
A BILL FOR AN ACT

RELATING TO DAM AND RESERVOIR SAFETY.

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

1 SECTION 1. The legislature finds that some plantation era
2 reservoirs across the State, including locations on Maui county,
3 are on lands sold by plantation landowners to developers.
4 Following the sale, developers constructed subdivisions, often
5 including dams and reservoirs within deeds to the homeowners or
6 a homeowner's association.

7 However, the dams and reservoirs located on the subdivision
8 are not properly maintained. During periods of extreme weather,
9 the surrounding neighborhoods face significant risks from
10 flooding. Despite potential hazards posed by the dams and
11 reservoirs, the department of land and natural resources
12 consider the dams and reservoirs to be privately owned and the
13 responsibility of homeowners or homeowner's associations to
14 maintain proper safety standards. Costly permits are required
15 to conduct repairs or removal, which results in dams and
16 reservoirs remaining in an unsafe state.

17 Therefore, the purpose of this Act is to:



- (1) Establish a dam and spillway improvement loan program for eligible expenses for plans, design, construction, and equipment used to improve deficient dams and spillways as determined by the department of land and natural resources;
- (2) Establish a dam and spillway improvement revolving fund to deposit proceeds from the dam and spillway improvement loan program;
- (3) Establish a dam and spillway improvement grant program to provide private dam owners with funds for plans, design, construction, and equipment used to improve deficient dams and spillways as determined by the department of land and natural resources; and
- (4) Establish a dam and spillway improvement tax credit for qualifying expenditures for the improvement of deficient dams and spillways.

SECTION 2. Chapter 179D, Hawaii Revised Statutes, is amended by adding three new sections to part II to be appropriately designated and to read as follows:

"§179D- Dam and spillway improvement loan program. (a)

There is established a dam and spillway improvement loan



1 program, which shall be a loan program as defined under section
2 39-51. The program shall be administered by the department in a
3 manner consistent with chapter 39, part III.

4 (b) Loans shall be used for plans, design, construction,
5 and equipment that is utilized to improve deficient dams and
6 spillways as determined by the department. Loans shall not
7 exceed \$ for a term not to exceed forty years.

8 (c) All dam and spillway owners participating in the dam
9 and spillway improvement loan program shall be licensed to
10 conduct business in the State of Hawaii.

11 (d) All loans approved and administered by this section
12 shall require board approval.

13 **\$179D- Dam and spillway improvement revolving fund.** (a)
14 There is established within the state treasury a revolving fund
15 to be known as the dam and spillway improvement revolving fund,
16 which shall be administered by the department and into which
17 shall be deposited all revenues from the dam and spillway
18 improvement loan program and appropriations made by the
19 legislature to the fund.

20 (b) Moneys from the fund shall be expended by the
21 department to support the awarding of grants under the dam and



1 spillway improvement grant program for eligible private dam and
2 spillway owners.

3 §179D- Dam and spillway improvement grant program. (a)

4 There is established a dam and spillway improvement grant
5 program, to be developed and administered by the department for
6 the improvement of deficient dams in the State.

7 (b) The dam and spillway improvement grant program shall
8 provide funding to private dam owners for plans, design,
9 construction, and equipment that is used to improve deficient
10 dams and spillways as determined by the department. The
11 department may award grants to private dam or spillway owners
12 who are licensed to conduct business in the State of Hawaii.

13 (c) Grants awarded under the program shall not exceed
14 \$. All awards shall be approved by the board prior to
15 disbursement."

16 SECTION 3. Chapter 235, Hawaii Revised Statutes, is
17 amended by adding a new section to be appropriately designated
18 and to read as follows:

19 "§235- Dam and spillway improvement tax credit. (a)

20 There shall be allowed to each taxpayer subject to the taxes
21 imposed by this chapter, an income tax credit that shall be



1 deductible from the taxpayer's net income liability, if any,
2 imposed by this chapter for the taxable year in which the credit
3 is properly claimed.

4 (b) Taxpayers who are private dam owners shall be eligible
5 for the dam and spillway improvement tax credit for expenditures
6 for dam and spillway improvements that bring dams and spillways
7 up to code.

8 (c) The total amount of tax credits allowed under this
9 section shall not exceed \$ in any calendar year.

10 (d) For purposes of this section, "dam and spillway
11 improvements" means plans, design, construction, and equipment
12 that is used to improve deficient dams and spillways as
13 determined by the department of land and natural resources."

14 SECTION 4. New statutory material is underscored.

15 SECTION 5. This Act shall take effect on July 1, 2022.



Report Title:

Dam and Reservoirs; Revolving Fund; Grant Program; Loan Program;
Tax Credit

Description:

Establishes the dam and spillway loan and grant programs for plans, design, construction, and equipment that is used to improve deficient dams and spillways as determined by the Department of Land and Natural Resources and approved by the Board of Land and Natural Resources. Requires private dam and spillway owners to be licensed to conduct business in the State. Establishes the dam and spillway improvement tax credit for expenditures for dam and spillway improvements that bring dams and spillways up to code. (Proposed SD1)

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