

STAND. COM. REP. NO.

3340

Honolulu, Hawaii

FEB 28 2020

RE: S.B. No. 2131  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2020  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2131, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to promote the installation of residential fire sprinklers in homes throughout the State.

More specifically, this measure establishes an income tax credit to offset the cost of installing an automatic fire sprinkler system in any new one- or two-family dwelling of a building that is used only for residential purposes.

Your Committee received written comments in support of this measure from the Hawaii State Fire Council, Kauai Fire Department, and Maui Fire Department

Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

Your Committee finds that automatic fire sprinkler systems have a proven record of significantly reducing loss of life, injury, and property damage caused by fires. However, residential fire sprinklers in one- and two-family dwellings are rare in Hawaii. One reason for the lack of residential fire sprinklers is



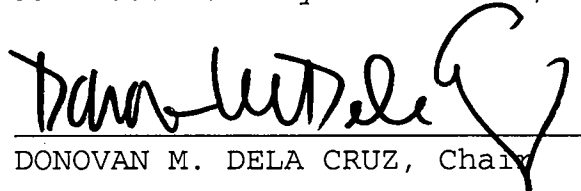
the high cost of installation. Your Committee therefore finds that an incentive is needed to encourage the installation of fire sprinklers in new homes.

Your Committee has amended this measure by:

- (1) Changing the amount of the tax credit to an unspecified percentage of a taxpayer's costs to install an automatic fire sprinkler system;
- (2) Changing the cap amount of the tax credit from \$5,000 to an unspecified amount;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2131, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2131, S.D. 2.


Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
DONOVAN M. DELA CRUZ, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB 2131, SDI</b>	Committee Referral: <b>PSM, WAM</b>	Date: <b>02/20/20</b>		
<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 type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani				X
HARIMOTO, Breene	X			
INOUE, Lorraine R.				X
KAHELE, Kaiali'i				X
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.				X
FEVELLA, Kurt	X			
<b>TOTAL</b>	<b>9</b>			<b>4</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<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