STAND. COM. REP. NO. 324

Honolulu, Hawaii MAR 17 , ²⁰²³

RE: S.B. No. 777 S.D. 2 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committees on Energy & Environmental Protection and Water & Land, to which was referred S.B. No. 777, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO CESSPOOLS,"

beg leave to report as follows:

The purpose of this measure is to provide a temporary income tax credit for the cost of upgrading or converting a qualified cesspool to a wastewater system approved by the Director of Health or connecting to a sewerage system.

Your Committees received testimony in support of this measure from the Department of Health, Hawai'i Climate Change Mitigation & Adaptation Commission, University of Hawai'i Sea Grant College Program and Water Resources Research Center, Environmental Caucus of the Democratic Party of Hawai'i, Public Access to SunScreens, WAI: Wastewater Alternatives & Innovations, and five individuals. Your Committees received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committees find that the State has more than eighty thousand cesspools that release more than fifty million gallons of raw sewage into the State's groundwater and surface waters every day. While the State established a requirement for the upgrade,



STAND. COM. REP. NO. 1324 Page 2

conversion, or connection of all cesspools in the State by 2050, further mechanisms, such as tax credits, will assist households who may struggle with the associated financial costs.

Your Committees have amended this measure by:

- Changing the effective date to June 30, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committees respectfully request your Committee on Finance, should it deliberate on this measure, to consider an individual tax credit cap amount of \$10,000.

As affirmed by the records of votes of the members of your Committees on Energy & Environmental Protection and Water & Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 777, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 777, S.D. 2, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

> Respectfully submitted on behalf of the members of the Committees on Energy & Environmental Protection and Water & Land,

LINDA ICHIYAMA,

NICOLE E. LOWEN, Chair



State of Hawaii House of Representatives The Thirty-second Legislature



Record of Votes of the Committee on Energy & Environmental Protection

Bill/Resolution No.:Committee Referral:Date:SB 777, SD 2EEP/WAL, CPC, FIND3/16							
The committee is reconsidering its previous decision on the measure.							
The recommendation is to: □ Pass, unamended (as is) □ Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit)							
EEP Members	Ayes	Ayes (WR)	Nays	Excused			
1. LOWEN, Nicole E. (C)							
2. COCHRAN, Elle (VC)							
3. GATES, Cedric Asuega							
4. KAHALOA, Kirstin							
5. PERRUSO, Amy A.	8 88 88 88 7 1		长田市双索理 目				
6. WOODSON, Justin H.				7			
	/						
7. WARD, Gene							
			-				
	· · ·	·					
		· · · ·					
TOTAL (7)	5			2			
The recommendation is: Adopted Not Adopted If joint referral,							
Vice Chair's or designee's signature: UCMMM							
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO							

State of Hawaii House of Representatives The Thirty-second Legislature



Record of Votes of the Committee on Water & Land

Bill/Resolution No.: GB7171, SD2	Commi EEP	ttee Referral: / WAL J (PC) F	Date	03/10	123,		
The committee is reconsidering its previous decision on the measure.							
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)							
WAL Mer	nbers	Ayes	Ayes (WR)	Nays	Excused		
1. ICHIYAMA, Linda (C)						
2. POEPOE, Mahina (V	C)						
3. CHUN, Cory M.							
S. CHUN, COTY M.							
4. GANADEN, Sonny			and an				
5. HASHEM, Mark J.	- 						
6. MORIKAWA, Dee							
7 TAKANA Cross					r gerrad di je		
7. TAKAYAMA, Gregg					i di se di se		
8. SOUZA, Kanani							
			· · · ·		· · ·		
	·				· · · · · · · · · · · · · · · · · · ·		
· · · · · · · · · · · · · · · · · · ·	- - -						
		-	· · · ·				
				L,	-		
	·		-				
		\sim					
TOTAL	(8)	8					
The recommendation is: Adopted If joint referral, did not support recommendation.							
Vice Chair's or designee's signature:							
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO							