

JAN 17 2025

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 the health of
2 Hawaii's people and the quality of Hawaii's waters are already
3 being significantly harmed by pollution from cesspools. Hawaii
4 has more than eighty thousand cesspools that discharge about
5 fifty million gallons of wastewater into the State's groundwater
6 every day. Cesspools are antiquated, substandard systems that
7 damage public health, pollute drinking water, and lower water
8 quality in streams, groundwater, nearshore marine areas, and the
9 ocean. Cesspool pollution also harms public recreation and the
10 precious coral reefs on which Hawaii's economy, shoreline,
11 fisheries, and native species depend.

12 The legislature further finds that the continuation of
13 cesspool discharges into the environment at current levels
14 beyond 2050 is likely to cause the deaths of most of Hawaii's
15 coral reefs, which would be an economic, social, cultural, and
16 environmental catastrophe for the State.



1 The legislature additionally finds that existing law
2 requires, cesspool owners to convert their cesspools to other
3 forms of sewage treatment facilities by 2050. This requirement
4 has not motivated any significant number of cesspool owners to
5 start the conversion process, but rather, has instilled in
6 cesspool owners a sense that there is no urgency to convert.
7 Further, this long lead-time generally results in increased
8 costs due to inflation.

9 The legislature further finds that the costs of conversion
10 are often beyond the financial means of individual property
11 owners and should be borne at least in part by the State through
12 bond financing.

13 Accordingly, the purpose of this Act is to:

- 14 (1) Implement the recommendation of the working group
15 established by Act 132, Session Laws of Hawaii 2018,
16 to accelerate the dates for required upgrades,
17 conversions, or connections of certain cesspools;
18 (2) Appropriate funds to provide financing assistance via
19 the cesspool compliance pilot grant project; and



(3) Authorize the issuance of general obligation bonds to finance accelerated upgrades, conversions, and connections of cesspools in the State.

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

"§342D- Cesspools; mandatory upgrade, conversion, or connection; priority level 1; priority level 2. (a) Every cesspool in the State categorized as priority level 1 according to the university of Hawaii's Hawaii cesspool prioritization tool shall be:

(1) Upgraded or converted to a director-approved wastewater system; or

(2) Connected to a sewerage system, before January 1, 2035; provided that priority level 1 cesspools on recreational residence leases within the Kokee state park and Waimea Canyon state park on the island of Kauai shall be upgraded, converted, or connected before January 1, 2040.



1 (b) Every cesspool in the State designated as priority
2 level 2 according to the university of Hawaii's Hawaii cesspool
3 prioritization tool shall be:

4 (1) Upgraded or converted to a director-approved
5 wastewater system; or

6 (2) Connected to a sewerage system,
7 before January 1, 2040.

8 (c) The director may grant an exemption from the
9 requirements of subsections (a) and (b) to the property owner of
10 a cesspool who applies, on or before December 30, 2030, for an
11 exemption and presents documentation and sufficient explanation
12 showing a legitimate reason that makes it infeasible to upgrade,
13 convert, or connect the cesspool. For the purposes of this
14 subsection, a legitimate reason shall be limited to:

15 (1) Small lot size;

16 (2) Steep topography;

17 (3) Poor soils;

18 (4) Accessibility issues; or

19 (5) A planned development within two years of sewerage
20 upgrades to a property owner's area.



1 (d) The department may grant an extension of up to three
2 years from the requirements of subsections (a) and (b) based on
3 demonstration of financial inability to pay for or finance a
4 cesspool upgrade, conversion, or connection; provided that the
5 department may adopt rules pursuant to chapter 91 necessary to
6 effectuate the purposes of this subsection.

7 (e) Notwithstanding any law to the contrary, no penalty or
8 other assessment for any violation of this section shall
9 constitute a lien on the real property. Notwithstanding any law
10 to the contrary, no seizure of real property shall be authorized
11 for any violation of this section.

12 (f) As used in this section, "cesspool" has the same
13 meaning as defined in section 342D-72."

14 SECTION 3. Section 342D-72, Hawaii Revised Statutes, is
15 amended by amending subsection (a) to read as follows:

16 "(a) ~~[Before]~~ Except as provided in subsection (b) and
17 section 342D- , before January 1, ~~[2050,~~ 2040, every cesspool
18 in the State~~[, excluding cesspools granted exemptions by the~~
19 ~~director of health pursuant to subsection (b),]~~ shall be:

20 (1) Upgraded or converted to a director-approved
21 wastewater system; or



1 (2) Connected to a sewerage system."

2 SECTION 4. There is appropriated out of the general
3 revenues of the State of Hawaii the sum of \$ or so
4 much thereof as may be necessary for fiscal year 2025-2026 and
5 the same sum or so much thereof as may be necessary for fiscal
6 year 2026-2027 to continue the implementation of the cesspool
7 compliance pilot grant project established pursuant to Act 153,
8 Session Laws of Hawaii 2022.

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

11 SECTION 5. The director of finance is authorized to issue
12 general obligation bonds in the sum of \$500,000,000 or so much
13 thereof as may be necessary and the same sum or so much thereof
14 as may be necessary is appropriated for fiscal year 2025-2026
15 for the purpose of financing the needs of this Act; provided
16 that any property owner exempt from mandatory upgrade,
17 conversion, or connection pursuant to section 2 of this Act
18 shall be considered eligible for the upgrade, conversion, or
19 connection of the owner's cesspool through funding provided by
20 the issuance of these bonds.

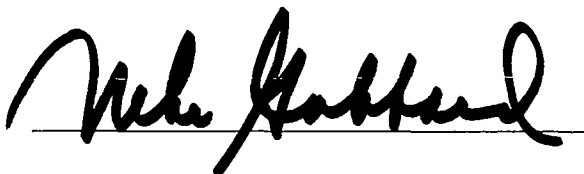


1 The sum appropriated shall be expended by the department of
2 health for the purposes of this Act; provided that the
3 appropriation authorized by this section shall not lapse at the
4 end of the fiscal biennium for which the appropriation is made;
5 provided further that all moneys from the appropriation
6 unencumbered as of June 30, 2028, shall lapse as of that date.

7 SECTION 6. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 7. This Act shall take effect upon its approval;
10 provided that sections 4 and 5 of this Act shall take effect on
11 July 1, 2025.

12
INTRODUCED BY:

A handwritten signature in black ink, appearing to read "Mike Hubbard", is written over a horizontal line.

S.B. NO. 542

Report Title:

DOH; Cesspools; Mandatory Upgrade, Conversion, or Connection;
Prioritization; Cesspool Compliance Pilot Grant Project;
Appropriations; GO Bonds

Description:

Requires certain priority level 1 cesspools to be upgraded, converted, or connected before 1/1/2035. Requires priority level 2 and other cesspools to be upgraded, converted, or connected before 1/1/2040, rather than before 1/1/2050, with certain exemptions. Authorizes the Director of Finance to issue general obligation bonds. Appropriates funds.

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