

Honolulu, Hawaii
FEB 18 , 2026

RE: H.B. No. 1618
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 1618 entitled:

"A BILL FOR AN ACT RELATING TO CESSPOOL CONVERSIONS,"

begs leave to report as follows:

The purpose of this measure is to establish and appropriate funds for a Cesspool Conversion Loan Special Fund, to be administered by the Hawaii Green Infrastructure Authority, 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 Department of Land and Natural Resources; Department of Health; Office of Planning and Sustainable Development; Hawai'i Green Infrastructure Authority; Public Utilities Commission; University of Hawai'i Sea Grant College Program; University of Hawai'i Water Resources Research Center; Hawai'i Association of REALTORS; Friends of Hanauma Bay; Public Access to SunScreens Coalition; Hawai'i Ocean Legislative Task Force; Hawai'i Reef and Ocean Coalition; WAI: Wastewater Alternatives & Innovations; Hawaii Climate Change and Health Working Group; The Nature Conservancy Hawai'i and Palmyra; Puakō for Reefs; Kingdom Pathways; and five individuals. Your Committee received comments on this measure from the State Procurement Office.



Your Committee finds that significant upfront costs prevent many cesspool owners from upgrading or converting their systems. Your Committee further finds that there is currently a lack of financing programs to assist low- and moderate-income households with their cesspools, slowing the State's progress in meeting 2050 upgrade, conversion, and connection goals. This measure supports the State's long-term strategy to address cesspool pollution by creating a dedicated funding mechanism to assist low- and moderate-income homeowners with cesspool upgrades.

Your Committee has amended this measure by:

- (1) Changing the Cesspool Conversion Loan Special Fund to a Cesspool Conversion Revolving Loan Fund;
- (2) Adding forgivable loans to the types of financing assistance available through the Cesspool Conversion Financing Program;
- (3) Adding a provision authorizing the Hawaii Green Infrastructure Authority to make expenditures without appropriation or allotment;
- (4) Removing a provision authorizing the Hawaii Green Infrastructure Authority to coordinate with each county water utility;
- (5) Changing its effective date to July 1, 3000, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider green fee revenues as a potential source to capitalize the Cesspool Conversion Revolving Loan Fund and, if green fees are used as a funding mechanism, to consider an appropriation of \$1,000,000 on an annual basis or a higher amount for a one-time appropriation.

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. 1618, as amended herein, and recommends that



it pass Second Reading in the form attached hereto as H.B. No. 1618, 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



