

Honolulu, Hawaii

FEB 15 2023

RE: S.B. No. 777
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Agriculture and Environment, to which was referred S.B. No. 777 entitled:

"A BILL FOR AN ACT RELATING TO CESSPOOLS,"

begs leave to report as follows:

The purpose and intent of this measure is to provide a temporary income tax credit for the cost of upgrading or converting a qualified cesspool to a wastewater system or for connecting a qualified cesspool to a sewage system.

Your Committee received testimony in support of this measure from the Department of Health, University of Hawai'i System, Department of Environmental Management of the County of Hawai'i, Hawai'i REALTORS, Environmental Caucus of the Democratic Party of Hawai'i, Surfrider Foundation, and four individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that cesspools are a significant problem in the State and a major source of pollution in Hawaii. There are an estimated 83,000 cesspools in the State that discharge millions of gallons of untreated sewage into the soil every day, which may flow into drinking water sources, streams, and the ocean, threatening public health and the environment. Your Committee additionally finds that the State has set a mandate to convert all cesspools to a Director of Health approved wastewater system by



2050 and must be proactive with effective and purposeful legislation to meet this goal. This measure will provide financial relief to those who seek to upgrade their cesspools through a temporary income tax credit, which will offset some of the financial difficulties of cesspool conversion and incentivize upgraders to act quickly to take advantage of this credit's availability.

Your Committee has amended this measure by specifying the Department of Health as the agency responsible for the certification of qualified expenses, as requested by the Department of Taxation.

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. 777, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 777, 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,

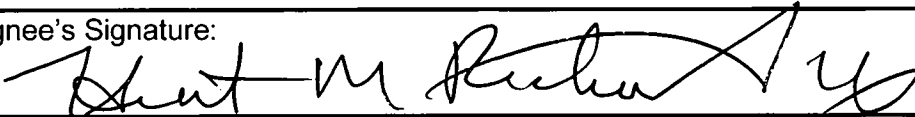


MIKE GABBARD, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Agriculture and Environment
AEN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB777	02 AEN, WAM	02-08-23		
<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)	X			
RICHARDS, III, Herbert M. "Tim" (VC)	X			
DECOITE, Lynn	X			
RHOADS, Karl	X			
AWA, Brenton	X			
TOTAL	5			
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes