

STAND. COM. REP. NO. 1345-22

Honolulu, Hawaii

MAR 24 , 2022

RE: S.B. No. 2752
S.D. 2
H.D. 2

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

Sir:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred S.B. No. 2752, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ABANDONED WELLS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish an income tax credit for taxpayers who are required to seal abandoned wells on their real property;
- (2) Clarify the definition of the term "abandoned well";
- (3) Require an owner of an abandoned well to:
 - (A) Repair or seal the well at the owner's expense; and
 - (B) Notify the Commission on Water Resource Management of a transfer of ownership of the real property before entering escrow; and
- (4) Appropriate funds for three full-time equivalent (3.0 FTE) positions under the Commission on Water Resource Management.

2022-2521 SB2752 HD2 HSCR HMSO



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, Department of Budget and Finance, and Hawai'i Association of REALTORS.

Your Committee finds that abandoned wells that are not properly sealed can pose a threat to ground water by providing a direct conduit for pollution or contamination to be introduced into an aquifer. This measure establishes a state tax credit to help reimburse qualified compliance costs for owners who are required to seal abandoned wells on their real property.

Your Committee has amended this measure by:

- (1) Requiring, rather than allowing, the Director of Taxation to adopt rules to effectuate the well abandonment compliance income tax credit;
- (2) Requiring an owner of real property that includes an abandoned well to notify the Commission on Water Resource Management of a transfer of ownership of the real property upon opening of escrow and only when the presence or existence of the abandoned well is:
 - (A) Within the knowledge of the owner; or
 - (B) Visible from an accessible area; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2752, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 2752, S.D. 2, H.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



MARK M. NAKASHIMA, Chair



HSCR 1345-22

Record of Votes of the Committee on Judiciary & Hawaiian Affairs

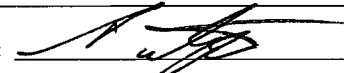
Bill/Resolution No.: SB 2752 SD 2 HD 1	Committee Referral: WAL, JHA, FIN	Date: 3-21-22
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The committee is reconsidering its previous decision on the measure.

The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold
 Pass short form bill with HD to recommit for future public hearing (recommit)

JHA Members	Ayes	Ayes (WR)	Nays	Excused
1. NAKASHIMA, Mark M. (C)	✓			
2. MATAYOSHI, Scot Z. (VC)	✓			
3. ICHIYAMA, Linda	✓			
4. KOBAYASHI, Dale T.	✓			
5. LoPRESTI, Matthew S.		✓		
6. LOWEN, Nicole E.	✓			
7. McKELVEY, Angus L.K.	✓			
8. NAKAMURA, Nadine K.	✓			
9. TAKUMI, Roy M.	✓			
10. TOKIOKA, James Kunane				✓
11. WARD, Gene	✓			
TOTAL (11)	9	1	0	1

The recommendation is: Adopted Not Adopted
 If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: 

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