

STAND. COM. REP. NO.

**2185**

Honolulu, Hawaii

**FEB 12 2018**

RE: S.B. No. 2531

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 2531 entitled:

"A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST WITH SPRINKLER RETROFITS,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the issuance of special purpose revenue bonds to assist not-for-profit private organizations, for-profit private organizations, and public instrumentalities in the retrofitting of low- and moderate-income apartment complexes with sprinkler systems.

Your Committee received testimony in support of this measure from the Fire Department of the City and County of Honolulu, Fire Department of the County of Kaua'i, and Hawaii State Fire Council. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the fire at the Marco Polo condominium on July 14, 2017, highlights the dangers of fire in older apartment buildings. Automatic fire sprinkler systems are proven solutions to fires in high rise buildings. Death rates and property loss are substantially reduced when these systems are installed and properly maintained.

Your Committee further finds that the installation of fire sprinkler systems can pose a heavy financial burden to property

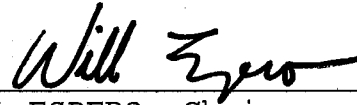


owners on small or fixed incomes. This measure provides financial support to certain entities that will ultimately help property owners who normally would be unable to carry the financial burden to protect themselves and their neighbors from a high rise fire.

Your Committee notes the comments submitted by the Department of Budget and Finance that this measure fails to specify the parties to which the special purpose revenue bonds are proposed to be issued. The approval of the issuance of special purpose revenue bonds and conduit loan are dependent upon compliance with all federal, state, and credit underwriting requirements. Thus, your Committee believes that this issue merits further discussion as this measure moves through the legislative process.

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 S.B. No. 2531 and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

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



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WILL ESPERO, Chair



The Senate  
 Twenty-Ninth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Housing**  
**HOU**

Bill / Resolution No.:* <i>SB 2531</i>	Committee Referral: <i>HOU, WAM</i>	Date: <i>2/1/18</i>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
ESPERO, Will (C)	✓			
HARIMOTO, Breene (VC)	✓			
GREEN, Josh	✓			
KAHELE, Kaiali'i				✓
NISHIHARA, Clarence K.				✓
<b>TOTAL</b>	<b>3</b>			<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Breene Harit</i>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes