

Honolulu, Hawaii

FEB 05 2024

RE: S.B. No. 2498  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committees on Agriculture and Environment and Energy,  
Economic Development, and Tourism, to which was referred S.B.  
No. 2498 entitled:

"A BILL FOR AN ACT RELATING TO FINANCING,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the Cesspool Conversion Revolving Loan Fund to provide financing to low- and moderate-income households for cesspool conversions and other authorized uses;
- (2) Require the Hawaii Green Infrastructure Authority to administer the Cesspool Conversion Revolving Loan Fund and submit annual reports to the Legislature; and
- (3) Make an appropriation for one full-time equivalent (1.0 FTE) program management and loan officer position and to provide loans or other financial assistance to eligible borrowers for cesspool conversions or other authorized uses.

Your Committees received testimony in support of this measure from the Hawaii Green Infrastructure Authority, Hawai'i Climate Change Mitigation and Adaptation Commission, Hawai'i Association of REALTORS, Hawaii Young Republicans, Hawai'i Reef and Ocean



Coalition, Wastewater Alternatives and Innovations LLC, Public Access to SunScreens Coalition, and six individuals.

Your Committees received testimony in opposition to this measure from the State Procurement Office.

Your Committees received comments on this measure from the Department of Health and Public Utilities Commission.

Your Committees find that to reduce water pollution, unless exempted by the Department of Health, all cesspools in the State are required, to be updated or converted to another method of waste disposal or connected to a sewerage system by January 1, 2050. Your Committees recognize that the high cost to upgrade, convert, or connect a cesspool prevent property owners from promptly complying with this legislative mandate. Your Committees further find that actual progress towards the upgrade, conversion, and connection of cesspools must begin soon for property owners to meet the statutory deadline of January 1, 2050, and believe that the State should make upgrading, converting, and connecting practicable for the average cesspool owner. This measure will provide much-needed financing to low- and moderate- income households for cesspool conversions.

According to testimony received by your Committees, the full-time equivalent program management and loan officer position can be funded by the earned interest income of the Authority's green energy market securitization-funded loan program instead of general funds.

Your Committees have amended this measure by:

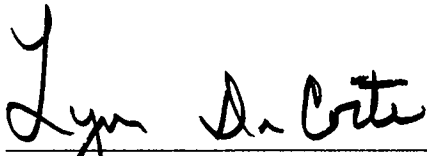
- (1) Amending all references to "the solar photovoltaic and energy storage loan program" to refer to "any solar or energy storage program";
- (2) Requiring the Hawaii Green Infrastructure Authority to comply with the State Procurement Code when entering into contracts for the administration of the Green Infrastructure Loan Program, loan fund programs supported by the Clean Energy and Energy Efficiency Revolving Loan Fund, and Cesspool Conversion Revolving Loan Fund;



- (3) Deleting language that would have allowed the Authority to implement and administer a cesspool conversion revolving loan fund program with funds from the Water Pollution Control Revolving Fund and replacing it with language that allows the Authority to reference as an example the loan program funded under section 342D-33, provided by the Department of Health;
- (4) Deleting language that would have appropriated funds for one full-time equivalent (1.0 FTE) program management and loan officer position and to provide loans or other financial assistance to eligible borrowers for cesspool conversions or other authorized uses; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Agriculture and Environment and Energy, Economic Development, and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2498, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2498, S.D. 1, and be referred to your Committees on Water and Land and Health and Human Services.

Respectfully submitted on  
behalf of the members of the  
Committees on Agriculture and  
Environment and Energy,  
Economic Development, and  
Tourism,

  
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LYNN DECOITE, Chair

  
\_\_\_\_\_  
MIKE GABBARD, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Agriculture and Environment**  
**AEN**

Bill / Resolution No.:* <b>SB 2498</b>	Committee Referral: <b>AEN/EET, WTL/HHS, WAM</b>	Date: <b>01/30/2024</b>
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The Committee is reconsidering its previous decision on this measure.  
 If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312    
  Pass, with amendments 2311    
 Hold 2310    
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	X			
RICHARDS, III, Herbert M. "Tim" (VC)	X			
DECOITE, Lynn	X			
RHOADS, Karl	X			
AWA, Brenton	X			
<b>TOTAL</b>	<b>5</b>			

Recommendation:    
 Adopted    
 Not Adopted

Chair's or Designee's Signature: 

Distribution:    
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**\*Only one measure per Record of Votes**

