

INDIANA BUILDERS ASSOCIATION  
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Rick Wajda- (800) 377-6334- [rick@buildindiana.org](mailto:rick@buildindiana.org)  
Gretchen White (800) 377-6334 – [gretchen@buildindiana.org](mailto:gretchen@buildindiana.org)  
Roger Stephens- (800) 377-6334- [rogers@bagi.com](mailto:rogers@bagi.com)

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

## **HIGHLIGHTS**

### **SESSION PASSES HALFWAY MARK**

The 2008 General Assembly passed the halfway mark this week which means bills eligible for further action have switched chambers and the process starts over.

### **PROPERTY TAX REFORM PROPOSAL TO BE HEARD MONDAY**

The Senate Tax and Fiscal Policy Committee will begin debating House Bill 1001, largely the Governor's proposed property tax reform proposal, which was approved by the House Monday morning.

### **INDIANA RANKS 10<sup>TH</sup> IN FORECLOSURES**

Indiana logged 52,930 mortgage foreclosures last year, up 11.3-percent from 2006 and 73.6-percent increase from 2005, RealtyTrac Inc said. Indiana is ranked 10<sup>th</sup> nationally and had more than 1% of households in foreclosure.

### **FED CUTS SHORT-TERM INTEREST RATES**

The Federal Reserve cut short-term interest rates by half a percentage point this week in an effort to help the seemingly weakening economy.

## **KEY LEGISLATION STILL ALIVE**

### **MODEL HOME ACT MOVES ON**

House Bill 1164, the Model Home Act, was amended on the House floor to address several questions posed in committee and later voted out of the House 88-4. Representatives Jeb Bardon (D-Indianapolis), Tim Brown (R-Crawfordsville), Tom Saunders (R-Lewisville), and Trent Van Haaften (D-Mount Vernon) voted against the bill. The bill now moves to the Senate where Senators Luke Kenley (R-Noblesville) and Jim Lewis (D-Charlestown) will sponsor the bill. Rep. Ron Herrell (D-Kokomo); Rep. Jim Buck (R-Kokomo); Rep. Sheila Klinker (D-Lafayette); and Rep. Randy Borrer (R-Ft. Wayne) authored the measure in the House. Thank you to those members who contacted their legislators and encouraged their support of the bill!!  
<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2008&session=1&request=getBill&docno=1164>

### **IMMIGRATION BILL SENT TO THE HOUSE**

Senator Mike Delph's (R-Carmel) immigration bill (SB 335) passed the Senate 37-11. SB 335 will be sponsored in the House by Vern Tincher (D-Terre Haute), Woody Burton (R-Whiteland), Eric Turner (R-Cicero), Cindy Noe (R-Indianapolis), and Eric Koch (R-Bedford). The bill would require businesses to use the federal government's E-Verify system, which is an on-line system that verifies whether or not a worker is legal. Many have questioned the accuracy of the system and whether or not it will achieve its desired result. Sources estimate that 60 percent of the illegal workers in the country use fraudulent documents that E-Verify would not catch. IBA will continue to work on this bill to ensure that the home building industry is not negatively impacted with legislation that would punish employers unfairly.

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2008&request=getBill&docno=335>

#### ANNEXATION BILL HAS A TOUGH TIME BUT ULTIMATELY PASSES

Senator Jeff Drozda's (R-Westfield) SB 114 was not able to gain enough support to pass when first called down Tuesday evening but did muster enough votes from colleagues the following day to pass the bill 26-22. The bill now moves to the House for further consideration and IBA is still concerned about the potential impact the waiver language could have for economic development. Representatives Brian Bosma (R-Indianapolis), Steve Stemler (D-Jeffersonville), Terri Austin (D-Anderson), and David Orentlicher (D-Indianapolis) will sponsor the bill in the House.

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2008&request=getBill&docno=114>

#### EMPLOYEE CLASSIFICATION BILL PASSES THE HOUSE

HB 1269, the Employee Classification Act, passed the House 58-40 and attempts to significantly alter the legitimate business practice and use of independent contractors, and assumes that workers on a project are employees of the contractor. HB 1269 implements a vague and confusing definition of "independent contractor" that significantly undercuts traditional methods of defining "subcontractor" status; which involve a more thorough evaluation of the relationship between the worker and the employer. IBA specifically requests that federal standards, such as the Fair Labor Standards Act or the IRS Code be implemented to determine "subcontractor" status. The bill will be sponsored by Senators Gary Dillon (R-Pierceton), Jeff Drozda (R-Westfield), John Broden (D-South Bend), Karen Tallian (D-Portage), Robert Deig (D-Mt. Vernon), and Jim Arnold (D-LaPorte). IBA is working to defeat the legislation in the Senate.

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2008&request=getBill&docno=1269>

#### MOST, NOT ALL TOWNSHIP ASSESSORS TO BE ELIMINATED

SB 16, the bill that would have eliminated all township assessors, was amended to allow for assessors to remain in Marion County townships and other townships with at least 15,000 parcels. The bill's author, Senator Connie Lawson (R-Danville) made the change on the Senate floor and the bill passed 29-18. The bill will be sponsored in the House by Representatives Peggy Welch (D-Bloomington), Jeff Espich (R-Uniondale), and Phil GiaQuinta (D-Fort Wayne).

<http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2008&request=getBill&docno=16>

#### GREEN BUILDING MANDATE SQUEAKS BY

House Bill 1280, which provides that certain public works contracts valued at one million dollars or more be built or remodeled to LEED Silver, Green Globes Two Globe, or an equivalent ANSI-Certified Standard passed 51-45, the minimum vote needed to achieve a constitutional majority. The bill will be sponsored in the Senate by Brandt Hershman (R-Monticello), Vi Simpson (D-Bloomington), and Jean Breaux (D-Indianapolis). IBA is opposed to the mandate language in the bill.

<http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2008&request=getBill&docno=1280>

#### LEAD LEGISLATION CONTINUES TO HOUSE

Senator Beverly Gard's (R-Greenfield) legislation (SB 143) to address childhood lead poisoning passed 35-13. IBA has been working with Senator Gard to address our concerns and will continue monitoring the bill as it moves through the process.

<http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2008&request=getBill&docno=143>

#### ARCHEOLOGY LEGISLATION SAILS THROUGH HOUSE

HB 1129, the archeology legislation which focused on artifacts and burial grounds, passed unanimously in the House 95-0 this week. The legislation now moves to the Senate where IBA will continue to monitor any changes made. Senators Jim Merritt (R-Indianapolis) and Richard Young (D-Milltown) will sponsor the legislation in the Senate.

<http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2008&request=getBill&docno=1129>

#### LEGISLATION NO LONGER ELIGIBLE FOR ACTION

Numerous bills dealing with Daylight Saving Time, immigration, and annexation proposals are among the bills which did not make it through the first half of session. Below are several bills which are no longer moving through the process.

HB 1080: Homeowners Association *Hinkle (D-Indianapolis)*  
The bill intended to give clarification on Homeowner Association rules and provide various definitions within state law. It has been rumored that this issue may be studied in an interim study committee this summer.

HB 1089: Fire Sprinkler Contractors and Installers *Niezgodski (D-South Bend)*  
Required the fire prevention and building safety commission to certify fire sprinkler contractors and installers.

HB 1091: Growth and Development Study Committee *Dvorak (D-Indianapolis)*  
Established a two year growth and development interim study committee. Directs the committee to examine incentives for growth and development and to study the impact of

growth and development on taxes, transportation funding, energy policy, and the environment.

HB 1231: Mechanic's Lien *Elrod (R-Indianapolis)*  
Provides that a mechanic's lien has priority over a mortgage or a lien for the development, construction, alteration, or repair of certain property.

HB 1242: Business Tax Matters *Pelath (D-Michigan City)*  
Provides that various business tax incentives, deductions, credits, and refunds expire December 31, 2009 and shall be reviewed by the legislative council.

SB 264: County Executive *Broden (D-South Bend)*  
Provides that in counties other than Marion County, the boards of county commissioners are eliminated effective January 1, 2013, the county executive is a single elected chief executive officer, and the county legislative body as well as the county fiscal body.

SB 275: New Home Salespeople *Lawson (R-Danville)*  
Bill included a provision to require all new home salespeople be licensed Realtors

SB 287: Building Standards *Breaux (D-Indianapolis)*  
Requires a public works contract for the construction of a public building or structure is required to meet at least the LEED Silver Rating or an equivalent rating system, such as Two Globes rating system.

SJR 8: Property Tax Repeal *M. Young (R-Indianapolis)*  
Repealed the state's ability to impose property taxes.

## **NAHB**

### **NAHB URGES FED POLICYMAKERS TO DO MORE**

In addition to the interest rate cuts, NAHB is urging lawmakers to: raise the Fannie Mae/Freddie Mac conforming loan limit for two years; extend the carryback of net operating losses for five years to enable struggling businesses to avoid lay-offs and maintain their viability; and allow cities and states to use tax-exempt mortgage bonds to refinance existing loans to help troubled borrowers.

### **BUILDERS LINE UP FOR GREEN EDUCATION AT BUILDERS' SHOW**

Plans to launch the NAHB National Green Building Program are set for Thursday, February 14<sup>th</sup> at the International Builders' Show and NAHB has designated Thursday, February 14<sup>th</sup> at the show as Green Day. At the Builders' Show, more than two dozen green-themed educational events are planned with plenty of interest from attendees. There will be sessions focused on sustainable architecture, "Green 101," and courses needed to meet the requirements for earning the new Certified Green Professional designation.