
A BILL FOR AN ACT

RELATING TO EMERGENCY SHELTERS.

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

PART I. DISASTER PREPAREDNESS - NEW STRUCTURES

SECTION 1. The purpose of this part is to:

- (1) Require the department of accounting and general services to adopt administrative rules to serve as a uniform standard of construction for state buildings;
- (2) Require developers of new residential developments to design and construct community facilities to meet hurricane resistant criteria and to install siren warning systems; and
- (3) Require developers of existing residential developments to install siren warning systems.

SECTION 2. Chapter 107, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§107- State building design and construction. (a) The department of accounting and general services shall adopt rules pursuant to chapter 91 to provide a building code for state-owned buildings, including but not limited to, public

1 school facilities. The building code shall include the latest
2 edition of:

3 (1) The International Building Code, published by the
4 International Code Council; and

5 (2) Code provisions based upon nationally published codes
6 or standards that include but are not limited to
7 residential and hurricane resistive standards for one-
8 and two-family residential construction, fire,
9 elevator, electrical, plumbing, mechanical, energy
10 conservation standards for building design and
11 construction, and private sewage disposal.

12 (b) Upon adoption of rules under subsection (a), the State
13 shall be exempted from county building codes for state-owned
14 buildings."

15 SECTION 3. Chapter 127, Hawaii Revised Statutes, is
16 amended by adding a new section to be appropriately designated
17 and to read as follows:

18 "§127- Residential development projects; civil defense
19 preparedness. (a) Beginning July 1, 2006, the developer of a
20 development or a residential project shall:

21 (1) Design and construct community facilities, if
22 community facilities are included in the development



1 or project, to meet, at a minimum, hurricane resistant
2 criteria; and

3 (2) Install emergency siren systems within the development
4 or residential project.

5 This subsection shall apply to a new development or a new
6 residential project constructed after July 1, 2006, as well as a
7 development or residential project in progress as of July 1,
8 2006.

9 (b) Beginning July 1, 2006, the developer of an existing
10 development or residential project shall install emergency siren
11 systems within the development or residential project.

12 (c) As used in this section:

13 "Community facilities" includes real and personal property,
14 and buildings, equipment, lands, and grounds for recreational or
15 social assemblies, for educational, health, or welfare purposes
16 and necessary or convenient utilities, when designed primarily
17 for the benefit and use of the occupants of the dwelling.

18 "Developer" and "development" shall have the same meaning
19 as in section 46-141.

20 "Hurricane resistant criteria" means design criteria for
21 enhanced hurricane protection areas, capable of withstanding a
22 five hundred-year hurricane event as developed by the department



1 of defense for public shelter and residential safe room design
2 criteria pursuant to Act 5, Special Session Laws of Hawaii 2005.

3 "Residential project" shall have the same meaning as in
4 section 206E-2."

5 PART II. DISASTER PREPAREDNESS - EXISTING STRUCTURES

6 SECTION 4. The purpose of this part is to:

7 (1) Appropriate funds to retrofit existing structures to
8 better withstand natural disasters;

9 (2) Establish that, prior to the dissolution of the Hawaii
10 hurricane relief fund, and if the Hawaii hurricane
11 relief fund has no policyholders, the annual net
12 investment income earned from the principal in the
13 hurricane reserve trust fund in fiscal years 2006-2007
14 and 2007-2008 shall be deposited to the credit of the
15 loss mitigation grant fund; and

16 (3) Provide an income tax credit for the installation of
17 wind resistive devices.

18 SECTION 5. The director of finance is authorized to issue
19 general obligation bonds in the sum of \$, or so much
20 thereof as may be necessary, and the same sum or so much thereof
21 as may be necessary, is appropriated for fiscal year 2006-2007,
22 to retrofit public school facilities to enable them to be used

1 for emergency shelters. The sum appropriated shall be expended
2 by the department of defense for the purposes of this section.

3 SECTION 6. The appropriation made for the capital
4 improvement projects authorized by section 5 of this Act shall
5 not lapse at the end of the fiscal year for which the
6 appropriation is made; provided that all moneys from the
7 appropriation unencumbered as of June 30, 2008, shall lapse as
8 of that date.

9 SECTION 7. The department of education and the department
10 of defense shall jointly determine which structures presently
11 being used for department of education operations have been
12 designated as emergency shelters but do not meet the department
13 of defense's design standards established pursuant to Act 5,
14 Special Session Laws of Hawaii 2005.

15 The department of education and the department of defense
16 shall also identify sites for new emergency shelters, located
17 within or on the grounds of facilities being used for department
18 of education operations, to be constructed according to the
19 current design standards.

20 The department of defense shall submit a report of any
21 findings and recommendations, including any proposed
22 legislation, to the governor and the legislature no later than



1 twenty days prior to the convening of the regular session of
2 2007.

3 SECTION 8. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$, or so
5 much thereof as may be necessary for fiscal year 2006-2007, for
6 the planning, design, construction, and equipment costs related
7 to retrofitting existing structures presently being used for
8 department of education operations that have been designated as
9 emergency shelters, to comply with design standards established
10 pursuant to Act 5, Special Session Laws of Hawaii 2005.

11 The sum appropriated shall be expended by the department of
12 education for the purposes of this section.

13 SECTION 9. Section 431:22-102, Hawaii Revised Statutes, is
14 amended by amending subsection (a) to read as follows:

15 "(a) There is established a special fund to be designated
16 as the loss mitigation grant fund. Moneys [~~transferred~~]
17 deposited to the loss mitigation grant fund may be expended by
18 the commissioner to carry out the commissioner's duties and
19 obligations under this article. Disbursements from the loss
20 mitigation grant fund shall not be subject to chapter 42F or
21 91."

1 SECTION 10. Section 431P-16, Hawaii Revised Statutes, is
2 amended by amending subsection (i) to read as follows:

3 "(i) Moneys in the hurricane reserve trust fund may be:

4 (1) Disbursed upon dissolution of the Hawaii hurricane
5 relief fund; provided that:

6 (A) The net moneys in the hurricane reserve trust
7 fund shall revert to the state general fund after
8 payments by the fund on behalf of licensed
9 property and casualty insurers or the State that
10 are required to be made pursuant to any federal
11 disaster insurance program enacted to provide
12 insurance or reinsurance for hurricane risks are
13 completed; and

14 (B) If such moneys are paid on behalf of licensed
15 property and casualty insurers, payment shall be
16 made in proportion to the premiums from policies
17 of hurricane property insurance serviced by the
18 insurers in the twelve months prior to
19 dissolution of the fund; or

20 (2) Deposited to the loss mitigation grant fund
21 established under section 431:22-102;



1 provided that all interest earned from the principal in the
2 hurricane reserve trust fund shall be transferred and deposited
3 into the general fund each year that the hurricane reserve trust
4 fund remains in existence[~~+~~]; and provided further that, prior
5 to dissolution of the Hawaii hurricane relief fund, and if the
6 Hawaii hurricane relief fund has no policyholders, the first
7 \$2,000,000 of the annual net investment income earned from the
8 principal in the hurricane reserve trust fund in fiscal years
9 2006-2007 and 2007-2008 shall be deposited to the credit of the
10 loss mitigation grant fund under section 431:22-102."

11 SECTION 11. Chapter 235, Hawaii Revised Statutes, is
12 amended by adding a new section to be appropriately designated
13 and to read as follows:

14 "§235- Wind resistive devices tax credit. (a) There
15 shall be allowed to each taxpayer, subject to the tax imposed by
16 this chapter, an income tax credit for the installation of a
17 wind resistive device, as defined in section 431:22-101, that
18 qualifies for a grant under section 431:22-104. The wind
19 resistive devices tax credit shall be in addition to any grant
20 awarded to the taxpayer under chapter 431:22. The tax credit
21 shall be deductible from the taxpayer's net income tax



1 liability, if any, imposed by this chapter for the taxable year
2 in which the tax credit is properly claimed.

3 (b) The tax credit shall apply as follows, for:

4 (1) Single-family residential property: _____ per cent of
5 the actual cost or \$ _____, whichever is less; or

6 (2) Multi-family residential property: _____ per cent of
7 the actual cost or \$ _____ per unit, whichever is
8 less;

9 provided that multiple owners of a residential property shall be
10 entitled to a single tax credit; and provided further that the
11 tax credit shall be apportioned between the owners in proportion
12 to their contribution to the cost of the wind resistive device.

13 For the purpose of this section, "actual cost" means costs
14 related to the acquisition and installation of the wind
15 resistive device under subsection (a) but does not include the
16 cost of any consumer incentive premiums offered with the sale of
17 the device and costs for which another credit is claimed under
18 this chapter.

19 (c) If the tax credit allowed under subsection (a) exceeds
20 the taxpayer's net income tax liability, the excess of credit
21 over liability shall be refunded to the taxpayer; provided that



1 no refunds or payment on account of the tax credit allowed by
2 this section shall be made for amounts less than \$1.

3 (d) In the case of a partnership, S corporation, estate,
4 trust, or association of apartment owners, the tax credit
5 allowable is for expenses incurred and paid for by the entity
6 for the taxable year. The cost upon which the tax credit is
7 computed shall be determined at the entity level. Distribution
8 and share of credit shall be determined pursuant to section
9 235-110.7(a).

10 (e) If a deduction is taken under section 179 (with
11 respect to election to expense certain depreciable business
12 assets) of the Internal Revenue Code, no tax credit shall be
13 allowed for that portion of the expenses for which the deduction
14 is taken.

15 The basis of eligible property for depreciation or
16 accelerated cost recovery system purposes for state income taxes
17 shall be reduced by the amount of credit allowable and claimed.
18 In the alternative, the taxpayer shall treat the amount of the
19 credit allowable and claimed as a taxable income item for the
20 taxable year in which it is properly recognized under the method
21 of accounting used to compute taxable income.



1 (f) No taxpayer that claims the tax credit under this
2 section shall claim any other credit for the same losses or
3 other expenses or costs.

4 (g) All claims for tax credits under this section,
5 including any amended claims, must be filed on or before the end
6 of the twelfth month following the close of the taxable year for
7 which the credits may be claimed. Failure to comply with the
8 foregoing provision shall constitute a waiver of the right to
9 claim the credit.

10 (h) Application for the hurricane resistant devices tax
11 credit shall be upon forms provided by the department of
12 taxation."

13 PART III. GENERAL PROVISIONS

14 SECTION 12. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 13. This Act shall take effect on July 1, 2006;
17 provided that section 11 shall apply to taxable years beginning
18 after December 31, 2005.



Report Title:

School Buildings; Emergency Shelters; Disaster Preparedness

Description:

Establishes hurricane resistant building code for state buildings. Requires developers to install siren warning devices in developments. Authorizes the issuance of general obligation bonds to fund retrofit of public school buildings for use as emergency shelters. Appropriates funds to retrofit existing and construct new emergency shelters. Transfers investment earnings of the Hawaii hurricane relief fund to the loss mitigation grant fund for two fiscal years. Provides an income tax credit for the installation of wind resistive devices. (SD2)

