

House Bill 1811 Sprinkler Legislation Talking Points

The proposed sprinkler legislation would:

- *Allow an additional two years for clubs to install sprinklers. The date of implementation is moved from December of 2007 to December of 2009.*
- *Provides a B&O tax credit for establishments to recoup costs associated with installing the system.*
- *Changes the definition of what establishments are subject to sprinkler mandates to those with dance floors of 350 or more feet.*

Talking Points:

Introduce yourself.

Thank the members for the opportunity to speak. Thank Representatives Simpson and Pedersen for their work on this important issue.

Let them know what establishment you represent, what kind of establishment it is (i.e. country and western, etc.).

The law as is currently stands threatens small businesses across the state because:

- Huge cost associated with installing a system – anywhere from \$25,000 to \$75,000 depending on the establishment – some businesses simply will go out of business because of the cost.
- No ability to recoup costs – this business has a very small profit margin
- Many establishments do not own their buildings and property tax credit does nothing to provide financial relief.
- Some establishments may have to pay for sprinkling an entire building, even if they are just a small portion of the footprint due to fire code.
- The short time in which implementation is mandated is difficult from both a financial and planning perspective.
- The value of establishments subject to this law has dropped significantly due to the uncertainty and high cost of implementation.

Encourage passage of HB 1811 because:

- The length of time for installation is extended by two years, giving establishments more time to install such systems and pay for them.
- Provides a tax break for your small business, which cannot afford to recoup the costs of such an expensive system (give them the estimate that you've received if applicable).
- The current definition better covers establishments that the initial legislation meant to capture.

This is a good start toward providing relief for small business owners.

The B&O tax relief will be helpful, but will not allow many establishments to recoup the entire cost of installing a full fledged sprinkler system.

I encourage you to implement a grant program that provides establishments subject to this legislation the opportunity to access funds to support this effort.

Again, thank you for the opportunity to testify.