A BILL FOR AN ACT
RELATING TO CESSPOOL CONVERSION.

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

SECTION 1. The legislature finds that failing cesspools are contaminating the State's ground water, streams, and coastal ecosystems. To address this, Act 125, Session Laws of Hawaii 2017, required the replacement of all cesspools by 2050 and directed the department of health to develop a system to prioritize their replacement. The department of health's December 2017 report to the legislature identified four priority categories: priority level one for "areas where cesspools present a significant risk of human impacts, drinking water impacts, or draining to sensitive waters;" priority level two for "areas where cesspools present a potential to impact drinking water;" priority level three for "areas where cesspools present a potential impact on sensitive waters or coastal ecosystems;" and priority level four, which includes cesspools where impacts have not yet been assessed. Cesspools categorized under levels one, two, and three include approximately forty-three thousand cesspools in the State.
The legislature recognizes that the requirement to upgrade or convert a cesspool imposes a financial burden on low- and moderate-income families.

The purpose of this Act is to assist low- and moderate-income property owners with converting their failing cesspools to more environmentally appropriate systems by creating a pilot grant project to assist with conversion costs.

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

"§342D- Cesspool compliance pilot grant project. (a) There is established in the department the cesspool compliance pilot grant project to assist property owners with upgrading or converting a cesspool that the department has identified as failing. Specifically, the pilot project will assist property owners in meeting the costs of:

(1) Upgrading or converting a failing cesspool to a septic system, aerobic treatment unit system, or other advanced treatment system approved by the department;

or

(2) Connecting a failing cesspool to a sewerage system."
(b) The department shall not grant awards to any owner of real property with a cesspool unless the department has assigned the cesspool to priority level one, two, or three in the department's December 2017 report to the legislature entitled "Relating to Cesspools and Prioritization for Replacement".

(c) No grant under this section shall be awarded to a property owner of a cesspool who is:

(1) A taxpayer filing a single return or a married person filing separately with a Hawaii adjusted gross income of $__________ or more;

(2) A taxpayer filing as a head of household with a Hawaii adjusted gross income of $__________ or more; or

(3) A taxpayer filing a joint return or as a surviving spouse with a Hawaii adjusted gross income of $__________ or more.

(d) The department shall adopt rules as necessary to carry out the pilot grant project; provided that the rules shall include a method of calculating a sliding scale grant amount based upon the Hawaii adjusted gross income of the owner of the property with a failing cesspool."
SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of $1,000 or so much thereof as may be necessary for fiscal year 2020-2021 to implement the cesspool compliance pilot grant project; provided that:

(1) No funds shall be released unless a fifty per cent match is provided by the relevant county; and

(2) $500 of the appropriation may be used to:

(A) Fund one temporary, part-time position in the department of health for a cesspool compliance pilot grant project administrator to establish and administer the project; or

(B) Contract for services to establish and administer the project.

The sum appropriated shall be expended by the department of health for the purposes of this Act.

SECTION 4. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2050.
Report Title:
Cesspool Compliance Pilot Grant Project; Appropriation

Description:
Establishes a cesspool compliance pilot grant project to assist low- and moderate-income property owners with the costs of upgrading or converting a cesspool. Applies to cesspools identified as failing by the Department of Health. Appropriates funds. Effective 7/1/2050. (HD1)

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