

Honolulu, Hawaii

FEB 20 , 2026

RE: H.B. No. 1749
H.D. 2

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

Madame:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1749, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CESSPOOLS,"

begs leave to report as follows:

The purpose of this measure is to require sellers of residential real property, beginning January 1, 2027, to disclose the existence of a wastewater system on the property, enforceable by a fine.

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; University of Hawai'i Sea Grant College Program and Water Resources Research Center; one member of the Kaua'i County Council; Hawai'i Ocean Legislative Task Force; Hawai'i Reef and Ocean Coalition; Public Access to SunScreens Coalition; The Nature Conservancy, Hawaii and Palmyra; Hawai'i Climate Change and Health Working Group; Housing Hawai'i's Future; WAI: Wastewater Alternatives & Innovations; and three individuals. Your Committee received comments on this measure from the Hawai'i Real Estate Commission and Hawai'i Association of REALTORS.

Your Committee finds that the current lack of a standardized cesspool disclosure in real estate transactions creates



significant financial risks for homebuyers, who may unknowingly inherit the substantial costs of mandatory conversion. This lack of transparency can make housing unexpectedly more expensive and creates a barrier to informed decision-making in the State's housing market. This measure requires a disclosure of the existence of a cesspool, which ensures that buyers are fully notified of the obligations and potential financial burden it may cause.

Your Committee has amended this measure by:

- (1) Requiring sellers of residential real property to disclose the existence of cesspools contained in the property, rather than the existence of any wastewater system; and
- (2) Requiring the standardized cesspool form, which is to be developed by the Department of Health and Real Estate Commission, to be developed in a manner that informs a buyer of the cesspool's priority level as categorized under the Hawaii Cesspool Prioritization Tool developed by the University of Hawaii.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1749, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 1749, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



SCOT Z. MATAIOSHI, Chair



