STAND. COM. REP. NO. 233

Honolulu, Hawaii

FOB 17

, 2006

RE:

S.B. No. 3069

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committees on Commerce, Consumer Protection, and Housing and Transportation and Government Operations, to which was referred S.B. No. 3069 entitled:

"A BILL FOR AN ACT RELATING TO INCOME TAX DEDUCTIONS,"

beg leave to report as follows:

The purpose of this measure is to establish an income tax deduction for qualifying costs of automatic fire sprinkler systems installed and placed into service after December 31, 2006 by:

- (1) Owners of single-family residences;
- (2) Owner-occupants of residential condominium or cooperative housing units; and
- (3) An association of apartment owners of a residential or mixed use condominium or the cooperative housing corporation of residential cooperative housing.

Your Committees received testimony in support of this measure from State Fire Council, Hawaii Council of Associations of Apartment Owners, and Hawaii Independent Condominium & Cooperative Owners. Comments were submitted by the Department of Taxation and Tax Foundation of Hawaii.

Your Committees find that effective fire prevention depends to a large extent on the existence of automatic fire sprinkler systems, particularly in high rise dwellings. However, the costs



are prohibitively expensive. An income tax benefit would be a strong incentive to install sprinkler systems.

Your Committees believe this measure could save lives and reduce property destruction. A tax benefit is a small price for the state to pay to subsidize the installment of automatic fire sprinkler systems.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Transportation and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3069 and recommend that it pass Second Reading and be referred to the Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Commerce, Consumer Protection, and Housing and Transportation and Government Operations,

LORRAINE R. INOUYE, Chair

RON MENOR, Chair

The Senate Twenty-Third Legislature State of Hawaii

Record of Votes of the Committee on Commerce, Consumer Protection and Housing (Bills and Resolutions)

Measure:* SB 3069	CPH/		Date:	2-16	·-0b			
The committee is reconsidering its previous decision on this measure.								
If so, then the previous decision was to:								
The Recommendation is to:								
Pass, unamended (2312)	Pass, with a (231		Hold Recommit (2310) (2313)					
Members		Ayes	Ayes(WR)	Nays	Excused			
MENOR, Ron (C)			3.1 1 m					
BAKER, Rosalyn H. (VC)								
ESPERO, Will C.					······································			
IGE, David Y.		····						
SAKAMOTO, Norman								
HOGUE, Bob		V						
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TOTAL		4			2			
Recommendation: Adopted Not Adopted								
Chair's or Designee's Signature: Resolute Holomore								
Distribution: Driginal Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy								

^{*}Do not list more than one measure per Record of Votes.

The Senate Twenty-Third Legislature State of Hawaii

Record of Votes of the Committee on Transportation and Government Operations (Bills and Resolutions)

Measure:* SB 3069	Committee Re	eferral: (700, w		Date: 2 113/06					
The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:									
The Recommendation is to:									
Pass, unamended Pass, with amendments Hold Recommit (2312) (2311) (2310) (2313)									
Members	· · · · · · · · · · · · · · · · · · ·	Ayes	Ayes(WR)	Nays	Excused				
INOUYE, Lorraine R. (C)			·		<u> </u>				
ESPERO, Will (VC)									
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TOTAL		4		· ·	3				
Recommendation: Adopted 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									

^{*}Do <u>not</u> list more than one measure per Record of Votes.