

DAVID Y. IGE GOVERNOR

JOSH GREEN LT. GOVERNOR

STATE OF HAWAII OFFICE OF THE DIRECTOR DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

335 MERCHANT STREET, ROOM 310 P.O. BOX 541 HONOLULU, HAWAII 96809 Phone Number: 586-2850 Fax Number: 586-2856 cca.hawaii.gov CATHERINE P. AWAKUNI COLÓN DIRECTOR

JO ANN M. UCHIDA TAKEUCHI DEPUTY DIRECTOR

Testimony of the Department of Commerce and Consumer Affairs

Before the House Committee on Housing Thursday, February 4, 2021 9:00 a.m. Via Videoconference

On the following measure: H.B. 212, RELATING TO FIRE PROTECTION

Chair Nakamura and Members of the Committee:

My name is Ahlani Quiogue, and I am the Licensing Administrator of the Department of Commerce and Consumer Affairs' (Department) Professional and Vocational Licensing Division (PVL). The Department respectfully opposes this bill to the extent it requires the PVL to develop a standard form to be used to confirm a new dwelling buyer's receipt of information on the benefits and costs associated with installing and maintaining a residential fire sprinkler system.

The purposes of this bill are to require builders to provide: (1) cost estimates for residential fire sprinklers to potential buyers of all new one- and two-family dwellings; and (2) the buyer with information prepared by the State Fire Council on the benefits of a sprinkler system.

As the division responsible for implementing the licensing regulations of 52 different professions and vocations, the PVL lacks the requisite expertise to develop the form(s) required by this bill to effectuate the proposed chapter.

Thank you for the opportunity to testify on this bill.

Testimony of the Contractors License Board

Before the House Committee on Housing Thursday, February 4, 2021 9:00 a.m. Via Videoconference

On the following measure: H.B. 212, RELATING TO FIRE PROTECTION

Chair Nakamura and Members of the Committee:

My name is Candace Ito, and I am the Executive Officer of the Contractors License Board (Board). The Board appreciates the intent of and offers comments on this bill.

The purpose of this bill is to require builders to provide cost estimates for residential fire sprinklers to potential buyers of all new one- and two-family dwellings, as well as provide the buyer with a copy of written information prepared by the State Fire Council on the benefits of a sprinkler system.

The Board will review this bill at its next publicly noticed meeting on February 19, 2021. In the meantime, the Board offers comments based on its prior opposition to similar bills.

The Board believes that the general building contractor should not be responsible for providing a written cost estimate for the purchaser to decide whether to install a fire sprinkler system at the final-pricing-for-construction stage. To provide a written cost estimate, the general building contractor would need to incur substantial costs: for an engineer to design a sprinkler system; to have new plans drafted to include the fire sprinkler system; and to subcontract with a specialty contractor to provide a price proposal for the sprinkler system.

In addition, although this bill defines "builders" as "any individual, trustee, partnership, corporation, or other entity contracting with an owner for the construction of a new dwelling," the penalties in Hawaii Revised Statutes section 444-23 apply only to contractors. Thus, builders that are not contractors (e.g., developers) will not be subject to disciplinary action for violating the proposed chapter.

Testimony of the Contractors License Board H.B. 212 Page 2 of 2

The distribution of informational material and the opportunity to install fire sprinklers should be done in advance of the agreement on the final pricing for construction. The Board respectfully suggests that it may be more appropriate for this information to be distributed as part of the building permitting process incident to the review of the plans for the residential dwelling.

Thank you for the opportunity to testify on this bill.



HOUSE COMMITTEE ON HOUSING Hawaii State Capitol 415 South Beretania Street February 4, 2021 9:00 am

RE: HB 212, Relating to Fire Protection

Chair Nakamura, Vice Chair Hashimoto, and members of the committee:

My name is Beau Nobmann, 2021 President of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii. Our members build the communities we all call home.

BIA-Hawaii provides the following comments on HB 212, which requires builders to provide cost estimates for residential fire sprinklers to potential buyers of all new one- and two-family dwellings.

It seems the proposed bill would shift the responsibility to educate future home buyers of the costs and benefits of installing a new automatic fire sprinkler system in their new home from the State Fire Council to the individual builder. The responsibility for educating people on the benefits of an automatic fire sprinkler system is more appropriately under the purview of the State Fire Council. In the past, BIA-Hawaii has provided, at no cost to the Honolulu Fire Department, booth space at our two home shows annually to educate consumers on the fire sprinkler issue. Shifting this responsibility to the new home buyer with additional bureaucratic acknowledgement procedures will add to the cost of a new home.

The bill also does not identify which agency would provide oversight for the enforcement of this new requirement, and the standard to determine a "willful violation" is unclear. Further, this law would be highly problematic for developers, because homes would typically already be built before a buyer is secured. Adding a sprinkler system after the home is built would be an expensive and complex process. At a time when Hawaii is in a severe housing and economic crisis, adding cost to housing is simply not the right thing to do.

We appreciate the opportunity to express our views on HB 212.

tel. 808-629-7501 fax. 808-629-7701 94-487 Akoki St. , Ste 213 Waipahu, HI 96797 www.biahawaii.org info@biahawaii.org DAVID Y. IGE GOVERNOR

JOSH GREEN LIEUTENANT GOVERNOR





ANNE E. PERREIRA-EUSTAQUIO DIRECTOR

> JOANN A. VIDINHAR DEPUTY DIRECTOR

STATE OF HAWAII DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS 830 PUNCHBOWL STREET, ROOM 321 HONOLULU, HAWAII 96813 www.labor.hawaii.gov Phone: (808) 586-8844 / Fax: (808) 586-9099 Email: diir.director@hawaii.go

February 4, 2021

The Honorable Nadine Nakamura, Chair Committee on Housing House of Representatives State Capitol, Room 442 Honolulu, Hawaii 96813

Dear Chair Nakamura:

Subject: House Bill (HB) 212, Relating to Fire Protection

I am Manuel P. Neves, Chair of the Hawaii State Fire Council (SFC) and Fire Chief of the Honolulu Fire Department (HFD). The SFC and the HFD support HB 212, which requires contractors of new one- and two-family dwellings to provide buyers with information on the costs associated with the installation and maintenance of a residential fire sprinkler system, with the following revision:

§ -4 Residential fire sprinkler cost estimate form.

(a) The state fire council department of commerce and consumer affairs' professional and vocational licensing division shall develop a standard form for new construction for the buyer's acceptance or rejection of a residential fire sprinkler system. The form shall include the cost estimate provided by the licensee and whether or not written information on the benefits of a residential fire sprinkler system was provided by the state fire council. This form or forms may be amended from time to time by the state fire council Department of Commerce and Consumer Affairs.

Eight out of ten deaths occur in a residential home. Studies have shown that installed fire sprinklers reduce deaths by upwards of 90 percent, regardless if smoke detectors were installed. The SFC and the HFD believe it is beneficial to future homeowners to

The Honorable Nadine Nakamura, Chair Page 2 February 4, 2021

be provided this information during the planning and designing phase in order to make an informed choice. The bill will also allow the SFC to provide written information to potential homebuyers on the benefits of a residential fire sprinkler system and, with the proposed revision, provide a form to document the homebuyer's decision to accept or reject the option to install a residential sprinkler system after being offered a written cost estimate.

In 2020, the SFC was provided a cost estimate from a licensed general contractor to build a 1,800-square foot, four-bedroom and two-bath, single-family home for \$480,000. A licensed sprinkler contractor based in Honolulu provided an estimate for a residential sprinkler in a home for \$2,100 or less than one percent of the total cost. The sprinkler system would be a looped system that is interconnected with the home's domestic water system to allow water to flow each time the domestic water system is used.

Public safety and property protection are priorities of the SFC and the HFD, and information on a residential fire sprinkler system in new one- and two-family dwellings fulfills this objective.

The SFC and the HFD urge your committee's support on the passage of HB 212.

Should you have questions, please contact SFC Administrative Specialist Lloyd Rogers at 723-7176 or lrogers@honolulu.gov.

Sincerely,

MANUEL P. NEVES Chair

MPN/LR:cs