
A BILL FOR AN ACT

RELATING TO DAM AND RESERVOIR SAFETY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that some plantation era
2 reservoirs across the State, including locations on Maui county,
3 are on lands sold by plantation landowners to developers.
4 Following the sale, developers constructed subdivisions, often
5 including dams and reservoirs within deeds to the homeowners or
6 a homeowner's association.

7 However, the dams and reservoirs located on the subdivision
8 are not properly maintained. During periods of extreme weather,
9 the surrounding neighborhoods face significant risks from
10 flooding. Despite potential hazards posed by the dams and
11 reservoirs, the department of land and natural resources
12 consider the dams and reservoirs to be privately owned and the
13 responsibility of homeowners or homeowner's associations to
14 maintain proper safety standards. Costly permits are required
15 to conduct repairs or removal, which results in dams and
16 reservoirs remaining in an unsafe state.

17 Therefore, the purpose of this Act is to:



- (1) Establish a dam and spillway improvement loan program for eligible expenses for plans, design, construction, and equipment used to improve deficient dams and spillways as determined by the department of land and natural resources;
- (2) Establish a dam and spillway improvement revolving fund to deposit proceeds from the dam and spillway improvement loan program;
- (3) Establish a dam and spillway improvement grant program to provide private dam owners with funds for plans, design, construction, and equipment used to improve deficient dams and spillways as determined by the department of land and natural resources; and
- (4) Establish a dam and spillway improvement tax credit for qualifying expenditures for the improvement of deficient dams and spillways.

SECTION 2. Chapter 179D, Hawaii Revised Statutes, is amended by adding three new sections to part II to be appropriately designated and to read as follows:

"§179D- Dam and spillway improvement loan program. (a)

There is established a dam and spillway improvement loan



1 program, which shall be a loan program as defined under section
2 39-51. The program shall be administered by the department in a
3 manner consistent with chapter 39, part III.

4 (b) Loans shall be used for plans, design, construction,
5 and equipment that is utilized to improve deficient high hazard
6 and significant hazard dams and spillways as determined by the
7 department. Loans shall not exceed \$ _____ for a term not
8 to exceed forty years.

9 (c) All loans approved and administered by this section
10 shall require board approval and shall be subject to conditions
11 imposed by the board.

12 §179D- Dam and spillway improvement grant program. (a)
13 There is established a dam and spillway improvement grant
14 program, to be developed and administered by the department for
15 the improvement of deficient dams in the State.

16 (b) The dam and spillway improvement grant program shall
17 provide funding to private dam owners for plans, design,
18 construction, and equipment that is used to improve deficient
19 dams and spillways as determined by the department.

20 (c) Grants awarded under the program shall not exceed
21 \$ _____. All awards shall be approved by the board prior to



1 disbursement and shall be subject to conditions imposed by the
2 board.

3 (d) The department may award grants based on criteria that
4 shall be developed by the department. Applicants shall meet the
5 following requirements:

6 (1) The applicant shall be an owner of a high hazard or
7 significant hazard dam, reservoir, or spillway that is
8 regulated and defined under chapter 179D;

9 (2) The applicant shall be the owner of a regulated dam,
10 reservoir, or spillway that has been determined to
11 have one or more deficiencies; provided that priority
12 shall be given to dams, reservoirs, or spillways rated
13 to be in poor or unsatisfactory condition;

14 (3) The applicant shall indicate on the application that
15 the proposed plans, design, construction, and
16 equipment shall be intended for remediation of the
17 dam, reservoir, or spillway and not seek to remove the
18 dam, reservoir, or spillway;

19 (4) If the applicant is an organization, the entity shall:
20 (A) Be licensed to conduct business in the State of
21 Hawaii; and



1 (B) Have bylaws or policies that describe the manner
2 in which business is conducted, prohibit
3 nepotism, and provide for the management of
4 potential conflict of interest situations;

5 (5) The applicant shall comply with all applicable federal
6 and state laws prohibiting discrimination against any
7 person on the basis of race, color, national origin,
8 religion, creed, sex, age, sexual orientation,
9 disability, or any other characteristic protected
10 under applicable federal or state law;

11 (6) The grant shall not be used for purposes of
12 entertainment or perquisites;

13 (7) All activities and improvements undertaken with funds
14 received shall comply with applicable federal, state,
15 and county statutes and ordinances, including
16 applicable building codes and agency rules;

17 (8) The applicant shall agree to make available to the
18 department all records the applicant may have relating
19 to the grant and allow state agencies to monitor the
20 applicant's compliance with the purpose of this
21 chapter;



1 (9) The applicant shall establish, to the satisfaction of
2 the department, that sufficient funds are available
3 for the completion of plans, design, and construction,
4 or equipment needed for the purpose for which the
5 grant is awarded; and

6 (10) The applicant shall comply with other requirements or
7 conditions as the department or board may prescribe.

8 §179D- Dam and spillway improvement revolving fund. (a)

9 There is established within the state treasury a revolving fund
10 to be known as the dam and spillway improvement revolving fund,
11 which shall be administered by the department and into which
12 shall be deposited all revenues from the dam and spillway
13 improvement loan program and appropriations made by the
14 legislature to the fund.

15 (b) Moneys from the fund shall be expended by the
16 department to support the awarding of loans or grants under the
17 dam and spillway improvement loan or grant program for eligible
18 private dam and spillway owners."

19 SECTION 3. Chapter 235, Hawaii Revised Statutes, is
20 amended by adding a new section to be appropriately designated
21 and to read as follows:



1 "§235- Dam and spillway improvement tax credit. (a)

2 There shall be allowed to each taxpayer subject to the taxes
3 imposed by this chapter, an income tax credit that shall be
4 deductible from the taxpayer's net income liability, if any,
5 imposed by this chapter for the taxable year in which the credit
6 is properly claimed.

7 (b) Taxpayers who are private dam owners shall be eligible
8 for the dam and spillway improvement tax credit for expenditures
9 for dam and spillway improvements that bring dams and spillways
10 up to code.

11 (c) The total amount of tax credits allowed under this
12 section shall not exceed \$ in any calendar year.

13 (d) For purposes of this section, "dam and spillway
14 improvements" means plans, design, construction, and equipment
15 that is used to improve deficient dams and spillways as
16 determined by the department of land and natural resources."

17 SECTION 4. There is appropriated out of the general
18 revenues of the State of Hawaii the sum of \$ or so
19 much thereof as may be necessary for fiscal year 2022-2023 for:



- 1 (1) One-time seed funding into the dam and spillway
2 improvement revolving fund as the initial funding
3 source for loans or grants; and
- 4 (2) Establishment of three full-time equivalent (3.0 FTE)
5 positions in the department of land and natural
6 resources, to include the following:
- 7 (A) One planner position;
8 (B) One business loan officer position; and
9 (C) One accountant position.

10 The sum appropriated shall be expended by the department of
11 land and natural resources for the purposes of this Act.

12 SECTION 5. New statutory material is underscored.

13 SECTION 6. This Act shall take effect on July 1, 2050.



Report Title:

Dam and Reservoirs; Revolving Fund; Grant Program; Loan Program;
Tax Credit; Appropriation

Description:

Establishes the dam and spillway loan and grant programs for plans, design, construction, and equipment that is used to improve deficient dams and spillways as determined by the Department of Land and Natural Resources and approved by the Board of Land and Natural Resources. Specifies eligibility requirements for dam and spillway improvement grants.

Establishes the dam and spillway improvement tax credit for expenditures for dam and spillway improvements that bring dams and spillways up to code. Appropriates funds. Takes effect 7/1/2050. (SD1)

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