

INDIANA BUILDERS ASSOCIATION
Legislative and Regulatory Report #1
January 4, 2008

Rick Wajda- (800) 377-6334- rick@buildindiana.org
Gretchen White (800) 377-6334 – gretchen@buildindiana.org
Roger Stephens- (800) 377-6334- rogers@bagi.com

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

NEWS/HIGHLIGHTS

NEW PROGRAM DESIGNED TO HELP PREVENT FORECLOSURES

The Federal Home Loan Bank of Indianapolis recently announced a new \$100 million lending initiative called HomeRetain. The initiative will help the bank's financial institution members to assist families in Indiana and Michigan facing foreclosure. The money may be used to modify or refinance mortgages to more favorable terms.

STATE PROMOTES FORECLOSURE COUNSELING

The Indiana Foreclosure Prevention Network Initiative started in November and already is receiving about 70 calls per day. Lt. Governor Becky Skillman unveiled the campaign at a foreclosed home on the east side of Indianapolis and IBA staff was in attendance.

NEW JOB CREATION RECORD IS SET

State officials say they have broken the state's previous job commitment record set one year ago. The Indiana Economic Development Corporation received commitments from 158 companies to create more than 22,600 new jobs by 2012.

REGULATORY

NEW CODES ADOPTED BY THE BUILDING SAFETY COMMISSION

The Fire Prevention and Building Safety Commission at their regular monthly meeting January 3, 2008 adopted new amendments to the 2005 Indiana Residential Code, and also adopted other new codes for the state. These new codes include: 2008 Indiana Building Code (2006 International Building Code plus amendments), 2008 Indiana Fire Code (2006 International Fire Code plus amendments), 2008 Indiana Mechanical Code (2006 International Code plus amendments), and 2008 Indiana Fuel Gas Code (2006 International Fuel Gas Code plus amendments). These codes will become effective after review by the Attorney General's Office, signature by the Governor, and filing with the Secretary of State. IBA expects the effective date to be close to April 1, 2008.

LEGISLATIVE

SENATOR GARD TO AUTHOR LEAD BILL

Senator Beverly Gard (R-Greenfield) recently held a press conference with the State Attorney General Steve Carter and Janet McCabe of Improving Kids Environment to announce support for the filed legislation. The legislation seeks to establish the Lead-Safe Housing Advisory Council, require annual lead risk assessments on child care

facilities, ensure blood lead testing results are promptly delivered to local health officials, mandate “lead safe work practices” training for contractors, and seek to remediate homes known to have caused or contributed to elevated blood lead levels. IBA attended the press conference and have a meeting scheduled with the bill’s author next week.

LEGISLATION ON HOMEOWNER ASSOCIATIONS TO BE FILED

Representatives Phil Hinkle and Win Moses plan to file a bill dealing with Home Owner Associations. The bill will give clarification on Home Owner Association rules and provide various definitions within state law. If you are interested in learning more about this legislation, please contact Roger Stephens (rogers@bagi.com).

CAUCUS SCHEDULED TO CHOOSE CANDIDATE TO REPLACE CARSON

The Indiana Democratic Party will hold a caucus January 12 to choose a candidate for the special election to replace the late Indiana Congresswoman Julia Carson.

STATE SENATOR TOM WEATHERWAX WILL NOT SEEK RE-ELECTION

Senator Tom Weatherwax has announced he will retire at the end of 2008. Weatherwax currently serves as the Vice Chair of Senate Tax and Fiscal Policy Committee and was first elected to the Senate in 1988.

LEGISLATURE RECONVENES NEXT WEEK

The Indiana Senate and House officially begin work Tuesday, January 8th and expect there will be activity next week. IBA is reviewing filed legislation available but expect it will be another couple weeks before all of the proposed legislation is released.

Make sure to check in weekly for updates on key legislation and contact IBA with any questions you may have.

PROPOSED LEGISLATION OF INTEREST

HB 1001 Property Tax Relief (Crawford, D-Indianapolis)

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

Property tax relief. Replaces elected county assessors with county assessors appointed by the county fiscal body. Eliminates township assessors. Increases the circuit breaker credit for homesteads and certain rental property. Provides an additional 35% supplemental standard deduction for homesteads. Provides an additional homestead credit for 2008. Eliminates state reimbursed homestead credits and property tax replacement credits in 2009. Eliminates: (1) school tuition support levies; (2) school transportation fund levies; (3) county medical assistance to wards fund levies; (4) family and children's fund levies; (5) children's psychiatric residential treatment services fund levies; (6) children with special health care needs county fund levies; (7) the state forestry fund levy; (8) the state fair fund levy; and (9) the department of local government finance data base management levy. Changes the formula for determining the maximum permissible growth in certain levies and eliminates the authority of a county to restrict review of levies, tax rates, and budgets by a county board of tax and capital projects review. Requires a referendum on

bond issues and lease agreements payable from property taxes or local income taxes and that cost at least 1% of a political subdivision's total net assessed value or \$10,000,000. Permits a referendum to increase a levy in excess of the amount approved by the county board of tax and capital projects review. Replaces the authority of a county to impose an annual levy growth tax rate, a public safety tax rate, and a property tax replacement tax rate with a single rate not to exceed 1%. Increases the gross retail and use tax to 7%. Establishes the transportation study committee. Makes other changes. Makes appropriations.

HB 1038 Time Zone Referendum (Battles D-Vincennes)

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2008&request=getBill&docno=1038>

Time zone referendum. Requires two public questions to be placed on the 2008 general election ballot asking voters: (1) whether all Indiana should be located in the same time zone; and (2) if all Indiana could be located in the same time zone, whether it should be located in the Central Time Zone or the Eastern Time Zone.

SB 9 Real Estate Disclosure Forms (Steele R-Bedford)

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2008&request=getBill&docno=9>

Real estate disclosure forms. Repeals the law that requires an owner of residential real estate to: (1) complete and sign a real estate disclosure form; and (2) submit the form to a prospective buyer; before an offer for the sale of the residential real estate is accepted.

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>

Standardized public school building plans. Requires the department of education, in cooperation with the building law compliance officer of the department of homeland security, to develop and update standard plans and specifications for the construction of a school building, an athletic facility, or a building relating to the administration of a school corporation. Requires the department to make these plans available to school corporations. Requires a school corporation to acquire standard plans before building a facility and determine whether to use the standard plans. Provides that a school corporation may use nonstandard plans only if the governing body adopts a resolution finding that standard plans do not serve the needs of the school corporation and the community and stating the reasons standard plans do not meet the needs of the school corporation and the community. Requires the county board of tax and capital projects review, the school property tax control board, and the department of local government finance to approve the use of nonstandard plans. Provides that a contract for professional services relating to construction of a facility must provide that any completed plans developed under the contract become the joint property of: (1) the person providing the professional services; (2) the school corporation; and (3) the state; and may be used by the state and any school corporation without payment to the person providing the professional services.

SB 26 Smoke Detectors in Rental Properties (Jackman R-Milroy)

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2008&request=getBill&docno=26>

Smoke detectors in rental properties. Makes it a Class B infraction if a landlord fails to: (1) properly install a smoke detector at the time a tenant moves in; or (2) repair an inoperative smoke detector within seven days of receiving notice of the need for repair. Increases the penalty to a Class A infraction for a repeat violator. Makes the offense a Class D felony if a fire occurs on the rental premises causing bodily injury or loss of life and the injury or loss of life could have been avoided by an operable smoke detector. Makes it a Class D felony for a tenant to knowingly or intentionally fail to replace smoke detector batteries or report a defective or inoperable smoke detector to the landlord under certain circumstances. Permits a fire department to inspect a private dwelling upon the request of the owner or primary lessee who resides in the dwelling.

SB 40 Permits for Shoreline Activities (Meeks R-LaGrange)

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2008&request=getBill&docno=40>

Permits for shoreline activities. Allows the natural resources commission to grant certain permits with an expiration period of more than two years. Allows a determination or judgment of a dispute among persons with competing riparian interests to be enforced in a civil proceeding. Provides that if: (1) a temporary structure has been placed in a public freshwater lake under a permit or an exemption pursuant to riparian rights arising from the ownership of real property; and (2) the ownership in fee simple of the real property is transferred; the person to whom the ownership of the real property is transferred, to maintain the temporary structure in its location, must obtain a permit or meet the requirements for an exemption according to the permit requirements or exemption requirements in effect when ownership of the real property is transferred to the person.

SB 45 Great Lakes Compact (Gard R-Greenfield)

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2008&request=getBill&docno=45>

Great Lakes Compact. Implements the Great Lakes_St. Lawrence River Basin Water Resources Compact.

SB 89 Regulation of Loan Brokers (Lawson R-Danville)

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2008&request=getBill&docno=89>

Regulation of loan brokers. Specifies that evidence of compliance with the licensing and registration requirements for loan brokers, originators, and principal managers may include a national criminal history background check by the Federal Bureau of Investigation (FBI). Specifies that the securities commissioner (commissioner) shall require each: (1) equitable owner of a loan brokerage business; and (2) applicant for registration as an originator or a principal manager; to submit fingerprints for a national criminal history background check by the FBI. Prohibits the commissioner from releasing the results of a national criminal history background check to a private entity. Allows the commissioner to designate a multistate automated licensing system and repository

(system) as the sole entity responsible for processing applications for: (1) licenses for loan brokers; and (2) certificates of registration for originators and principal managers. Allows the commissioner to check the qualifications and background of each: (1) equitable owner of a loan brokerage business; and (2) applicant for registration as an originator or a principal manager; by accessing the system. Specifies that a loan broker is subject to the state statute requiring disclosure of a breach of the security of any records: (1) maintained by the broker; and (2) containing the personal information of a borrower or prospective borrower. Prohibits loan brokers, originators, and principal managers from disposing of unencrypted, unredacted personal information with respect to borrowers or prospective borrowers without first taking certain actions to render the personal information illegible or unusable.