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# LATE TESTIMONY

## Testimony to the Senate Committee on Housing; and Senate Committee on Commerce, Consumer Protection, & Health

February 9, 2017

2:45 pm

Conference Room 225

### **RE: SB 472 – Relating to Fire Protection**

Chairs Espero & Baker, Vice-Chairs Harimoto & Nishihara, and members of the Committees:

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 SB 472, which establishes a tax credit of 30% of the actual cost, including installation, water meter, and permitting fees, of an automatic fire sprinkler system in any one- and two-family dwelling in a structure used only for residential purposes.

Because BIA-Hawaii members represent the entire construction industry, we traditionally have not supported tax credits that favor one sector of the industry over another. We are unable to support this measure as written. Tax credits are intended to serve as incentives, and no such incentive exists if fire sprinklers are not optional for the homeowner. Act 83, SLH 2012, must also sunset. A tax credit provides no incentive for something that is mandatory.

Furthermore, a 30% tax credit that is capped at \$10,000 equates to a sprinkler system that is about \$33,000, which is on the low end of the cost spectrum, depending on where you live.

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