

Honolulu, Hawaii

FEB 03 2022

RE: S.B. No. 2752
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Water and Land, to which was referred S.B. No. 2752 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish an income tax credit for taxpayers who are required to fill and seal abandoned wells on their real property;
- (2) Require sellers of real property to disclose the existence of wells on the property;
- (3) Require an owner or prior owner of an abandoned well to repair or fill and seal the well at their own expense; and
- (4) Appropriate funds for three full-time equivalent ground surveyor positions in the Commission of Water Resource Management.

Your Committee received testimony in opposition to this measure from the Hawai'i Association of Realtors. Your Committee received comments on this measure from the Department of Land and



Natural Resources, Department of Budget and Finance, Department of Taxation, and Tax Foundation of Hawaii.

Your Committee finds that wells in a state of disuse or disrepair can become conduits through which contaminants can be introduced to ground water. Abandoned wells can also become receptacles for disposal of waste, resulting in additional potential for contamination and associated risk to public health and environmental degradation.

Your Committee finds that this measure will allow for greater accountability to protect water resources. However, your Committee received testimony from the Department of Land and Natural Resources that this measure, as drafted, would not clarify key differences between sealed and abandoned wells, along with qualified compliance costs. Amendments to this measure are therefore necessary to address the Department of Land and Natural Resources' concerns raised in the department's testimony.

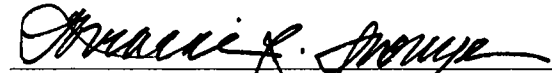
Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have listed exclusions in the definition of "qualified compliance costs";
- (2) Clarifying the procedures for sealing an abandoned well and applying for a well sealing permit;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2752, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2752, S.D. 1, and be referred to your Committee on Ways and Means.




Respectfully submitted on
behalf of the members of the
Committee on Water and Land,


LORRAINE R. INOUE, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:* <i>SB 2152</i>	Committee Referral: <i>WTL, WAM</i>	Date: <i>1/31/22</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
INOUYE, Lorraine R. (C)	<i>X</i>			
KEITH-AGARAN, Gilbert S.C. (VC)	<i>X</i>			
MISALUCHA, Bennette E.	<i>X</i>			
RIVIERE, Gil	<i>X</i>			
FEVELLA, Kurt			<i>X</i>	
TOTAL	<i>4</i>		<i>1</i>	
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes