

STAND. COM. REP. NO.

256

Honolulu, Hawaii

February 12, 2019

RE: H.B. No. 502

H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 502 entitled:

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

begs leave to report as follows:

The purpose of this measure is to incentivize homeowners to install automatic fire sprinklers by providing an income tax credit for thirty percent of the costs.

The Hawaii State Fire Council, Honolulu Fire Department, Maui Fire Department, O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, and an individual testified in support of this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2050, to promote further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.



Your Committee notes that testimony has raised concerns about establishing a tax credit to promote social policy as less transparent than a direct appropriation. Should your Committee on Finance consider this measure, your Committee respectfully requests that it examine whether an income tax credit is the best method for incentivizing the installation of automatic fire sprinklers.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 502, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 502, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Consumer  
Protection & Commerce,



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ROY M. TAKUMI, Chair



State of Hawaii  
House of Representatives  
The THIRTIETH Legislature

HSCR 256

**Record of Votes of the Committee on Consumer Protection & Commerce**

<b>Bill/Resolution No.:</b> <span style="font-size: 1.2em;">HB 502</span>	<b>Committee Referral:</b> <span style="font-size: 1.2em;">CPC, FIN</span>	<b>Date:</b> <span style="font-size: 1.2em;">2/9/19</span>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKUMI, Roy M. (C)	✓			
2. ICHIYAMA, Linda (VC)	✓			
3. AQUINO, Henry J.C.				✓
4. BELATTI, Della Au	✓			
5. CABANILLA ARAKAWA, Rida	✓			
6. CACHOLA, Romy M.	✓			
7. HAR, Sharon E.	✓			
8. KONG, Sam Satoru	✓			
9. MIZUNO, John M.	✓			
10. ONISHI, Richard H.K.	✓			
11. MATSUMOTO, Lauren	✓			
<b>TOTAL (11)</b>	10	0	0	1
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small style="margin-left: 100px;">committee acronym(s)</small>				
<b>Vice Chair's or designee's signature:</b> <span style="font-family: cursive; font-size: 1.2em;">Robert Ching</span>				
<b>Distribution:</b> Original (White) – Committee            Duplicate (Yellow) – Chief Clerk's Office            Duplicate (Pink) – HMSO				