STAND. COM. REP. NO. 5

Honolulu, Hawaii Febnay 11, 2017

RE: H.B. No. 1244 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committees on Health and Energy & Environmental Protection, to which was referred H.B. No. 1244 entitled:

"A BILL FOR AN ACT RELATING TO CESSPOOLS,"

beg leave to report as follows:

The purpose of this measure is to facilitate the mandatory upgrade, conversion, or connection to the sewer system of all cesspools in the State by:

- Amending the existing Cesspool Upgrade, Conversion, or Connection Income tax credit to make it assignable, refundable, income-based, applicable to more cesspools, and available for an additional two taxable years;
- (2) Requiring that all cesspools in the State be upgraded or converted to meet specified standards or connected to a sewer system by January 1, 2050;
- (3) Establishing an income-based Cesspool Compliance Grant program to assist homeowners with the cost of upgrading, conversion, or connection and appropriating funds for the grant program; and
- (4) Mandating disclosure of the existence of a cesspool prior to a real property sale or transfer.



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Your Committees received testimony in support of this measure from the Department of Health. Your Committees received testimony with comments on this measure from the Department of Taxation, Hawai'i Association of Realtors, Tax Foundation of Hawaii, and an individual.

Your Committees have amended this measure by:

- (1) Expanding the availability of the tax credit by:
 - (A) Deleting restrictions on the number of residential large capacity cesspools that may be eligible for the credit;
 - (B) Deleting income-based requirements for homeowner eligibility to claim the credit; and
 - (C) Expanding eligibility criteria for all cesspools;
- (2) Establishing a sliding scale for grant awards;
- (3) Deleting mandatory disclosure requirements for real estate transactions;
- (4) Changing its effective date to July 1, 2090, to encourage further discussion; and
- (5) Making nonsubstantive, technical amendments for the purpose of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Energy & Environmental Protection that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1244, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1244, H.D. 1, and be referred to your Committee on Finance.



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

CHRIS LEE, Chair

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DELLA AU BELATTI, Chair



State of Hawaii House of Representatives The Twenty-ninth Legislature



Record of Votes of the Committee on Health

Bill/Resolution No.: HB 1244 Committee Referral: HLT/EEP, FIN Date: 2-14-17							
θ The committee is reconsidering its previous decision on the measure.							
The recommendation is to: θ Pass, unamended (as is) θ Pass, with amendments (HD) θ Hold θ Pass short form bill with HD to recommit for future public hearing (recommit)							
HLT Members	Ayes	Ayes (WR)	Nays	Excused			
1. BELATTI, Della Au (C)	V						
2. KOBAYASHI, Bertrand (VC)							
3. HAR, Sharon E.							
4. MORIKAWA, Dee							
5. OSHIRO, Marcus R.	V						
6. TODD, Chris			al an ann an talainn an 1996 an 1996 an 1997 an	<u>na horra al appears de la ser a</u>			
7. TUPOLA, Andria P.L.			er mannen mannet er mannet er ster i der ster er sterfer som	en reliefe bolder met oan oor oor oor oor oor oor oor oor oor oo			
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TOTAL (7)	6	-6-	Ð				
The recommendation is: Adopted If joint referral, committee acronym(s) 							
Vice Chair's or designee's signature:							
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO							

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Record of Votes of the Committee on Energy & Environmental Protection

	ittee Referral: T/EEP, FI	Date:	2-14	-2017		
θ The committee is reconsidering its previous decision on the measure.						
The recommendation is to: θ Pass, unamended (as is) β Pass, with amendments (HD) θ Hold θ Pass short form bill with HD to recommit for future public hearing (recommit)						
EEP Members	Ayes	Ayes (WR)	Nays	Excused		
1. LEE, Chris (C)						
2. LOWEN, Nicole E. (VC)	N	2. State				
3. CULLEN, Ty J.K.			1			
4. EVANS, Cindy						
5. ICHIYAMA, Linda						
6. KONG, Sam Satoru						
7 CAN Coluin K X						
7. SAY, Calvin K.Y.						
8. YAMANE, Ryan I.						
o. TAMANE, Nyan I.						
9. FUKUMOTO, Beth	2 HARLING TELEVISION					
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TOTAL (9)	7	Ø	Ø	æ		
The recommendation is: β Adopted θ Not Adopted If joint referral,						
Vice Chair's or designee's signature:						
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO						