

JAN 19 2024

A BILL FOR AN ACT

RELATING TO THE CESSPOOL CONVERSION FINANCIAL ASSISTANCE PILOT PROGRAM.

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

1 SECTION 1. The legislature finds that Act 125, Session
2 Laws of Hawaii 2017 (Act 125), codified at section 342D-72,
3 Hawaii Revised Statutes, requires all cesspools in the State,
4 unless exempted, to be upgraded or converted to a different type
5 of approved wastewater system or connected to a sewerage system
6 before January 1, 2050. Act 125 also requires the department of
7 health to investigate the number, scope, location, and priority
8 of cesspools statewide that require upgrade, conversion, or
9 connection, based on each cesspool's impact on public health and
10 submit a report to the legislature.

11 In December 2017, the department of health submitted a
12 report to the legislature, identifying fourteen priority areas
13 of the State where cesspool upgrades are critically needed to
14 protect public health and the environment. The report
15 identified the upcountry area of Maui and Kahaluu area of Oahu
16 as level one priority areas.



1 Specifically with regards to the upcountry area of Maui,
2 the department of health, in a press release dated December 19,
3 2017, announced that the findings in its December 2017 report
4 were troubling and show wastewater from cesspools is beginning
5 to impact drinking water in some parts of upcountry Maui. The
6 department of health further stated that although the water in
7 these areas is still safe to drink, action must be taken to
8 protect the future of drinking water and the environment.
9 Despite the reported need to expeditiously upgrade or convert
10 cesspools in the upcountry area of Maui, the legislature finds
11 that many owners of properties with cesspools in the area lack
12 the resources to address the matter.

13 Accordingly, the purpose of this Act is to establish a
14 three-year pilot program within the department of health to
15 provide financial assistance to qualified owners of cesspools
16 located in the county of Maui to upgrade or convert their
17 cesspools to a wastewater system approved by the director of
18 health or connect them to a sewerage system.

19 SECTION 2. (a) There is established within the department
20 of health, a three-year pilot program to be known as the
21 cesspool conversion financial assistance pilot program to



1 provide financial assistance to owners of cesspools located in
2 the county of Maui, identified by the department of health's
3 December 2017 report as "Priority Level 1", to:

4 (1) Upgrade or convert their cesspools to a wastewater
5 system approved by the director of health; or

6 (2) Connect their cesspools to a sewerage system.

7 (b) The pilot program may include:

8 (1) A rebate program that refunds a qualified applicant up
9 to fifty per cent of the actual cost incurred by the
10 qualified applicant to upgrade or convert the cesspool
11 owned by the qualified applicant to a director-
12 approved wastewater system or connect the cesspool to
13 a sewerage system; and

14 (2) A direct replacement program that pays for the total
15 cost to upgrade or convert the cesspool owned by the
16 qualified applicant to a director-approved wastewater
17 system or connect the cesspool to a sewerage system;

18 provided that the department shall administer the financial
19 assistance under the pilot program to qualified applicants on a
20 first-come-first-served basis; provided further that the total
21 amount of financial assistance shall not exceed \$ for



1 any qualified applicant and a cumulative amount of
2 \$ for the pilot program.

3 (c) The department of health shall adopt rules in
4 accordance with chapter 91, Hawaii Revised Statutes, to carry
5 out the purposes of this Act. The rules shall include, at
6 minimum, the eligibility criteria and application process for
7 the pilot program.

8 (d) The department of health shall submit a report of its
9 findings and recommendations relating to the pilot program to
10 the legislature no later than twenty days prior to the convening
11 of the regular session of 2027. The report shall include:

12 (1) An evaluation of the pilot program's effectiveness,
13 including:

14 (A) The total amount of financial assistance provided
15 to owners of cesspools under the pilot program;

16 (B) The total number of owners that received
17 financial assistance from the pilot program;

18 (C) The total number of cesspools that have been
19 upgraded or converted to a director-approved
20 wastewater system and the total number of
21 cesspools connected to a sewerage system



1 utilizing financial assistance from the pilot
2 program; and

3 (D) Any other information that the department of
4 health deems useful in assessing the pilot
5 program's effectiveness;

6 (2) A recommendation as to whether the pilot program
7 should be extended or expanded to different priority
8 areas identified in the December 2017 report; and

9 (3) Any proposed legislation.

10 (e) As used in this Act, unless the context clearly
11 requires otherwise:

12 "December 2017 report" means the report dated December
13 2017, that was issued and submitted by the department of health
14 to the legislature in response to Act 125, Session Laws of
15 Hawaii 2017.

16 "Pilot program" means the cesspool conversion financial
17 assistance pilot program established pursuant to subsection (a).

18 "Qualified applicant" means any person who owns a cesspool
19 within the county of Maui, identified in the December 2017
20 report as "Priority Area 1", and meets the eligibility criteria



1 set forth in the rules adopted by the department of health
2 pursuant to this Act.

3 SECTION 3. In accordance with section 9 of article VII of
4 the Hawaii State Constitution and sections 37-91 and 37-93,
5 Hawaii Revised Statutes, the legislature has determined that the
6 appropriations contained in Act 164, Regular Session of 2023,
7 and this Act will cause the state general fund expenditure
8 ceiling for fiscal year 2024-2025 to be exceeded by
9 \$ or per cent. This current declaration takes
10 into account general fund appropriations authorized for fiscal
11 year 2024-2025 in Act 164, Regular Session of 2023, and this Act
12 only. The reasons for exceeding the general fund expenditure
13 ceiling are that:

- 14 (1) The appropriation made in this Act is necessary to
15 serve the public interest; and
16 (2) The appropriation made in this Act meets the needs
17 addressed by this Act.

18 SECTION 4. There is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$ or so much
20 thereof as may be necessary for fiscal year 2024-2025 for the
21 establishment, implementation, and operation of the cesspool



1 conversion financial assistance pilot program established
2 pursuant to section 2 of this Act.

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

5 SECTION 5. This Act shall take effect on July 1, 2024.

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INTRODUCED BY: Lynn DeCorte



S.B. NO. 2774

Report Title:

DOH; Cesspools; Mandatory Upgrade, Conversion, or Connection; Cesspool Conversion Financial Assistance Pilot Program; Maui County; Report; Expenditure Ceiling; Appropriation

Description:

Establishes within the Department of Health, a three-year Cesspool Conversion Financial Assistance Pilot Program to provide financial assistance to owners of cesspools located in the county of Maui to upgrade or convert their cesspools to a wastewater system approved by the Director of Health or connect them to a sewerage system. Requires the Department of Health to adopt rules and submit a report to the Legislature. Makes an appropriation.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

