

STAND. COM. REP. NO.

1324

Honolulu, Hawaii

MAR 17 , 2023

RE: S.B. No. 777  
S.D. 2  
H.D. 1

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

Sir:

Your Committees on Energy & Environmental Protection and Water & Land, to which was referred S.B. No. 777, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO CESSPOOLS,"

beg leave to report as follows:

The purpose of this measure is to provide a temporary income tax credit for the cost of upgrading or converting a qualified cesspool to a wastewater system approved by the Director of Health or connecting to a sewerage system.

Your Committees received testimony in support of this measure from the Department of Health, Hawai'i Climate Change Mitigation & Adaptation Commission, University of Hawai'i Sea Grant College Program and Water Resources Research Center, Environmental Caucus of the Democratic Party of Hawai'i, Public Access to SunScreens, WAI: Wastewater Alternatives & Innovations, and five individuals. Your Committees received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committees find that the State has more than eighty thousand cesspools that release more than fifty million gallons of raw sewage into the State's groundwater and surface waters every day. While the State established a requirement for the upgrade,

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conversion, or connection of all cesspools in the State by 2050, further mechanisms, such as tax credits, will assist households who may struggle with the associated financial costs.

Your Committees have amended this measure by:


- (1) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committees respectfully request your Committee on Finance, should it deliberate on this measure, to consider an individual tax credit cap amount of \$10,000.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water & Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 777, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 777, S.D. 2, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committees on Energy &  
Environmental Protection and  
Water & Land,

  
LINDA ICHIYAMA, Chair

  
NICOLE E. LOWEN, Chair





