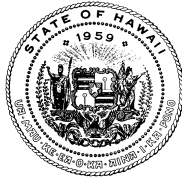
Description: Amends the cesspool upgrade, conversion, or connection income tax credit pilot program by repealing the provision that restricts DOH from certifying more than two residential large capacity cesspools as qualified cesspools. (HB1802 HD1)

Companion:

Package: None

Current Referral: CPH, WAM

Introducer(s): LOWEN, BELATTI, BROWER, CULLEN, ING, KEOHOKALOOLE, KOBAYASHI, C. LEE, LUKE, MCKELVEY, MIZUNO, MORIKAWA, NISHIMOTO, OHNO, TODD, WOODSON, YAMANE



STATE OF HAWAII  
DEPARTMENT OF HEALTH  
P. O. Box 3378  
Honolulu, HI 96801-3378  
doh.testimony@doh.hawaii.gov

WRITTEN  
TESTIMONY ONLY

**Testimony in SUPPORT of HB1802 HD1  
RELATING TO CESSPOOLS**

SENATOR ROSALYN H. BAKER, CHAIR  
SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND HEALTH

Hearing Date: March 20, 2018  
Time: 9:00 am

Room Number: 229

1 **Fiscal Implications:** None.

2 **Department Testimony:** The Department supports this measure. Cesspools are a major source of  
3 pollution to Hawaii's waters. There are approximately 88,000 cesspools in the State, discharging  
4 approximately 53 million gallons of untreated sewage into the groundwater every day.  
5 Groundwater flows into drinking water sources; since ninety-five percent of all drinking water in  
6 Hawaii comes from ground water sources, this cesspool pollution can potentially harm human  
7 health. Groundwater also flows into streams and the ocean, harming public health and the  
8 environment, including beaches, recreational waters, and coral reefs. Cesspools should be phased  
9 out in order to eliminate threats to drinking water and recreational waters. There is an urgent need  
10 to protect the public health and environment with cesspool upgrades as soon as feasible. These  
11 upgrades can be to sewer or individual wastewater systems that comply with the Department's  
12 Chapter 11-62, Hawaii Administrative Rules.

13 The cost of upgrades will be high, averaging \$20,000 to \$30,000, The Department is open to  
14 various forms of financial support for homeowners who upgrade. Expanded tax credits and grants  
15 are two possible options that would help homeowners afford the phasing out of cesspools.

16 The Department supports this measure of removing the restriction of certifying more than two  
17 residential large capacity cesspools as qualified cesspools because it should increase the number of  
18 cesspools that will be upgraded in the State and improve the utilization rate of the income tax credit  
19 program.

20 Thank you for the opportunity to testify on this measure.

DAVID Y. IGE  
GOVERNOR

DOUGLAS S. CHIN  
LIEUTENANT GOVERNOR



LINDA CHU TAKAYAMA  
DIRECTOR

DAMIEN A. ELEFANTE  
DEPUTY DIRECTOR

**STATE OF HAWAII**  
**DEPARTMENT OF TAXATION**  
830 PUNCHBOWL STREET, ROOM 221  
HONOLULU, HAWAII 96813  
<http://tax.hawaii.gov/>  
Phone: (808) 587-1540 / Fax: (808) 587-1560  
Email: Tax.Directors.Office@hawaii.gov

To: The Honorable Rosalyn H. Baker, Chair  
and Members of the Senate Committee on Commerce, Consumer Protection, and  
Health

Date: Tuesday, March 20, 2018  
Time: 9:00 A.M.  
Place: Conference Room 229, State Capitol

From: Linda Chu Takayama, Director  
Department of Taxation

Re: H.B. 1802, H.D. 1, Relating to Cesspools

The Department of Taxation (Department) appreciates the intent of the measure and offers the following comments for your consideration.

H.B. 1802, H.D. 1, amends the cesspool upgrade, conversion, or connection income tax credit under Hawaii Revised Statutes section 235-16.5, by repealing the provision that restricts the Department of Health from certifying more than two residential large capacity cesspools as qualified cesspools. The measure has a defective effective date of January 28, 2045, but otherwise applies to taxable years beginning after December 31, 2017.

This measure does not have a significant administrative impact on the Department and as such, the Department will be able to implement it with its current effective date.

Thank you for the opportunity to provide comments.

**HB-1802-HD-1**

Submitted on: 3/19/2018 8:08:34 AM

Testimony for CPH on 3/20/2018 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Comments:

To the Honorable Rosalyn H. Baker, Chair; the Honorable Jill N. Tokuda, Vice-Chair, and Members of the Senate Committee on Commerce, Consumer Protection, and Health:

Good morning, my name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") on Legislative Priorities of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on **HB1802 HD1** relating to cesspool upgrades and income tax credits.

The OCC Legislative Priorities Committee is in favor of **HB1802 HD1** and supports its passage as it amends the cesspool upgrade, conversion, or connection income tax credit pilot program by repealing the provision that restricts DOH from certifying more than two residential large capacity cesspools as qualified cesspools.

**HB1802 HD1** is in accord with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it incentivizes cesspool upgrades by providing income tax credits.

The DPH Platform states that the "Democratic Party of Hawai'i believes that the preservation and restoration of our natural environment are essential. We support a sustainable society that utilizes the Earth in such a way that future generations will benefit from the practices of our generation. We support the restoration, preservation, and protection of our native ecosystems on each island. We believe in integrated approaches, practices, and support public policies that create and maintain a sustainable way of life in Hawai'i.

We support the protection of our 'aina against destruction by corporate, government, or military usage and expect full restoration and reparation of environmental damage. To handle current and future demands for water we must assess the current condition of our aquifers and take appropriate actions to secure our freshwater resources.

We support the democratic participation of citizens and residents to protect (i) valuable coastal ecosystems and reefs from misuse and (ii) beaches for public use and recreation. The Hawai'i Coastal Zone Management (CZM) law HRS Chapter 205A, currently provides for public participation in the management of coastal resources. (Platform of the DPH, P. 8, Lines 422-430 (2016)).

Given that **HB1802 HD1** amends the cesspool upgrade, conversion, or

connection income tax credit pilot program by repealing the provision that restricts DOH from certifying more than two residential large capacity cesspools as qualified cesspools, it is the position of the OCC Legislative Priorities Committee to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC Legislative Priorities Committee

Email: legislativepriorities@gmail.com, Text/Tel.: (808) 258-8889