STAND. COM. REP. NO.

-20

Honolulu, Hawaii FEB 0 5 , 2020

RE: H.B. No. 1757 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2020 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1757 entitled:

"A BILL FOR AN ACT RELATING TO FIRE PROTECTION,"

begs leave to report as follows:

The purpose of this measure is to provide an incentive to owner-occupants to install an automatic fire sprinkler system in any new one- or two-family dwelling of a building that is used only for residential purposes, by establishing a tax credit for a percentage of the actual costs of the system up to a certain amount.

Your Committee received testimony in support of this measure from the State Fire Council, Honolulu Fire Department, Hawaii Fire Department, Kauai Fire Department, and Maui Fire Department. Your Committee received comments on this measure from the Department of Taxation, Building Industry Association of Hawaii, Hawaii Council for Association of Apartment Owners, and Tax Foundation of Hawaii.

Your Committee finds that automatic fire sprinkler systems provide valuable protection to persons and their homes. According to the National Institute of Standards and Technology, fires in residences may become deadly in as little as three minutes.



Your Committee has amended this measure by:

- Changing the effective date to July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that concerns were raised as to the tax credit's scope and implementation. Specifically, the Department of Taxation requested additional time to implement the tax credit properly. Additionally, testimony received by your Committee expressed the desire that the tax credit be expanded to high-rise residential buildings, not just one- or two-family dwellings. Should your Committee on Finance consider this measure, your Committee requests that your Committee on Finance give consideration to these concerns.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1757, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1757, H.D. 1, and be referred to your Committee on Finance.

> Respectfully submitted on behalf of the members of the Committee on Consumer Protection & Commerce,

ROY M. TAKUMI, Chair



State of Hawaii House of Representatives The THIRTIETH Legislature

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HI3 1757	Committee Referral: CPC, FIN		Date: 130/20		
□ The committee is reconsidering its previous decision on the measure.					
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)					
CPC Members	Ayes	Ayes (WR)	Nays	Excused	
1. TAKUMI, Roy M. (C)					
2. ICHIYAMA, Linda (VC)	V				
3. AQUINO, Henry J.C.	V				
4. BELATTI, Della Au			· · · · · · · · · · · · · · · · · · ·		
5. CABANILLA ARAKAWA, Rida				 ✓ 	
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6. CACHOLA, Romy M.	✓				
7 HAD Shower F				5	
7. HAR, Sharon E.					
8. KONG, Sam Satoru					
9. MIZUNO, John M.				✓	
10 ONISHI Dishard II V					
10. ONISHI, Richard H.K.			and the second second		
11. MATSUMOTO, Lauren	<u>na santan tanàna ao amin'ny sara-ao amin'ny sara-ao amin'ny sara-ao amin'ny sara-ao amin'ny sara-ao amin'ny sa</u>		an a		
TOTAL (11)	7	0	0	4	
The recommendation is: Adopted IN Not Adopted did not support recommendation.					
Vice Chair's or designee's signature: Birdelching					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					