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# A BILL FOR AN ACT

RELATING TO CESSPOOL CONVERSION.

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

1           SECTION 1. The legislature finds that failing cesspools  
2 are contaminating the State's ground water, streams, and coastal  
3 ecosystems. To address this, Act 125, Session Laws of Hawaii  
4 2017, required the replacement of all cesspools by 2050 and  
5 directed the department of health to develop a system to  
6 prioritize their replacement. The department of health's  
7 December 2017 report to the legislature identified four priority  
8 categories: priority level one for "areas where cesspools  
9 present a significant risk of human impacts, drinking water  
10 impacts, or draining to sensitive waters;" priority level two  
11 for "areas where cesspools present a potential to impact  
12 drinking water;" priority level three for "areas where cesspools  
13 present a potential impact on sensitive waters or coastal  
14 ecosystems;" and priority level four, which includes cesspools  
15 where impacts have not yet been assessed. Cesspools categorized  
16 under levels one, two, and three include approximately forty-  
17 three thousand cesspools in the State.



1 The legislature recognizes that the requirement to upgrade  
2 or convert a cesspool imposes a financial burden on low- and  
3 moderate-income families.

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

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

11 "§342D- Cesspool compliance pilot grant project. (a)  
12 There is established in the department the cesspool compliance  
13 pilot grant project to assist property owners with upgrading or  
14 converting a cesspool that the department has identified as  
15 failing. Specifically, the cesspool compliance pilot grant  
16 project will assist property owners in meeting the costs of:

- 17 (1) Upgrading or converting a failing cesspool to a septic  
18 system, aerobic treatment unit system, or other  
19 advanced treatment system approved by the department;  
20 or  
21 (2) Connecting a failing cesspool to a sewerage system.



1        (b) The department shall not grant awards to any owner of  
2 real property with a cesspool unless:

3        (1) The department has assigned the cesspool to priority  
4 level one, two, or three in the department's December  
5 2017 report to the legislature entitled "Relating to  
6 Cesspools and Prioritization for Replacement"; and

7        (2) The owner consents to the disclosure of tax  
8 information to the department for the purposes of this  
9 section.

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

12       (1) A taxpayer filing a single return or a married person  
13 filing separately with a federal adjusted gross income  
14 of \$ \_\_\_\_\_ or more;

15       (2) A taxpayer filing as a head of household with a  
16 federal adjusted gross income of \$ \_\_\_\_\_ or more;  
17 or

18       (3) A taxpayer filing a joint return or as a surviving  
19 spouse with a federal adjusted gross income of  
20 \$ \_\_\_\_\_ or more.



1       The owner's income will be verified using the tax return of  
2 the most recent taxable year that is closed.

3       (d) The department shall adopt rules as necessary to carry  
4 out the cesspool compliance pilot grant project; provided that  
5 the rules shall include a method of calculating a sliding scale  
6 grant amount based upon the federal adjusted gross income of the  
7 owner of the property with a failing cesspool."

8       SECTION 3. There is appropriated out of the general  
9 revenues of the State of Hawaii the sum of \$                    or so  
10 much thereof as may be necessary for fiscal year 2020-2021 to  
11 implement the cesspool compliance pilot grant project; provided  
12 that:

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

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

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

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



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

3           SECTION 4.   New statutory material is underscored.

4           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. (SD1)

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