



STATE OF HAWAII
DEPARTMENT OF HEALTH
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**Testimony in SUPPORT of HB1653 HD1
RELATING TO RESIDENTIAL REAL PROPERTY**

REPRESENTATIVE ROY M. TAKUMI, CHAIR
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Hearing Date: 2/13/2020

Room Number: CR 329

Fiscal Implications: This measure may impact the priorities identified in the Governor's Executive Budget Request for the Department of Health's (Department) appropriations and personnel priorities. The Department would need resources to establish a new program to oversee the inspection of individual wastewater systems at the time of sale or transfer of ownership of a property.

Department Testimony: The Department supports this measure. The United States Environmental Protection Agency and the National Oceanic Atmospheric Administration have indicated that an individual wastewater system inspection program is necessary for Hawaii to receive approval of its coastal nonpoint program pursuant to Section 6217 of the Coastal Zone Act Reauthorization Amendments of 1990. The Department and the Department of Business, Economic Development and Tourism could potentially lose approximately \$1.1 million of federal funds if an inspection program is not implemented. This measure would satisfy the federal requirement of having an inspection program for individual wastewater systems and would decrease the number of failing systems, thereby having a beneficial impact on water quality. Requiring the inspection of the individual wastewater systems at the time of sale of a property will protect a potential buyer. Problems with an individual wastewater system can range from simple repairs to very complex replacement which can cost thousands of dollars. The individual wastewater system is considered an extension of the plumbing of a home. During home inspections at the time of sale, it is common for plumbing and electrical systems to be

- 1 inspected for deficiencies. It would only make sense to include the inspection of the individual
- 2 wastewater systems in all home inspections at the time of sale.
- 3 **Offered Amendments:** None.
- 4 Thank you for the opportunity to testify on this measure.

February 13, 2020

The Honorable Roy M. Takumi, Chair

House Committee on Consumer Protection & Commerce
State Capitol, Room 329
Honolulu, HI 96813

RE: H.B. 1653, Relating to Residential Real Property

HEARING: Thursday, February 13, 2020, at 2:00 p.m.

Aloha Chair Takumi, Vice Chair Ichiyama and Members of the Committee,

I am Ken Hiraki, Director of Government Affairs, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its over 10,000 members. HAR **opposes** H.B. 1653 which establishes the time of transfer individual wastewater system inspection program to oversee the inspection and repair of any individual wastewater system at the time of sale or transfer of residential real property attached to the wastewater system.

HAR supports the goal of protecting Hawaii's drinking water, streams, ground water and ocean resources. However, it could be years or a property owner may never sell their property. As such, point of sale requirements are not a practical solution to address the issue of cesspool repair.

Furthermore, HAR would note that there are numerous inspection periods during the real estate transaction, which are negotiated between the buyer and seller. Under this measure, this could add delays and financing issues to a real estate transaction, especially if the individual waste water system has to be inspected and possibly renovated within one year to meet construction standards.

Instead we should be focusing on efforts that encourage homeowners to convert their individual wastewater systems, such as educational outreach, tax credits and looking at new cost-effective technologies to support the State's goal of converting all cesspools in the State by 2050, provided they do not have an exemption.

Mahalo for the opportunity to testify.