

STAND. COM. REP. NO. **603**-22

Honolulu, Hawaii

FEB 18, 2022

RE: H.B. No. 1805
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1805, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CESSPOOLS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Provide a tax credit for the upgrade or conversion of a cesspool to a Director of Health-approved wastewater system or connection of a cesspool to a sewerage system;
- (2) Require cesspool upgrades, conversions, or connections at the point of sale of real property or within twelve months of the date of sale recordation, with certain exemptions; and
- (3) Appropriate funds for additional positions for the Department of Health to assist with monitoring and enforcing cesspool upgrades, conversions, and connections.

Your Committee received testimony in support of this measure from the Department of Health, University of Hawai'i Sea Grant College Program, one member of the Hawai'i County Council, WAI: Wastewater Alternative & Innovations, Hawai'i Reef and Ocean

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Coalition, and five individuals. Your Committee received testimony in opposition to this measure from the Hawai'i Association of REALTORS, West Hawai'i Association of REALTORS, and one individual. Your Committee received comments on this measure from the Department of Taxation, Department of Budget and Finance, and one individual.

Your Committee finds that cesspools are a major source of pollution to Hawaii's waters and pose a serious risk of harm to public health and the environment. Although the Legislature, through Act 125, Session Laws of Hawaii 2017, mandated the upgrade or conversion of all cesspools in the State to Director of Health-approved wastewater management systems or connection to a municipal sewage system by 2050, the rate of upgrade, conversion, and connection has been underwhelming and further action is needed to incentivize this process. This measure implements two approaches to facilitate the conversion of cesspools at the point-of-sale and provide financial relief to homeowners during the conversion process, while also creating additional capacity within the Department of Health to guide the State's transition to more appropriate forms of waste management.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1805, H.D. 1, and recommends that it be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



AARON LINS JOHANSON, Chair



State of Hawaii
House of Representatives
The Thirty-first Legislature

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Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 1805, HD 1	Committee Referral: EEP, CPC, FIN	Date: 2-16-22		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. JOHANSON, Aaron Ling (C)	✓			
2. KITAGAWA, Lisa (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. HAR, Sharon E.		✓		
5. HASHEM, Mark J.	✓			
6. KONG, Sam Satoru		✓		
7. MIZUNO, John M.	✓			
8. MORIKAWA, Dee		✓		
9. ONISHI, Richard H.K.		✓		
10. TARNAS, David A.	✓			
11. MATSUMOTO, Lauren	✓			
TOTAL (11)	7	4	0	0
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <u><i>Dee Morikawa</i></u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				