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## A BILL FOR AN ACT

RELATING TO SOLAR WATER HEATER SYSTEMS.

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

1           SECTION 1. The legislature finds that in spite of decades  
2 of incentives to install solar water heater systems, such  
3 systems penetrate less than thirty per cent of the market. Act  
4 288, Session Laws of Hawaii 2008, mandated that as of January 1,  
5 2010, all new single-family homes constructed in the State  
6 contain solar water heater systems. However, the existing  
7 housing inventory remains largely unaffected. Equipping older  
8 homes with solar water heater systems provides those homes with  
9 effective sources of clean and renewable energy, and the  
10 legislature should continue to enact laws that will help make  
11 solar water heater systems part of all Hawaii residents'  
12 everyday reality.

13           The purpose of this Act is to increase the amount of solar  
14 water heater systems in Hawaii's existing housing supply by:

15           (1) Providing a fifty per cent higher renewable energy  
16           technologies income tax credit to those who install  
17           solar water heater systems for single-family



1 residential homes before the sale of those dwellings;  
2 and

3 (2) Mandating, with some exceptions, that those who  
4 renovate or make additions worth more than \$50,000 to  
5 single-family residential homes also install solar  
6 water heater systems for their homes.

7 SECTION 2. Chapter 235, Hawaii Revised Statutes, is  
8 amended by adding a new section to part I to be appropriately  
9 designated and to read as follows:

10 "§235- Additional tax credit; sellers of single-family  
11 residences (a) A solar water heater system installed pursuant  
12 to this section shall meet the:

13 (1) Solar energy system standards as defined by section  
14 235-12.5; and

15 (2) Solar water heater system standards established  
16 pursuant to section 269-44.

17 (b) A taxpayer who installs a solar water heater system:

18 (1) For an existing single-family dwelling for which a  
19 solar water heater system was not previously  
20 installed; and

21 (2) Within one hundred eighty days before the taxpayer  
22 closes the sale of the dwelling to another person;



1 shall be eligible to claim a tax credit under 235-12.5 in an  
2 amount that is fifty per cent higher than the monetary amount  
3 the taxpayer otherwise would have been permitted to claim had  
4 the taxpayer not installed the system pursuant to paragraphs (1)  
5 and (2)."

6 SECTION 3. Section 196-6.5, Hawaii Revised Statutes, is  
7 amended to read as follows:

8 "§196-6.5 Solar water heater system required for [new]  
9 certain single-family residential construction[-] projects. (a)

10 On or after January 1, 2010, no building permit shall be issued  
11 for a new single-family dwelling that does not include a solar  
12 water heater system that meets the standards established  
13 pursuant to section 269-44, unless the coordinator approves a  
14 variance. A variance application shall only be accepted if  
15 submitted by an architect or mechanical engineer licensed under  
16 chapter 464, who attests that:

- 17 (1) Installation is impracticable due to poor solar  
18 resource;
- 19 (2) Installation is cost-prohibitive based upon a life  
20 cycle cost-benefit analysis that incorporates the  
21 average residential utility bill and the cost of the



1 new solar water heater system with a life cycle that  
2 does not exceed fifteen years;

3 (3) A renewable energy technology system, as defined in  
4 section 235-12.5, is substituted for use as the  
5 primary energy source for heating water; or

6 (4) A demand water heater device approved by Underwriters  
7 Laboratories, Inc., is installed; provided that at  
8 least one other gas appliance is installed in the  
9 dwelling. For the purposes of this paragraph, "demand  
10 water heater" means a gas-tankless instantaneous water  
11 heater that provides hot water only as it is needed.

12 (b) After December 31, 2014, no building permit shall be  
13 issued for a renovation of or addition to an existing single-  
14 family dwelling that does not include a solar water heater  
15 system that meets the standards established pursuant to section  
16 269-44, unless the coordinator approves a variance. A variance  
17 application shall only be accepted if submitted by an architect  
18 or mechanical engineer licensed under chapter 464, who attests  
19 that:

20 (1) Circumstances exist as described in paragraph (1),

21 (2), (3) , or (4) of subsection (a);



- 1        (2) The cost of the renovation or addition to the party  
2        seeking the permit will be \$50,000 or less; or  
3        (3) The primary purpose of the renovation or addition is  
4        to avoid condemnation or reasonably anticipated  
5        condemnation of the existing dwelling for safety  
6        reasons.

7        [~~b~~] (c) A request for a variance shall be submitted to  
8 the coordinator on an application prescribed by the coordinator  
9 and shall include a description of the location of the property  
10 and justification for the approval of a variance using the  
11 criteria established in subsection (a). A variance shall be  
12 deemed approved if not denied within thirty working days after  
13 receipt of the variance application. The coordinator shall  
14 publicize:

- 15        (1) All applications for a variance within seven days  
16        after receipt of the variance application; and  
17        (2) The disposition of all applications for a variance  
18        within seven days of the determination of the variance  
19        application.

20        [~~e~~] (d) The director of business, economic development,  
21 and tourism may adopt rules pursuant to chapter 91 to impose and  
22 collect fees to cover the costs of administering variances under



1 this section. The fees, if any, shall be deposited into the  
2 energy security special fund established under section 201-12.8.

3 ~~[(d)]~~ (e) Nothing in this section shall preclude any  
4 county from establishing procedures and standards required to  
5 implement this section.

6 ~~[(e)]~~ (f) Nothing in this section shall preclude  
7 participation in any utility demand-side management program or  
8 public benefits fee program under part VII of chapter 269."

9 SECTION 4. Statutory material to be repealed is bracketed  
10 and stricken. New statutory material is underscored.

11 SECTION 5. This Act shall take effect upon its approval.

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INTRODUCED BY:

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JAN 22 2013



# H.B. NO. 1032

**Report Title:**

Solar Water Heater Systems; Incentives

**Description:**

Provides a 50% higher renewable energy technologies income tax credit to those who install solar water heater systems prior to the sale of existing single-family residential dwellings. Mandates the installation of solar water heater systems prior to certain renovations and additions.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

