

Honolulu, Hawaii  
February 16, 2018

RE: H.B. No. 1782  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 1782 entitled:

"A BILL FOR AN ACT RELATING TO FIRE PROTECTION,"

begs leave to report as follows:

The purpose of this measure is to incentivize owner-occupants to install automatic fire sprinkler systems in one- and two-family dwellings and units in buildings that are used solely for residential purposes by establishing a tax credit for thirty percent of the actual cost of the system, up to \$5,000.

Hawaii State Fire Council, Honolulu Fire Department, Associa, Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii, and an individual testified in support of this measure. The Department of Taxation, Tax Foundation of Hawaii, and Building Industry Association of Hawaii provided comments.

Your Committee notes that automatic fire sprinklers are the most effective means of saving lives and preserving property in the event of a fire. However, your Committee further notes that the costs associated with installing an automatic fire sprinkler system may not be affordable for the average property-owner.



Your Committee has amended this measure by:

- (1) Clarifying that only the owner-occupant and not the purchaser installing the fire sprinkler may claim the tax credit;
- (2) Changing the application of the tax credit to taxable years beginning after December 31, 2018;
- (3) Clarifying that the tax credit shall not apply to taxable years beginning after December 31, 2028; and
- (4) Changing the thirty percent and \$5,000 maximum credit amount to an unspecified percentage and unspecified maximum dollar amount.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1782, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1782, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Housing,



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TOM BROWER, Chair



