

STAND. COM. REP. NO.

705

Honolulu, Hawaii

, 2023

FEB 17

RE: H.B. No. 1396
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Health & Homelessness, to which was referred H.B. No. 1396, 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 establish and appropriate funds for a pilot program within the Environmental Management Division of the Department of Health to work with each county to identify a priority area to expand the county sewage system or other centralized treatment system to connect individual properties in the priority area and reduce or eliminate cesspools in the identified area.

Your Committee received testimony in support of this measure from the Department of Health, University of Hawai'i Sea Grant College Program, University of Hawai'i Water Resources Research Center, Hawai'i Climate Change Mitigation and Adaptation Commission, Office of the Mayor of the County of Kaua'i, Department of Environmental Management of the County of Hawai'i, Hawai'i Association of REALTORS, WAI: Wastewater Alternative & Innovations, Rotary Club Hanalei Bay, Hawai'i Reef and Ocean Coalition, Ulupono Initiative, and three individuals.

Your Committee finds that planning and coordination between State and county agencies, communities, and affected residents

2023-1745 HB1396 HD2 HSCR HMSO



will greatly assist in the timely conversion of cesspools across the State and ensure an adequate supply of materials, workers, and equipment for those involved in the replacement of cesspools. The Cesspool Conversion Working Group recently reported that a vast majority of cesspool owners cannot afford the upgrade of their cesspool to an advanced form of wastewater treatment. Because it is critical to human and environmental health that the State's cesspools be eliminated as soon as possible, it is important that a multitude of solutions and mechanisms for financial assistance be explored. A pilot program that provides upfront planning funds, a tax credit to alleviate financial burden on homebuyer, and commitment of additional personnel resources within the Department of Health would help meet these needs.

Accordingly, your Committee has amended this measure by:

- (1) Inserting language to create a Cesspool Conversion Section within the Department of Health's Wastewater Branch that is dedicated to facilitating the conversion of cesspools within the State;
- (2) Establishing and appropriating funds for an unspecified number of new full-time equivalent permanent positions within the Cesspool Conversion Section for fiscal years 2023-2024 and 2024-2025 and an additional unspecified number of full-time equivalent positions for fiscal year 2024-2025;
- (3) Inserting language re-establishing the Cesspool Upgrade, Conversion, or Connection Income Tax Credit;
- (4) Inserting language requiring the disclosure of certain material fact information regarding cesspools on real property to be included in mandatory seller disclosures for real property transactions; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider establishing two full-time equivalent positions within the Cesspool Conversion Section for fiscal year 2023-2024 and two



additional full-time equivalent positions for fiscal year 2024-2025.

As affirmed by the record of votes of the members of your Committee on Health & Homelessness that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1396, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1396, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Health &
Homelessness,

DELLA AU BELATTI

DELLA AU BELATTI, Chair



