

JAN 17 2018

A BILL FOR AN ACT

RELATING TO FIRE SAFETY.

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

1 SECTION 1. The legislature finds that the devastating
2 Marco Polo fire in July 2017, which claimed three lives and
3 caused millions of dollars in damages, demonstrates the need to
4 protect condominiums and their inhabitants from fire. Automatic
5 fire sprinkler systems may cost condominium associations a
6 substantial amount of money; however, such systems can save
7 lives and prevent significant property damage. Retrofitting or
8 installing automatic fire sprinklers or automatic fire sprinkler
9 systems ensures that life and property are continually
10 safeguarded from the hazards of fire.

11 The purpose of this Act is to:

12 (1) Exempt the gross proceeds of costs incurred to
13 retrofit or install automatic fire sprinkler systems
14 from general excise taxes; and

15 (2) Provide interest-free loans to condominium
16 associations to retrofit or install automatic fire
17 sprinkler systems.



1 SECTION 2. Chapter 237, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§237- Exemption for retrofitting or installation of
5 automatic fire sprinklers or sprinkler systems. This chapter
6 shall not apply to the gross proceeds of sales of equipment,
7 materials, and labor to retrofit or install automatic fire
8 sprinklers or automatic fire sprinkler systems in any
9 condominium in the State built prior to 1975."

10 SECTION 3. Each association of owners of a condominium in
11 the State may apply for an interest-free loan of up to \$250,000
12 from the Hawaii housing finance and development corporation to
13 retrofit or install automatic fire sprinklers or an automatic
14 fire sprinkler system in the condominium. The Hawaii housing
15 finance and development corporation shall adopt rules pursuant
16 to chapter 91, Hawaii Revised Statutes, as may be necessary to
17 administer fire sprinkler system loans to condominium
18 associations.

19 SECTION 4. There is appropriated out of the general
20 revenues of the State of Hawaii the sum of \$ or so
21 much thereof as may be necessary for fiscal year 2018-2019 for



S.B. NO. 2006

1 interest-free loans to be made available to associations of
2 owners of condominiums in the State to retrofit or install
3 automatic fire sprinklers or automatic fire sprinkler systems.

4 The sum appropriated shall be expended by the Hawaii
5 housing finance and development corporation for the purposes of
6 this Act.

7 SECTION 5. New statutory material is underscored.

8 SECTION 6. This Act shall take effect on July 1, 2018.

9

INTRODUCED BY:

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S.B. NO. 2006

Report Title:

General Excise Tax Exemption; Automatic Fire Sprinkler System;
Interest-Free Loan; Condominium

Description:

Exempts the gross proceeds of sales of equipment, materials, and labor to retrofit or install an automatic fire sprinkler system from general excise taxes. Provides interest-free loans to condominium associations to retrofit or install automatic fire sprinklers or sprinkler systems.

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