

INDIANA BUILDERS ASSOCIATION  
Legislative and Regulatory Report #21  
June 29, 2007

Rick Wajda- (800) 377-6334- [rick@buildindiana.org](mailto:rick@buildindiana.org)  
Roger Stephens- (800) 377-6334- [rogers@bagi.com](mailto:rogers@bagi.com)  
Brooke Burtnett- (800) 377-6334- [brooke@buildindiana.org](mailto:brooke@buildindiana.org)

House of Representatives- (800) 382-9842  
Indiana Senate- (800) 382-9467

## **HIGHLIGHTS**

### **NAHB Build-PAC Baseball Game Road Trip**

The Indiana Builders Association, in an effort to raise funds for the NAHB Build-PAC, is taking a road trip to Cincinnati to watch the Cincinnati Reds take on the Milwaukee Brewers on Thursday, July 26<sup>th</sup>. A \$250 minimum contribution to NAHB Build-PAC will get you one ticket to the game, refreshments, and transportation to and from Indianapolis in a luxury motor coach. Tickets are running out, so be sure to call Brooke at the IBA Office to reserve your spot. (800-377-6334).

\*Only Personal checks or Non-Personal Corporate charges may be accepted by Build-PAC.

### **Decision made in Carmel/Clay Annexation Case**

The Indiana Supreme Court ruled this week that Carmel may annex Southwest Clay Township. The township will now become part of Carmel in 2010. The court's 5-0 ruling marked the first time the state's highest court has ruled on the current annexation law. Many cities and towns have been waiting on this ruling; it will inevitably lead to future annexations throughout Indiana.

### **Kuzman to Join Ice Miller LLP**

State Representative Bob Kuzman (D-Crown Point), who recently announced his retirement plans for later this summer from the Indiana Legislature, has joined the Ice Miller law firm. He will be a partner in its Public Affairs Group; and will focus on state, local, and federal government issues. He will also work on public affairs management including legislative monitoring and representation, administrative law and government procurement, campaign finance and election law compliance, grassroots programming and political strategy. Officials from Ice Miller have stated that Kuzman will be a major asset to the firm.

## **Immigration Bill Fails in Senate**

A procedural vote that would have cut off debate and moved the Immigration Reform Act of 2007 to final consideration was defeated this week in the US Senate. The motion needed 60 votes, but failed with a final vote of 46-53. The legislation has been pulled from consideration at this time. NAHB intends to work on a new piece of legislation that would address the industry's concerns.

## **Housing Starts Fell 2.1% in May**

According to figures released by the US Commerce Department on June 19<sup>th</sup>, housing starts fell 2.1% in May to a seasonably adjusted annual rate of 1.47 million units. This is down over 24% from the same time last year. The numbers show that builders are cutting back on new production, in the wake of a low home buyer demand. NAHB predicts starts and permits to stabilize late in 2007 before embarking on a systematic recovery process in 2008.

Single-family starts fell 3.4% in May to a 1.17 million-unit rate. Multifamily starts rose 3.1% to a 304,000-unit rate. Meanwhile, there was a 3% increase in total building permits in May to a 1.5 million-unit pace. This was due to a spike in multifamily permitting. However, total permits were down nearly 22% from the same time last year. Single-family permit issuance fell 1.8% in the month while multifamily permit issuance increased 16.5%.

## **Senate Passes Energy Bill**

After two weeks of debate, the US Senate passed the comprehensive energy legislation, HR 6, the CLEAN Energy Act of 2007. NAHB urged senators to address several issues that would impact the housing industry. NAHB had major victories while working on the legislation. One victory came from an amendment, which would require states within the next three years to adopt the 2006 IECC or ASHRAE 90.1-2004 for single and multifamily construction, new construction, and "major renovations". It also would have required states to achieve 30% increases above these codes by 2015, with a 50% increase by 2022. If the states failed to follow the mandates, the Department of Energy would become the oversight authority and been able to offer a national model energy code that it could manage. This amendment was offered by Senator Chuck Schumer, (D-N.Y.) however, NAHB managed to keep the amendment from being voted on. The legislation would have fundamentally altered the established, consensus-based building code process in the United States and would have given authority to the Department of Energy. NAHB, again, was successful in keeping an amendment, offered by Senator Ben Cardin, from being voted on. The amendment would have required all new federal construction to use the LEED (Leadership in Energy and Environmental Design) rating system. NAHB was able to remove the pro-LEED language and amendments at the committee level. Another component to the legislation is it establishes separate compliance criteria for FHA (Federal Housing Administration), RHS (Rural Housing Service), and VA (Veterans Administration) financing versus traditional financing methods which are now used in more than 40 states. Senate Banking Chairman, Chris Dodd (D-Conn.) worked

with NAHB to insert language that will allow the secretaries of HUD and Agriculture to waive the energy code mandate, if it impacts housing accessibility or affordability.

### **Indianapolis Leads Nation in Housing Affordability**

For the seventh consecutive quarter, the Indianapolis metro area leads the nation in housing affordability, according to a study by the National Association of Home Builders and Wells Fargo released this week. The metropolitan area is composed of the following counties: Boone, Brown, Hamilton, Hendricks, Johnson, Marion, Morgan, Putnam, and Shelby. For families earning the area's average income of \$63,800; 89% of homes, sold in the region, are affordable. Also released in the study, Kokomo topped the list of the most affordable areas for smaller markets.