

**PRESENTATION OF THE  
CONTRACTORS LICENSE BOARD**

TO THE HOUSE COMMITTEE ON HOUSING

TWENTY-NINTH LEGISLATURE  
Regular Session of 2017

Tuesday, February 7, 2017  
9:00 a.m.

**TESTIMONY ON HOUSE BILL NO. 295, RELATING TO CONTRACTOR REQUIREMENTS.**

TO THE HONORABLE TOM BROWER, CHAIR,  
AND MEMBERS OF THE COMMITTEE:

My name is Peter H.M. Lee, Chairperson of the Contractors License Board (“Board”) Legislative Committee. Thank you for the opportunity to testify on House Bill No. 295, which proposes to require contractors building new one- and two-family dwellings to provide buyers with written information on the costs associated with the installation and maintenance of a residential fire sprinkler system as well as information from the State Fire Council on the benefits of such a system.

The Board has not had the opportunity to discuss this bill and will be discussing this measure at its next meeting on February 17, 2017. However, in the past the Board has opposed similar measures which propose to require contractors, who build new one- and two-family dwellings, to provide the purchaser with a written cost estimate for the installation, water meter, permitting, and maintenance of a residential fire sprinkler system as well as written materials that are prepared and adopted by the State Fire Council on the benefits of a residential fire sprinkler system.

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. In order to provide a written

cost estimate, the general building contractor would incur costs for an engineer to design a sprinkler system, have new plans drafted to include the fire sprinkler system and subcontract with a specialty contractor to provide a price proposal for the sprinkler system. After this time, effort and costs have been incurred by the general contractor to provide the written cost estimate for a fire sprinkler system, the purchaser has the option to install the fire sprinkler system.

Thus the Board believes that 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 suggests that perhaps the City and County Department of Planning and Permitting would be the appropriate agency to distribute the State Fire Council's information to assist purchasers in their decision whether to install fire sprinklers and to facilitate the review of the plans for the residential dwelling.

Thank you for the opportunity to provide comments on House Bill No. 295.



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**PRESENTATION OF THE  
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION**

TO THE HOUSE COMMITTEE ON HOUSING

TWENTY-NINTH LEGISLATURE  
Regular Session of 2017

Tuesday, February 7, 2017  
9:00 a.m.

**TESTIMONY ON HOUSE BILL NO. 295, RELATING TO CONTRACTOR  
REQUIREMENTS.**

TO THE HONORABLE TOM BROWER, CHAIR,  
AND MEMBERS OF THE COMMITTEE:

My name is Celia Suzuki, Licensing Administrator of the Professional and Vocational Licensing Division, Department of Commerce and Consumer Affairs (“Department”). The Department appreciates the opportunity to submit comments on House Bill No. 295, Relating to Contractor Requirements.

The purpose of House Bill No. 295 is to require contractors building one- and two-family dwellings to provide buyers with written information on the costs associated with the installation and maintenance of a residential fire sprinkler system as well as information from the State Fire Council (“Fire Council”) on the benefits of such a system.

The Department offers comments regarding the “residential fire sprinkler cost estimate form” only. The measure requires the Professional and Vocational Licensing Division to develop a standard form for new construction for the buyer’s acceptance or denial of a residential fire sprinkler system; and the completed form shall be filed with the Professional and Vocational Licensing Division.

The Department recommends that the Fire Council be the responsible party to develop and file the completed forms, as this function would be best administered with the Fire Council’s expertise in this area and as this measure was proposed as part of the Fire Council’s own package of legislation. The Fire Council can then remit all completed forms to the Department.

Thank you for the opportunity to provide comments on House Bill No. 295.

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Regular Session of 2017

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TO THE HONORABLE TOM BROWER, CHAIR,  
AND MEMBERS OF THE COMMITTEE:

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Thank you for the opportunity to provide comments on House Bill No. 295.

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February 6, 2017

The Honorable Tom Brower, Chair  
Committee on Housing  
House of Representatives  
State Capitol, Room 315  
Honolulu, Hawaii 96813

Dear Chair Brower:

Subject: House Bill (HB) 295 Relating to Contractor Requirements

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 295, 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.

Eight out of ten deaths occur in a residential home. Studies have shown that automatic fire sprinklers reduce the risk of death by 90 percent, regardless if working smoke detectors are present. The SFC and HFD believe it is beneficial that potential homeowners be provided with this information prior to building their home. As such, it is in the best interest of the homeowner and the contractor to discuss the benefits of installing and maintaining a residential fire sprinkler system during the planning and design phase.

We request the insertion of the following into Chapter 444-A, Hawaii Revised Statutes, Disclosure of residential fire sprinkler system information:

"The builder shall, for a period not less than five (5) years from the date the buyer signs the acknowledgement letter of the written cost estimate and materials, maintain true and legible copies of all written cost estimate forms, including the items required in Chapter 444-A.

The Honorable Tom Brower, Chair  
Page 2  
February 6, 2017

The builder shall maintain and provide upon request:

1. True and legible copies of all written cost estimate forms,
2. Summary report of all written cost estimate forms, including but not limited to:
  - i. Total number of written cost estimate forms offered;
  - ii. Total number of written cost estimate forms signed;
  - iii. Total cost of the bona fide estimates of all written statements offered;
  - iv. Total gross square footage of all new homes for which the builder offered written cost estimate forms;
  - v. Final selling price for all new homes for which the builder offered written cost estimate forms; and
  - vi. Computation of the price per square foot and the total cost as a percentage of the new home price of the fire suppression system."

Public safety and property protection are priorities of the SFC and HFD. Approval of an automatic fire sprinkler in new one- and two-family homes fulfills this objective. The SFC and the HFD urge your committee's support on the passage of HB 295 with the addition of the above-mentioned revision.

Should you have questions, please contact SFC Administrator Socrates Bratakos at 723-7105 or [sbratakos@honolulu.gov](mailto:sbratakos@honolulu.gov).

Sincerely,



MANUEL P. NEVES  
Chair

MPN/LR:clc





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**TESTIMONY OF HAWAII LECET  
JOY Y. N. KIMURA**

HOUSE OF REPRESENTATIVES  
THE TWENTY-NINTH LEGISLATURE  
REGULAR SESSION OF 2017

COMMITTEE ON HOUSING

Rep. Tom Brower, Chair  
Rep. Nadine K. Nakamura, Vice Chair

NOTICE OF HEARING

DATE: Tuesday, February 7, 2017  
TIME: 9:00am  
PLACE: Conference Room 423

**TESTIMONY ON HOUSE BILL NO. 295 - RELATING TO CONTRACTOR REQUIREMENTS.**

ALOHA COMMITTEE CHAIR TOM BROWER, COMMITTEE VICE CHAIR NADINE NAKAMURA, AND MEMBERS OF THE COMMITTEE ON HOUSING:

My name is Joy Y. N. Kimura, and I am the Program Specialist at Hawaii LECET. Hawaii LECET is a labor-management partnership between the Hawaii Laborers Union, Local 368, and its unionized contractors.

Mahalo for the opportunity to testify in **STRONG OPPOSITION** to House Bill 295. This measure proposes to require contractors building new one- and two-family dwellings to provide buyers with written information on the costs associated with the installation and maintenance of a residential fire sprinkler system as well as information from the State Fire Council on the benefits of such a system.

It would be improper for a general contractor to provide buyers with written information on the costs associated with installation and maintenance of a residential fire sprinkler system. Only contractors who have the proper fire protection specialty license to do this work can provide a buyer with a price quote. If a general contractor were to do so, they may be in violation of HRS444 for unlicensed activity. No contractor will provide a price quote for work without approved plans and specifications. To require contractors to do so will expose contractors to huge liability concerns.

Also, contractors are not advocates. Perhaps the proponents of this bill should work with the Hawaii Chapter of the Society of Fire Protection Engineers (SFPE) to advocate the benefits of a fire sprinkler system to their clients (buyers) early in the design phase.

In addition, this measure requires the builder to install a residential fire sprinkler system. As defined in this measure, a builder cannot install fire sprinkler systems without the proper specialty contractor license.

For these reasons, we **STRONGLY OPPOSE House Bill 295**, and requests it be held indefinitely.

**TESTIMONY OF STEVE BUNTING**

A resident of Honolulu

**BEFORE THE  
HOUSE COMMITTEE ON HOUSING**

**H.B. 295  
RELATING TO CONTRACTOR REQUIREMENTS**

**9:00 AM  
FEBRUARY 7<sup>TH</sup>, 2017**

Good morning/afternoon Chairman Brower, Vice Chair Nakamura and members of this committee. I'm here today to speak in opposition to House Bill 295.

Since the 1973 publication of "America Burning" by the National Commission on Fire Prevention and Control, the death rate due to fire has been reduced by almost half. However, one statistic that remains constant is that 80% of fire deaths occur in the home<sup>1</sup>.

One recommendation listed in America Burning was that *"the Proposed U.S. Fire Administration support the development of the necessary technology for improved automatic extinguishing systems that would find ready acceptance by Americans in all kinds of dwelling units"*.

Fire Services in the United States responded and developed regulations that would allow for the inexpensive installation of fire sprinkler systems in single-family dwellings. In 1975, the National Fire Protection Association (NFPA) published the first edition of "Standard 13D", *The Installation of Sprinkler Systems in One- and Two-Family Dwellings and Manufactured Homes*.

With NFPA 13D, the focus was changed to protecting the occupants of a dwelling by requiring "quick response, extended coverage" sprinkler heads and a unique, low cost water distribution system.

With the new design standard in hand, one that permitted the installation of extremely less expensive extinguishing systems, the Nation's fire officials began to seek changes in the building codes which would require fire sprinklers in all residential dwellings.

Pushback from the Nation's homebuilders was immediate. The homebuilders made many false claims about residential sprinkler systems including the cost of installation, water damage from leaks, residential sprinkler systems don't save property and the efficacy of smoke alarms.

Substitution of smoke alarms for extinguishing systems is hampered by two problems; maintenance and reliability. 21% of fire deaths in the United States occurred in homes that had smoke alarms that DID NOT operate. And 40% of all fire deaths occur in homes WITH an operating smoke alarm<sup>2</sup>. Smoke alarms are

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<sup>1</sup> In 1973, the President Nixon's National Commission on Fire Prevention and Control conducted a comprehensive study of the growing fire problem in the United States. At the conclusion of the Commission's work, they published the seminal fire prevention document, "America Burning".

<sup>2</sup> NFPA Smoke Alarm Fact Sheet: Reported home fire death by smoke alarm performance, 2009-2013.

simply not producing the results once hoped for by the fire service and its irresponsible of the homebuilders to continually overstate their effectiveness.

The Building Industry Association's (BIA) claim that a residential fire sprinkler system would "cost upwards of \$30,000 to \$40,000" for a new home in Hawaii, is misleading. In 2008, when the International Code Council adopted the sprinkler requirement for dwellings, the NFPA estimated that the cost to install fire sprinklers in a new dwelling was \$1.60 per square foot. This was supported by empirical data submitted to the Code Body, which indicated that Habitat for Humanity was installing systems in their homes for \$1.50 per square foot.

In 2013, the estimate for an average installation dropped to \$1.35 per square foot. The chart below is NFPA's representation of costs for those two years:

	2008	2013
	\$/ Sprinklered sq ft	\$/ Sprinklered sq ft
Mean	\$1.61	\$1.35
Median	\$1.42	\$1.22
Minimum	\$0.38	\$0.81
Maximum	\$3.66	\$2.47

The 2013 cost study included 17 diverse communities across the United States<sup>3</sup>. Assuming the highest rate found in the study, \$2.47 per square foot, the cost of a sprinkler system in a 2,000 square foot home is \$4,940.00. The cost for the same 2,000 square foot home using the average rate of \$1.35 is \$2,700.00.

The cost cited by the Hawaii BIA is derived from the outrageously high cost to install or upgrade a water meter in Hawaii, Kauai and Maui Counties. A one inch water meter that costs less than \$250.00 to purchase new, costs \$2,300 to install in Honolulu. However, the cost to install the same meter in our other counties is<sup>4</sup>:

- Hawaii County; \$13,800.00
- Maui County; \$15,700.00
- Kauai County; \$26,400.00

Legislation focused on this disparity seems called for.

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<sup>3</sup> The variation in costs included such variables as extent of coverage, piping material, water source, permit and inspection fees, system design, custom versus tract homes, foundation type, and a variation in sprinkler regulations.

<sup>4</sup> 2013 State Building Code Council's report on residential sprinkler installations.

Another myth promulgated by the homebuilders is that residential fire sprinklers don't save property. While it's true that the focus of residential sprinkler systems is to save the occupants in the fire's "room of origin", there is plenty of evidence indicating that the systems are effective enough to also contain the fire to the room of origin, or even extinguish the fire. Because of this, the adoption of the residential sprinkler regulations in California came with a valuable benefit to builders and home owners; homes constructed with a residential sprinkler system were allowed to reduce the width of their side yard setbacks and build walls with unprotected openings as close as three feet from a property line. Thereby, increasing the total buildable space on a lot.

Despite statements expressed in the 2013 State Building Code Council's report on residential sprinkler installations, that *"Fire sprinklers have not been proven to enhance the safety of occupants"* and *"...data that suggests that the installation or retrofitting of automatic sprinklers will significantly improve the fire safety of homes does not exist"*, a 15 year study of residential sprinklers in Prince George's County Maryland, demonstrates otherwise:

- During the study period between 1997 and 2007, there were 13,494 single-family and townhouse fires.
- There were 101 deaths and 328 injuries in unsprinklered single-family homes or townhouses;
- There were no deaths and 6 injuries in the fires that occurred in 245 sprinklered single-family homes and townhouses. (There were 445 persons present at the time of the fires.)
- Average per incident property loss in an unsprinklered single family home or town house was \$10,000 and \$50,000 if there was a death.
- Average per incident property loss in a sprinklered single family home or townhouse was \$5,000.

Long-term studies conducted in Bucks County, Pennsylvania and Scottsdale, Arizona showed similar results. In all three studies, there were no deaths in sprinklered single-family homes or townhouses and property losses were greatly reduced.

Let me conclude by saying that the typical home has many health and safety features that are required by a variety of codes. These include the size and type of construction materials, electrical circuit protection, sanitary ventilation and drainage, bedroom escape windows, tempered glass doors and windows, and smoke alarms to name a few. In not one of these code applications is the homeowner allowed to "opt out" of compliance with a regulation designed to protect them from harm. Why then, should the State of Hawaii allow homeowners to opt out of a safety feature that has the proven potential to prevent 80% of all fire deaths for such a very low cost?

I hope you'll honor House Resolution 47 of the 2011 legislative session by voting against this bill and supporting residential fire sprinklers in Hawaii<sup>5</sup>. I'll be happy to answer any questions you may have.

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<sup>5</sup> "BE IT RESOLVED by the House of Representatives of the Twenty-sixth Legislature of the State of Hawaii, Regular Session of 2011, that the State Building Code Council is requested to adopt the requirement that automatic fire sprinklers be installed when constructing new one- and two-family dwellings in compliance with the latest edition of nationally-recognized safety codes."

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**Testimony to the House Committee on****February 7, 2017****9:00 am****Conference Room 423****LATE****RE: HB 295 – Relating to Contractor Requirements**

Chair Brower, Vice-Chair Nakamura, and members of the Committee:

My name is Gladys Quinto Marrone, CEO 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.

BIA-Hawaii offers comments on HB 295, which proposes to require contractors building new one- and two-family dwellings to provide buyers with written information on the costs associated with the installation and maintenance of a residential fire sprinkler system as well as information from the State Fire Council on the benefits of such a system.

While BIA-Hawaii understands that providing information on options available to consumers may be advantageous, the actual implementation would be difficult. The ability to provide disclosure is highly problematic for most production new-home construction, as the infrastructure is installed before there is any buyer for it.

Furthermore, the contractor should not be responsible for providing a written cost estimate; an estimate incurs costs for engineering, plans, and subcontractors, but the buyer retains the option to install. Perhaps a more appropriate government agency should be distributing such information.

Finally, such a disclosure would be a non-effective method of educating consumers as it would be lost in the volume of papers that are already required to be signed by the buyer, often without serious review. BIA-Hawaii supports public education of fire safety, & prevention concerns and has offered HFD free booth space at both of our home building and remodeling shows to help facilitate this process.

We appreciate the opportunity to express our views on this matter.