

STAND. COM. REP. NO.

662

Honolulu, Hawaii

, 2025

FEB 14

RE: H.B. No. 1421

H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1421 entitled:

"A BILL FOR AN ACT RELATING TO FINANCING,"

begs leave to report as follows:

The purpose of this measure is to establish and appropriate funds for a Cesspool Conversion On-Bill Financing Program to provide low-interest loans to eligible homeowners for the upgrade, conversion, or connection of cesspools.

Your Committee received testimony in support of this measure from the Hawai'i Climate Change Mitigation and Adaptation Commission; Hawaii Green Infrastructure Authority; Environmental Caucus of the Democratic Party of Hawai'i; Hawai'i Reef and Ocean Coalition; Coral Reef Coalition; Public Access to SunScreens Coalition; WAI: Wastewater Alternatives & Innovations; Hawai'i Wai Ola; and five individuals. Your Committee received comments on this measure from the Department of Budget and Finance; Department of Health; State Procurement Office; and The Nature Conservancy.

Your Committee finds that all cesspools, with certain exemptions, are required to be upgraded or converted to Director of Health-approved wastewater systems or connected to sewerage systems by January 1, 2050. Your Committee further finds that the upfront costs of cesspool conversions are a barrier that prevents

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many cesspool owners from abiding by the conversion requirements. This measure addresses this issue by establishing a Cesspool Conversion On-Bill Financing Program to provide low-interest loans to eligible homeowners for the upgrade, conversion, or connection of cesspools.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1421, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1421, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



NICOLE E. LOWEN, Chair



