

STAND. COM. REP. NO. 2739

Honolulu, Hawaii

FEB 14 2020

RE: S.B. No. 2059  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2059 entitled:

"A BILL FOR AN ACT RELATING TO WELL ABANDONMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to address abandoned wells.

More specifically, this measure:

- (1) Establishes an income tax credit for taxpayers who are required to fill and seal abandoned wells on their real property; and
- (2) Requires sellers of real property to disclose the existence of an abandoned well on the property.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources.

Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that section 174C-87, Hawaii Revised Statutes, requires owners of real property to fill and seal any



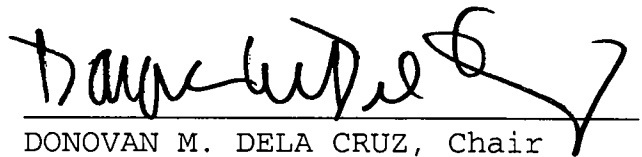
abandoned wells on their property. This measure is intended to assist taxpayers in complying with this requirement.

Your Committee has amended this measure by:

- (1) Clarifying the definition of the term "abandoned well";
- (2) Clarifying costs that may not be used to claim the tax credit;
- (3) Requiring sellers of real property to disclose the existence of all wells on the property, rather than only abandoned wells;
- (4) Applying the tax credit to taxable years beginning after December 31, 2020; and
- (5) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2059, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2059, S.D. 1, and be placed on the calendar for Third Reading.


Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
DONOVAN M. DELA CRUZ, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <i>SB 2059</i>	Committee Referral: <i>WAM</i>	Date: <i>6/5</i> <i>7/29/20</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani				X
HARIMOTO, Breene	X			
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.				X
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.				X
FEVELLA, Kurt	X			
	<i>WCB</i>			
<b>TOTAL</b>	<i>10</i>			<i>3</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original            Yellow            Pink            Goldenrod File with Committee Report            Clerk's Office            Drafting Agency            Committee File Copy				

\*Only one measure per Record of Votes