### A BILL FOR AN ACT

RELATING TO CESSPOOLS.

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

1 SECTION 1. The legislature finds that failing cesspools 2 are contaminating the State's ground water, streams, and coastal 3 ecosystems. To address this, Act 125, Session Laws of Hawaii 4 2017, required all cesspools to be upgraded or converted to a 5 septic system or aerobic treatment unit system, or connected to 6 a sewerage system, by 2050 and directed the department of health 7 to develop a system to prioritize their upgrade, conversion, or 8 connection based on their impact on public health. 9 department of health's December 2017 report to the legislature 10 identified four priority categories: priority level one for 11 areas where cesspools present a significant risk of human 12 impacts, drinking water impacts, or draining to sensitive 13 waters; priority level two for areas where cesspools present a 14 potential to impact drinking water; priority level three for 15 areas where cesspools present a potential impact on sensitive 16 state waters or coastal ecosystems; and priority level four, 17 which includes cesspools where impacts have not yet been

- 1 assessed. Cesspools categorized under levels one, two, and
- 2 three include approximately forty-three thousand cesspools in
- 3 the State.
- 4 The legislature recognizes that the requirement to upgrade
- 5 or convert a cesspool imposes a financial burden on low- and
- 6 moderate-income families.
- 7 The purpose of this Act is to assist low- and moderate-
- 8 income property owners with converting their failing cesspools
- 9 to more environmentally appropriate systems by creating a pilot
- 10 grant project to assist with conversion costs.
- 11 SECTION 2. Chapter 342D, Hawaii Revised Statutes, is
- 12 amended by adding a new section to part IV to be appropriately
- 13 designated and to read as follows:
- 14 "\$342D- Cesspool compliance pilot grant project. (a)
- 15 There is established in the department the cesspool compliance
- 16 pilot grant project to assist property owners with upgrading,
- 17 converting, or connecting a cesspool that the department has
- 18 identified as failing. Specifically, the cesspool compliance
- 19 pilot grant project will assist property owners in meeting the
- 20 costs of:

1	(1)	Upgrading or converting a failing cesspool to a septic
2		system, aerobic treatment unit system, or other
3		advanced treatment system approved by the department;
4		<u>or</u>
5	(2)	Connecting a failing cesspool to a sewerage system.
6	<u>(b)</u>	The department shall not grant awards to any owner of
7	real prop	erty with a cesspool unless:
8	(1)	The department has assigned the cesspool to priority
9		level one, two, or three in the department's December
10		2017 report to the legislature entitled, "Relating to
11		Cesspools and Prioritization for Replacement"; and
12	(2)	The owner provides the department with the tax return
13		required by this section.
14	<u>(c)</u>	No grant under this section shall be awarded to a
15	property	owner of a cesspool who is:
16	(1)	A taxpayer filing a single return or a married person
17		filing separately with a federal adjusted gross income
18		of \$ or more;
19	(2)	A taxpayer filing as a head of household with a
20		federal adjusted gross income of \$ or more;
21		or

1	(3) A taxpayer filing a joint return or as a surviving	
2	spouse with a federal adjusted gross income of	
3	\$ or more.	
4	The owner's income shall be verified using the tax retur	<u>n</u>
5	of the most recent taxable year that is closed.	
6	(d) The department shall adopt rules as necessary to ca	rry
7	out the cesspool compliance pilot grant project; provided tha	<u>t</u>
8	the rules shall include a method of calculating a sliding sca	<u>le</u>
9	grant amount based upon the federal adjusted gross income of	the
10	owner of the property with a failing cesspool."	
11	SECTION 3. There is appropriated out of the general	
12	revenues of the State of Hawaii the sum of \$ or so	
13	much thereof as may be necessary for fiscal year 2022-2023 to	
14	implement the cesspool compliance pilot grant project; provid	ed
15	that \$ of the appropriation may be used to:	
16	(1) Fund one temporary, part-time position in the	
17	department of health for a cesspool compliance pilo	t
18	grant project administrator to establish and	
19	administer the project; or	
20	(2) Contract for services to establish and administer t	he
21	project.	

- 1 The sum appropriated shall be expended by the department of
- 2 health for the purposes of this Act.
- 3 SECTION 4. New statutory material is underscored.
- 4 SECTION 5. This Act shall take effect on July 1, 2022.

5

INTRODUCED BY:



2022-0489 HB HMSO-1

#### Report Title:

Cesspool Compliance Pilot Grant Project; Appropriation

#### Description:

Establishes a cesspool compliance pilot grant project to assist low- and moderate-income property owners with the costs of upgrading, converting, or connecting a cesspool. Applies to cesspools identified as failing by the Department of Health. Appropriates funds.

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