
A BILL FOR AN ACT

RELATING TO WATER AND SEWER INFRASTRUCTURE.

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

1 SECTION 1. Chapter 174C, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§174C- State water and sewer surcharge. (a) A state
5 water and sewer surcharge shall be imposed by the counties on
6 each water utility customer's water and sewer bill. The purpose
7 of the state water and sewer surcharge shall be to assist in
8 funding repair, maintenance, and construction of water and sewer
9 infrastructure.

10 (b) The rate of the state water and sewer surcharge shall
11 be established by the commission pursuant to chapter 91. If the
12 commission determines that annual revenues from the state water
13 and sewer surcharge will exceed the amount established pursuant
14 to section 206E-A(d) in any fiscal year, the commission may
15 temporarily reduce the state water and sewer surcharge rate
16 without regard to chapter 91.



1 (c) Each county may retain one per cent of the gross
2 proceeds of the surcharge collected in that county for the costs
3 of the assessment, collection, disposition, and oversight of the
4 surcharge.

5 (d) All state water and sewer surcharges collected by a
6 county, less any funds retained pursuant to subsection (c),
7 shall be paid to the Hawaii community development authority
8 quarterly and deposited by the Hawaii community development
9 authority into the state water and sewer surcharge special fund
10 established pursuant to section 206E-A."

11 SECTION 2. Chapter 206E, Hawaii Revised Statutes, is
12 amended by adding a new part to be appropriately designated and
13 to read as follows:

14 **"PART . WATER AND SEWER INFRASTRUCTURE**

15 **§206E-A State water and sewer surcharge special fund. (a)**
16 There is established within the state treasury the state water
17 and sewer surcharge special fund to be administered by the
18 authority. The authority shall expend moneys in the state water
19 and sewer surcharge special fund for the water and sewer
20 infrastructure grant program established pursuant to section
21 206E-B.



1 (b) The authority shall report to the legislature annually
2 on the amount of moneys expended from the state water and sewer
3 surcharge special fund and the amount of moneys accrued to the
4 credit of the fund by source.

5 (c) The state water and sewer surcharge special fund shall
6 be held separate and apart from all other moneys, funds, and
7 accounts in the state treasury; provided that any moneys
8 received as deposits or contributions from the federal
9 government or private entities shall be deposited and accounted
10 for in accordance with the conditions, if any, established by
11 the federal government or private entities. Earnings on the
12 investment of the assets of the funds shall become a part of the
13 fund.

14 (d) All unencumbered and unexpended moneys in excess of
15 \$ remaining on balance in the state water and sewer
16 surcharge special fund at the close of June 30 of each year
17 shall lapse to the credit of the general fund.

18 **§206E-B Water and sewer infrastructure grant program.** (a)
19 There is established the water and sewer infrastructure grant
20 program. The authority shall expend the funds in the state
21 water and sewer surcharge special fund established pursuant to



1 section 206E-A to award grants to counties for the following
2 projects:

3 (1) Repair and maintenance of existing water or sewer
4 infrastructure; and

5 (2) Construction of new water or sewer infrastructure.

6 (b) The authority may adopt rules pursuant to chapter 91
7 to implement the water and sewer infrastructure grant program."

8 SECTION 3. In codifying the new sections added by
9 section 2 of this Act, the revisor of statutes shall substitute
10 appropriate section numbers for the letters used in designating
11 the new sections in this Act.

12 SECTION 4. New statutory material is underscored.

13 SECTION 5. This Act shall take effect on July 1, 2020.

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INTRODUCED BY:

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JAN 17 2020



H.B. NO. 1908

Report Title:

Water and Sewer Surcharge; Repair; Infrastructure; Maintenance; Construction; CWRM; HCDA

Description:

Establishes a state water and sewer surcharge for all water utility customers. Requires the Commission on Water Resource Management to establish the surcharge rate. Requires the Hawaii Community Development Authority to expend the revenues of the surcharge to award grants to the counties to assist in funding repair, maintenance, and construction of water and sewer infrastructure.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

