

STAND. COM. REP. NO.

142

Honolulu, Hawaii

February 7, 2019

RE: H.B. No. 524  
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 Housing, to which was referred H.B. No. 524  
entitled:

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

begs leave to report as follows:

The purpose of this measure is to establish a nonrefundable  
tax credit to incentivize homeowners of one- and two-family  
residential dwelling units to install automatic fire sprinklers or  
sprinkler systems during the taxable years starting January 1,  
2020, but not later than December 31, 2025.

The O'ahu County Committee on Legislative Priorities of the  
Democratic Party of Hawai'i submitted testimony in support of this  
measure. The Building Industry Association of Hawaii submitted  
testimony in opposition to this measure. The Department of  
Taxation, Hawaii State Fire Council, Honolulu Fire Department,  
Kaua'i Fire Department, Hawai'i Fire Department, and Tax Foundation  
of Hawaii submitted comments on this measure.

Your Committee notes the testimony of the State Fire Council  
requesting that the bill be amended to include owners of existing  
high-rise residential buildings because the tax credit will help  
those homeowners to install fire sprinklers by reducing the cost.

HB524 HD1 HSCR HSG HMS 2019-1591



Your Committee also notes the testimony of the Department of Taxation that the inclusion of definitions for the terms "fire sprinkler," "fire sprinkler system," and "new detached one- or two-family dwelling unit" may minimize taxpayer confusion.

Your Committee has amended this measure by:

- (1) Changing the amount of the tax credit to an unspecified percentage;
- (2) Changing its effective date to January 1, 2050, to promote further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 524, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 524, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

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



---

TOM BROWER, Chair



