

E1221  
INDIANA BUILDERS ASSOCIATION  
Legislative and Regulatory Report #4  
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## **HIGHLIGHTS**

### **COMMITTEE DEADLINE PASSES, ALMOST HALFWAY POINT IN SESSION**

The deadline for committee reports to be adopted has passed and next week marks the halfway point of session when bills switch chambers. Any bills not voted out by the House or Senate next week will be ineligible for further action. There was a lot of activity this week and IBA has had some great victories so far in session but lots of work is still ahead.

### **STATE LAWMAKER CRITICALLY ILL**

State Senator David Ford (R-Hartford City) is critically ill with cancer at a Fort Wayne hospital. Senator Ford has been very active on business issues and Chairs the Senate Committee on Economic Development and Technology. Senator David Ford has been an advocate for affordable housing and would ask for you to keep him and his family in your prayers during this critical time.

### **HOUSE PASSES PROPERTY TAX BILL**

The Indiana House voted 93-1 in favor of House Bill 1001 Thursday afternoon. The bill is largely Governor Mitch Daniels property tax relief plan with a few changes. On the House floor Tuesday evening, 27 amendments were adopted which include:

- Freezing property taxes for Hoosiers 65 and older who earn less than \$35,000 per year and whose home is valued at less than \$200,000;
- Reducing the cap for property taxes on agricultural land to 2% from 3% of assessed value;
- Doubling the renter's deduction on state income taxes to \$5,000 from \$2,500;
- Making referendums apply only to school projects that include recreational facilities such as stadiums and swimming pools;
- Placing the proposed homestead deduction in Daniels' plan on a sliding scale, giving less relief to owners of higher-priced homes; and
- Increasing the earned income tax credit for the working poor to 9% from 6%.

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2008&session=1&request=getBill&docno=1001>

### **MODEL HOME ACT AWAITS FLOOR ACTION**

HB 1164, which is a property tax deduction for model residences was introduced by Rep. Herrell (D-Kokomo) and Rep. Buck (R-Kokomo) and subject to certain restrictions, allows a 100% property tax deduction for a model residence for not more than: (1) an assessment date for which the residence is partially assessed; and (2) the first three years for which the residence is fully assessed. Provides that not more than three model residences in Indiana owned by the same owner may qualify for the deduction for an assessment date.

*IBA encourages members to contact their legislator in the House and encourage them to vote YES when the bill is called for a vote early next week.*

<http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2008&request=getBill&docno=1164>

#### LICENSING OF NEW HOME SALESPEOPLE MEASURE DIES

The requirement of licensing new home salespeople was included in Senator Connie Lawson's (R-Danville) filed version of Senate Bill 275 died this week after not being head in committee. IBA opposed the licensing provision contained in SB 275 and will be monitoring bills to make sure the issue does not arise in any other pieces of legislation.

#### CONSTRUCTION REGISTRY VOTED OUT OF THE SENATE

The legislation that would create a Statewide Construction Registry passed the Senate 46-0 this week. Senate members named Representative Scott Reske (D-Pendleton) and Ralph Foley (R-Martinsville) as House sponsors for SB 257. IBA is working to address concerns in the House. The bills author, Senator David Ford (R-Hartford City), has fallen ill and is not expected to return to the Statehouse.

<http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2008&request=getBill&docno=257>

#### ANNEXATION BILL PROGRESSES

The annexation bill which provides a waiver is not a covenant running with the land and expires three years after the date issued moves on to a final vote next week. Senator John Broden (D-South Bend) filed an amendment to remove the waiver portion but was defeated on the Senate floor. IBA has concerns with the waiver language in SB 114 and its potential negative impact to economic development across the state. IBA will work to have the waiver portion removed as the bill progresses.

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

#### ILLEGAL IMMIGRATION BILL APPROVED BY COMMITTEE

SB 335 authored by Senator Delph (R-Carmel) passed out of the Senate Pensions and Labor Committee earlier this week by a 10-1 margin and now heads to the floor of the Senate for consideration. IBA continues to express some concerns with the legislation and believes the issue should be addressed at the federal level. SB 335 prohibits employers from "knowingly" hiring illegal aliens. If an employer is found to have violated the law, then there is a cumulative sanction levied against the employer. For the first offense, there is a warning; for the second offense within a 10-year period, there is a

10-day suspension of the business license; and for the third offense within the 10-year period, the employer would lose its license to do business in the state.

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

#### **BUILDERS TO PAY A SIREN COVERAGE FEE**

Senate Bill 334, authored by Senator Brent Waltz (R-Greenwood), requires a siren coverage fee to be imposed on a builder that proposes a development in an area of the county not covered by a siren. The bill passed Senate Local Government Committee 7-0 this week. Please contact Roger Stephens for additional information at [Rogers@bagi.com](mailto:Rogers@bagi.com).

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2008&request=getBill&docno=334>

#### **GREEN BUILDING MANDATE PASSES COMMITTEE**

House Bill 1280, a green building mandate passed the House Environmental Affairs committee Wednesday 7-3 and now moves on to the House floor. The bill requires all public works projects with price tags of \$1 million or more, with the exception of a school corporation and buildings on or eligible to be on the National Register of Historic Places, be built or brought to either: LEED Silver Standard Green Globes, Green Globes Two Globes, or an equivalent ANSI Certified Standard. IBA did work with the bill's author; Representative Matt Pierce (D-Bloomington) to include the provision allowing ANSI certified standards but testified in opposition to the mandate. IBA is opposed to any mandate language for green building and would prefer ANSI approved standards to be the only specific standard mentioned in the legislation.

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

#### **LEAD BILL PROGRESSES**

Senator Beverly Gard's (R-Greenfield) lead legislation underwent additional changes this week in the Senate Health and Provider Services Committee before receiving unanimous approval by committee members. The latest changes include more manageable day care center testing requirements, a requirement that inspectors to certify lead presence when selling the home as opposed to considering the home is an environmental defect, and removes the rebuttable provision for apartment owners. IBA will continue to work with the author of the bill as it progresses through the process.

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

#### **NEWS**

##### **HOUSE APPROVES STIMULUS PLAN, BUSH ENCOURAGES SENATE SUPPORT**

The House recently approved a stimulus package to increase consumer spending, providing rebate checks to 117 million families and \$50 billion in incentives for business to invest in new plants and equipment and would allow for individual taxpayers to get up to \$600 in rebates, working couples \$1,200 and those with children an additional \$300 per child. The plan also allows for 35 million families who make at least \$3,000 but

don't pay taxes would get \$300 rebates. Also included is a raise on Federal Housing Administration loans from \$362,790 to as high as \$729,750 in expensive areas, allowing subprime mortgage holders to refinance into federally insured loans. To widen the availability of mortgages across the country, it also provides a one-year boost to the cap on loans that Fannie Mae and Freddie Mac can buy, from \$417,000 up to \$729,750 in high-cost markets. House leaders and President Bush are pressuring the Senate to approve the package without significant changes.

#### **FEDERAL RESERVE CUTS INTEREST RATES**

The Federal Reserve cut the federal interest rate by  $\frac{3}{4}$  of a percentage point in an emergency move. The Fed also cut the discount rate by  $\frac{3}{4}$  of a percentage point. The Federal Reserve will hold its regular meeting next week and some speculate that another cut may be announced then.

#### **UNEMPLOYMENT RATE REMAINS BEST IN MIDWEST**

Indiana's unemployment rate dropped from 4.7 percent to 4.6 percent from November to December, below the national rate of 5.0 percent. It is the eight consecutive month that Indiana's rate was the lowest in the six-state Midwest region.

#### **NAHB**

##### **GREEN MANDATE AN OBSTACLE TO HOPE VI SUPPORT**

NAHB has long supported the Hope VI program, a unique initiative that has contributed to the revitalization of some of the most difficult public housing neighborhoods in the nation, the association ultimately opposed the bill because it would mandate green building requirements through the Green Communities and the U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) rating system. NAHB will continue to oppose the mandates as H.R. 3524 moves on to the Senate.

##### **HOUSING INCENTIVES KEY TO SUCCESS OF STIMULUS PACKAGE**

To help stimulate the economy and address the current housing situation, NAHB, in a letter to lawmakers, urged them to consider a tax credit for the purchase of a home to eliminate excess inventory, relieve pressure on falling housing prices and increase housing demand. NAHB also suggests expanding the net operating loss (NOL) tax deduction to allow business losses to be deducted from taxes paid from the previous five years (instead of current two years).

#### **BILLS OF INTEREST**

##### **HB 1129 Archeology (Pierce D-Bloomington)**

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

Redefines "artifact", and changes the date used in determining whether an object or feature is an artifact. Redefines "burial ground" to include certain historic sites. Redefines "plan" to include a plan for excavation of ground related to construction. Exempts qualified professional archeologists who conduct phase 1a archeological surveys from

certain archeological restrictions. Establishes criminal penalties for certain actions that disturb human remains. Requires the department of natural resources (department) to take action on archeology and development plans within 60 days. Requires a person disturbing ground to use reasonable care and diligence to determine if the ground that may be disturbed is within 100 feet of a burial ground. Requires a person who disturbs buried human remains or artifacts to cease disturbing the remains or artifacts and the surrounding area within 100 feet, and makes it a Class A infraction to fail to do so. Includes excavating or covering over the ground a prohibited activity within 100 feet of the limits of a burial ground. Establishes certain requirements for development plans and archeological plans. Applies certain notice requirements to a person who disturbs burial grounds. Requires the department to respond within ten business days after receiving notice of a discovered artifact or burial object. Makes reports concerning the location of historical or archeological sites confidential under some circumstances. Allows certain persons to accompany a conservation officer to investigate a violation of historic preservation and archeology law. Establishes a fund to assist private homeowners who accidentally discover an artifact, a burial object, or human remains and need assistance to comply with an approved archeological or development plan. Allows a court to order restitution for certain costs related to the violation of historic preservation and archeology law. Makes it a Class D felony to possess looted property and a Class C felony if the cost of carrying out an archeological investigation on the site that was damaged to obtain the looted property is more than \$100,000. Provides that a disinterment under a plan approved by the department is exempt from other disinterment procedures. Repeals and relocates the definition of "conservation officer". Makes conforming changes. Makes an appropriation.

*The legislation has passed out of committee and IBA will be closely monitoring any changes to the bill.*

### **HB 1259 Child Safety and CHINS (VanDenburgh D-Crown Point)**

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2008&request=getBill&docno=1259>

Requires the fire building and safety commission to adopt rules requiring certain above ground swimming pools to have an access ladder or steps that may be: (1) secured and locked; or (2) removed.

*IBA is monitoring this legislation.*

### **HB 1269 Employee Classification (Niezgodski D-South Bend)**

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

Provides that an individual performing services for a contractor is considered to be an employee of the contractor, with certain exceptions. Provides for investigations of the employment relationship between an individual and a contractor by the department of labor, procedures to be followed for investigations, and for various civil penalties to be assessed by the department of labor for: (1) the failure to properly classify the individual; and (2) retaliation against certain persons. Provides that a contractor or an agent of the

contractor that intentionally fails to properly classify an individual as an employee commits a Class C misdemeanor, and that the second or subsequent intentional violation within five years is a Class D felony.

*IBA is opposed to this bill and working to defeat it in the Senate.*

### **SB 13 Standardized Public School Building Plans (Hershman R-Monticello)**

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2008&request=getBill&docno=13>

School facility construction and alteration. Requires the state board of education to adopt administrative rules setting forth guidelines for the selection of school sites and the construction, alteration, and repair of school buildings, athletic facilities, and other categories of facilities related to the operation and administration of school corporations. Requires a school corporation to consider the guidelines when developing plans and specifications, and to submit proposed plans and specifications to the department of education. Requires the department to review the plans and specifications and provide written recommendations to the school corporation, including findings as to any material differences between the plans and specifications and the guidelines. Requires the school corporation to have a public hearing on the plans and specifications. Requires the department of education to establish a central clearinghouse containing prototype designs for school facilities. Provides that: (1) architects and engineers registered to practice in Indiana may submit plans to the clearinghouse; (2) the original architect or engineer of record retains ownership of and liability for a prototype design; and (3) a prototype design may not be used without the permission of the original architect or engineer of record.

### **SB 16 Property Tax Assessing Duties (Lawson R-Danville)**

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

Transfers property assessment duties from all township assessors to the county assessor effective July 1, 2008. Allows an elected township assessor to remain in office until the end of the assessor's term for the sole purpose of assisting the county assessor in the transition. Establishes a procedure for removal from office of a county assessor who fails to perform adequately the duties of office. Transfers to the county assessor township employment positions and other resources related to property assessment. Requires the county assessor to interview for those employment positions current township assessor employees who apply. Allows the county assessor to establish satellite offices in the county. Requires the department of local government finance (DLGF) to adopt rules before December 31, 2008, for the establishment of a single state-designed software system to provide a uniform and common property tax management system for all counties. Directs the DLGF to prepare a request for funding of the software system in the next state biennial budget. Provides that the procedures for filling a vacancy in the office of elected township assessor do not apply to a vacancy that occurs before July 1, 2008. Amends the procedure to obtain a review by the county property tax assessment board of appeals. Provides that the county auditor's annual statement to political subdivisions and

the DLGF for counties with taxing units that cross into or intersect with other counties must include the assessed valuation as shown on the most current abstract of property. Provides that each appraiser that performs assessments on behalf of a county property assessment contractor must have a level two assessor-appraiser certification, and requires the department of local government finance to consider before approving the contract the contractor's experience, training, and number of employees. Provides that the DLGF must be a party to appraisal and computer contracts. Provides that after June 30, 2009, an employee of the county assessor who performs real property assessing duties must hold a level two or level three assessor-appraiser certification. Provides that a candidate for county assessor who runs in an election after January 1, 2010, must have attained the certification of a level three assessor-appraiser. Deletes an obsolete provision requiring the development of local computer requirements by the DLGF. Repeals the county land valuation commission and obsolete provisions.

### **Ways to Get Involved**

- Read the weekly legislative report (during session, bi-weekly out of session) to stay informed on legislative action
- Get to know your legislators and meet with them regularly at home and by visiting them at the Statehouse
- Contact your legislators when asked to encourage them to support or oppose particular legislation
- Register with voterVoice, IBA's grassroots lobbying tool to directly communicate with your elected officials. Visit <http://www.buildindiana.org/VoterVoice.htm>