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# A BILL FOR AN ACT

RELATING TO CESSPOOLS.

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

1           SECTION 1. The legislature finds that failing cesspools  
2 are contaminating the State's ground water, streams, and coastal  
3 ecosystems. To address this, Act 125, Session Laws of Hawaii  
4 2017, required all cesspools to be upgraded or converted to a  
5 septic system or aerobic treatment unit system, or connected to  
6 a sewerage system, by 2050 and directed the department of health  
7 to develop a system to prioritize their upgrade, conversion, or  
8 connection based on their impact on public health. The  
9 department of health's December 2017 report to the legislature  
10 identified four priority categories: priority level one for  
11 areas where cesspools present a significant risk of human  
12 impacts, drinking water impacts, or draining to sensitive  
13 waters; priority level two for areas where cesspools present a  
14 potential to impact drinking water; priority level three for  
15 areas where cesspools present a potential impact on sensitive  
16 state waters or coastal ecosystems; and priority level four,  
17 which includes cesspools where impacts have not yet been



1 assessed. Cesspools categorized under levels one, two, and  
2 three include approximately forty-three thousand cesspools in  
3 the State.

4 The legislature recognizes that the requirement to upgrade  
5 or convert a cesspool imposes a financial burden on low- and  
6 moderate-income families.

7 The purpose of this Act is to assist low- and moderate-  
8 income property owners, including lessees on Hawaiian home  
9 lands, with upgrading, converting, or connecting their failing  
10 cesspools to more environmentally appropriate systems or  
11 sewerage systems by creating a pilot grant project to assist  
12 with conversion costs.

13 SECTION 2. Chapter 342D, Hawaii Revised Statutes, is  
14 amended by adding a new section to part IV to be appropriately  
15 designated and to read as follows:

16 "§342D- Cesspool compliance pilot grant project. (a)  
17 There is established in the department the cesspool compliance  
18 pilot grant project to assist property owners, including lessees  
19 on Hawaiian home lands, with upgrading, converting, or  
20 connecting a cesspool that the department has identified as  
21 failing. Specifically, the cesspool compliance pilot grant



1 project shall assist property owners and lessees on Hawaiian  
2 home lands in meeting the costs of:

3       (1) Upgrading or converting a failing cesspool to a septic  
4           system, aerobic treatment unit system, or other  
5           advanced treatment system approved by the department;  
6           or

7       (2) Connecting a failing cesspool to a sewerage system.

8       (b) The department shall not grant awards to any owner of  
9 real property with a cesspool or lessee on Hawaiian home lands  
10 with a cesspool unless:

11       (1) The department has assigned the cesspool to priority  
12           level one, two, or three in the department's December  
13           2017 report to the legislature entitled, "Relating to  
14           Cesspools and Prioritization for Replacement"; and

15       (2) The owner or lessee provides the department with the  
16           tax return required by this section.

17       (c) No grant under this section shall be awarded to any  
18 owner of real property with a cesspool or lessee on Hawaiian  
19 home lands with a cesspool who is:



1       (1) A taxpayer filing a single return or a married person  
2       filing separately with a federal adjusted gross income  
3       of \$ \_\_\_\_\_ or more;

4       (2) A taxpayer filing as a head of household with a  
5       federal adjusted gross income of \$ \_\_\_\_\_ or more;  
6       or

7       (3) A taxpayer filing a joint return or as a surviving  
8       spouse with a federal adjusted gross income of  
9       \$ \_\_\_\_\_ or more.

10       The owner's or lessee's income shall be verified using the  
11 tax return of the most recent taxable year that is closed.

12       (d) The department shall grant awards on a first-come,  
13 first-served basis, subject to funding availability.

14       (e) The department shall adopt rules as necessary to carry  
15 out the cesspool compliance pilot grant project; provided that  
16 the rules shall include a method of calculating a sliding scale  
17 grant amount based upon the federal adjusted gross income of the  
18 owner or lessee of the property with a failing cesspool."

19       SECTION 3. There is appropriated out of the general  
20 revenues of the State of Hawaii the sum of \$ \_\_\_\_\_ or so  
21 much thereof as may be necessary for fiscal year 2022-2023 to



1 implement the cesspool compliance pilot grant project; provided  
2 that \$ of the appropriation may be used to:

3 (1) Fund one temporary, part-time position in the  
4 department of health for a cesspool compliance pilot  
5 grant project administrator to establish and  
6 administer the project; or

7 (2) Contract for services to establish and administer the  
8 project.

9 The sum appropriated shall be expended by the department of  
10 health for the purposes of this Act.

11 SECTION 4. New statutory material is underscored.

12 SECTION 5. This Act shall take effect on July 1, 2100.

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**Report Title:**

Cesspool Compliance Pilot Grant Project; Appropriation

**Description:**

Establishes a cesspool compliance pilot grant project to assist low- and moderate-income property owners, including lessees on Hawaiian home lands, with the costs of upgrading, converting, or connecting a cesspool. Applies to cesspools identified as failing by the Department of Health. Appropriates funds. Effective 7/1/2100. (HD1)

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