



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
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By

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HB 1631 HD1 – RELATING TO WATER CONSERVATION

Chair Luke, Vice Chair Yamashita, and members of the committee:

The University of Hawai'i Sea Grant College Program (Hawai'i Sea Grant) supports the intent of HB 1631 HD1. This legislation proposes to provide a refundable income tax credit for Hawai'i homeowners for water catchment systems meeting certain requirements. Hawai'i Sea Grant offers the following comments and suggestions to strengthen this Bill:

1. In its current form, this bill stipulates that qualified catchment systems must accommodate a minimum capacity of 1,000 gallons. Due to the modest size of most residential lots in Hawai'i, the committee may consider extending a rebate for smaller systems, (perhaps those ranging from as small as 50 gallons up to 1,000). If widely distributed across developed areas, the collective benefits of such systems would positively impact urban and residential areas.
2. The proposed financial incentive (rebate value of \$100 annually) may not encourage homeowners to invest in the required 1,000-gallon catchment system, which costs over \$1,000 before installation. This bill would be more likely to stimulate homeowner investment if the rebate structure covered a percentage of the cost of the initial catchment system and a \$100 annual rebate for maintenance thereafter.
3. The state may also consider adding other complimentary financial incentives that have successfully been implemented in other U.S. states and territories, including the waiver of sales tax on rainwater catchment systems, the exemption of such systems from a property's assessed value for taxation, or a rebate per-gallon to incentivize the use of larger catchment systems.
4. This bill currently includes only homeowners as receiving the stated tax incentive. The committee may consider extending the benefits of this bill to other buildings in the urban zone, particularly commercial lots which typically have large roof square-footage. The roof is the area where water is collected and conveyed to the catchment structure. Therefore, the larger a building's roof, the greater the

potential to capture and store water with an adequately sized catchment structure. Extending the proposed incentive to all buildings in the urban zone is recommended.

5. This bill should clarify that catchment systems on residential properties are not presently regulated by the Hawai'i Department of Health or other regulatory entity and educational materials may be needed for the safe and appropriate use of collected rainwater.
 - a. Hawai'i Department of Health:
<https://health.Hawai'i.gov/sdwb/raincatchment/>
 - b. Hawai'i Sea Grant: <https://seagrantsoest.Hawai'i.edu/rainwater-catchment-project/>
 - c. University of Hawai'i College of Tropical Agriculture and Human Resources:
https://www.ctahr.Hawai'i.edu/oc/freepubs/pdf/RM-12_rev.2020-web.pdf

Hawai'i Sea Grant's mission is to provide integrated research, extension, and education activities that increase understanding and use of ocean and coastal resources of the Hawaiian and Pacific Islands and support the informed personal, policy, and management decisions that are integral to realizing this vision. Hawai'i Sea Grant is part of a national network of 34 university-based programs associated with the National Oceanic and Atmospheric Administration (NOAA) that promote better understanding, conservation, and use of coastal resources.

Hawai'i Sea Grant supports the intent of HB 1631 HD1 to explore a financial incentive for water catchment installation and operation and recommends consideration of the above-mentioned amendments.

Thank you for the opportunity to testify on this measure.