### A BILL FOR AN ACT

RELATING TO STATE WATER CODE PENALTIES.

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

- 1 SECTION 1. The legislature finds that in 1987, the state
- 2 water code was adopted to protect the precious water resources
- 3 of the State. To better enable the department of land and
- 4 natural resources and commission on water resource management to
- 5 carry out that mission, the legislature further finds that the
- 6 water code's penalties and fines must be amended and increased
- 7 to serve as an effective deterrent to violators.
- 8 The purpose of this Act is to ensure that all violators of
- 9 the state water code are held accountable for their violations
- 10 by creating a minimum penalty of \$50 and a maximum penalty of
- 11 \$60,000 for every violation.
- 12 SECTION 2. Section 174C-15, Hawaii Revised Statutes, is
- 13 amended to read as follows:
- 14 "\$174C-15 Penalties and common law remedies. (a) The
- 15 commission may enforce its rules and orders adopted pursuant to
- 16 this chapter by suit for injunction or for damages or both.
- (b) Any person who [violates any]:



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1	(1)	<u>Violates any provision of this chapter</u> [, or any];
2	(2)	<u>Violates any</u> rule adopted pursuant to this chapter[ $ au$
3		may] <u>;</u>
4	(3)	Violates any order of the commission;
5	(4)	Fails to obtain a permit when a permit is required
6		under this chapter;
7	(5)	Fails to comply with permit conditions; or
8	(6)	Fails to comply with standardized water audit
9		requirements pursuant to Act 169, Session Laws of
10		Hawaii 2016,
11	<u>shall</u> be	subject to a fine imposed by the commission. [Such]
12	The fine	shall be no less than \$50 and shall not exceed [\$5,000.
13	<del>For a con</del>	tinuing offense, each day during which the offense is
14	committed	is a separate violation.] \$60,000 per violation. Each
15	day that a violation exists or continues to exist shall	
16	constitute a separate offense. Penalties for continuing	
17	violations shall be assessed from the earliest known date of the	
18	violation. The earliest known date of a violation shall be	
19	determined by the commission by a preponderance of the evidence;	
20	provided that if the earliest known date cannot be determined by	
21	a preponderance of the evidence penalties for continuing	

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1 violations shall be assessed from the earliest date the 2 commission is made aware of the violation. 3 (c) When imposing a penalty, the commission shall consider 4 the following factors, including but not limited to: The nature, circumstances, extent, gravity, and 5 (1) 6 history of the violation and of any prior violations; 7 The economic benefit to the violator, or anticipated (2) by the violator, resulting from the violation; 8 9 The opportunity, difficulty, and history of corrective (3) 10 action; 11 Good faith efforts to comply; (4) 12 (5) Degree of culpability; and 13 (6) Such other matters as justice may require. 14 [<del>(c)</del>] (d) No provision of this chapter shall bar the right 15 of any injured person to seek other legal or equitable relief against a violator of this chapter. 16 17  $[\frac{d}{d}]$  (e) Except as otherwise provided by law, the 18 commission or its authorized representative by proper delegation 19 [may] shall set, charge, and collect administrative fines [or]; 20 may bring legal action to recover administrative fees and costs 21 as documented by receipts or affidavit, including [attorneys']

- 1 attorney's fees and costs; [or] and may bring legal action to
- 2 recover administrative fines, fees, and costs, including
- 3 [attorneys'] attorney's fees and costs, or payment for damages
- 4 resulting from a violation of this chapter or any rule adopted
- 5 pursuant to this chapter."
- 6 SECTION 3. Statutory material to be repealed is bracketed
- 7 and stricken. New statutory material is underscored.
- 8 SECTION 4. This Act shall take effect on July 1, 2024.

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INTRODUCED BY:

2024-0361 HB HMSO-2

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#### Report Title:

State Water Code; Commission on Water Resource Management; Penalties

### Description:

Adds a minimum penalty of \$50 and a maximum penalty of \$60,000 per violation of the State Water Code, expands the types of potential violations of the State Water Code, and makes each day that a violation exists or continues to exist a separate offense. Requires the Commission on Water Resource Management to consider certain factors when imposing penalties.

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