

STAND. COM. REP. NO.

462

Honolulu, Hawaii

FEB 19 2021

RE: S.B. No. 369
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 369 entitled:

"A BILL FOR AN ACT RELATING TO WASTEWATER SYSTEMS,"

begs leave to report as follows:

The purpose and intent of this measure is to establish the time of transfer individual wastewater system inspection program to oversee the inspection and repair of any individual wastewater system at the time of the property's sale or transfer.

Your Committee received testimony in support of this measure from the Department of Health, University of Hawai'i Sea Grant Program, Environmental Caucus of the Democratic Party of Hawai'i, Surfrider Maui Chapter, Hawaii Reef and Ocean Coalition, Wastewater Alternatives & Innovations, and five individuals. Your Committee received testimony in opposition to this measure from the Hawaii Association of REALTORS.

Your Committee finds that the Department of Health and Department of Business, Economic Development, and Tourism receive approximately \$1,100,000 in annual federal grants through the Coastal Zone Act Reauthorization Amendments, contingent on the State taking measures to address and minimize polluted runoff, including runoff from on-site sewage facilities. This measure satisfies federal requirements by minimizing the polluted runoff created by failing individual wastewater systems in the State by



establishing a program to oversee their inspection and repair of individual wastewater systems at the time of an attached property's transfer or sale. Requiring the inspection of the individual wastewater systems at the time of sale to spot deficiencies would be consistent with home inspections at the time of sale as they are considered extensions of plumbing in homes.

Your Committee also heard testifiers' concerns that there are numerous inspection periods during the real estate transaction and this measure could add delays and financing issues to a real estate transaction, especially if the individual wastewater system must be inspected and renovated within one year to meet construction standards.

Your Committee has amended this measure by:


- (1) Inserting the contents of S.B. No. 368, Regular Session of 2021, a measure that removes the limitation on specific types of wastewater systems to which cesspools must be converted and requires a cesspool to be upgraded or converted to a wastewater system by the Department of Health prior to January 1, 2050;
- (2) Providing that if an individual wastewater system fails inspection, the system shall be repaired or replaced within one year by the current property owner or by the prospective property owner with written agreement, to meet the design and construction requirements adopted by the Department of Health;
- (3) Stating that administrative rules shall not apply to a transfer between joint tenants or tenants in common; spouse, child, or parent; or spouses resulting from decree of dissolution of marriage, legal separation, or property settlement agreement; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Agriculture and Environment that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 369, as amended herein, and recommends that it pass



Second Reading in the form attached hereto as S.B. No. 369,
S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Agriculture and
Environment,



MIKE GABBARD, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:* SB 369	Committee Referral: AEN, WAM	Date: 02/17/2021		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
GABBARD, Mike (C)	✓			
NISHIHARA, Clarence K. (VC)	✓			
ACASIO, Laura	✓			
RHOADS, Karl	✓			
FEVELLA, Kurt	✓			
TOTAL	5			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes