

INDIANA BUILDERS ASSOCIATION

Legislative and Regulatory Report #29

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2008 GENERAL ELECTION HIGHLIGHTS

Below are highlights from Tuesday's election. Plan to attend the legislative roundtable at IBA's Leadership Conference on Tuesday, November 18th for additional election results and their potential impact on IBA's Legislative & Regulatory Policies. Sign-up today by calling IBA at (800) 377-6334.

OBAMA WINS INDIANA

Senator Barack Obama was elected to serve as the next President of the United States and was the first Democrat to be awarded Indiana's 11 Electoral College votes since 1964. Results show a significant decline in votes cast when comparing the total number of votes for President versus other races on the ticket.

DANIELS WINS SECOND TERM

Republican Governor Mitch Daniels easily skated to victory over Democratic challenger Jill Long Thompson and Libertarian candidate Andy Horning to serve a second term as Governor. Daniels won 79 of the State's 92 counties.

CONGRESSIONAL DELEGATES REMAIN UNCHANGED

The state saw no changes in its Congressional delegation with voters choosing to retain all nine incumbents. Congressmen Dan Burton, Steve Buyer, Andre Carson, Joe Donnelly, Brad Ellsworth, Baron Hill, Mike Pence, Mark Souder, and Pete Visclosky will all return to Congress for another term.

REPUBLICANS WIN STATEWIDE RACES

Republican Greg Zoeller was elected to serve as the state's Attorney General over Democratic challenger Linda Pence. Zoeller replaces Republican Steve Carter who decided against running for a third term. Republican Tony Bennett was elected to serve as the Indiana Superintendent of Public Instruction over Democrat Richard Wood. Bennett replaces Sue Ellen Reed who has held the office for 16 years and decided against another term.

STATE SENATE SEES NO CHANGES

Republicans and Democrats in the state Senate saw no surprises in Tuesday's election. The only changes were from retiring legislators which turned over to members of the same party. The chamber remains under strong Republican control, 33-17.

HOUSE SEES CHANGES, DEMOCRATS RETAIN CONTROL

The Indiana House of Representatives will remain under Democrat control with one race still undecided. Republicans lost Representative Tim Harris (Marion), Jon Elrod (Indianapolis), Amos Thomas (Brazil) and retiring Larry Buell's seat (Indianapolis). Democrats lost one seat, longtime legislator Bill Cochran (New Albany). The open Lafayette seat, created by retiring Representative Joe Micon (D-West Lafayette), does not have a clear winner but appears Republican Randy Truitt has narrowly won with a few provisional ballots to be counted.

UPDATE ON IBA MEMBERS RUNNING FOR THE HOUSE FOR THE FIRST TIME

- Mark Messmer (R) won House District 63 by a margin of 57-43% and will serve all or portions of Daviess, Dubois, Martin and Pike Counties. Mark is a member of the BA of Dubois County.
- Wes Culver (R) won House District 49 by a margin of 65-35% and will serve Elkhart County. Wes is a member of the BA of Elkhart County and BA of Kosciusko-Fulton Counties.
- Dale DeVon (R) lost by a margin of 65-35% in a heavy Democrat district. Dale is a member of the HBA of St. Joseph Valley and IBA Board Member.

TOWNSHIP ASSESSOR QUESTION SERVES MIXED BAG

As part of wider property tax reforms adopted this spring, state lawmakers passed a law shifting to county assessors the assessment of property in 965 townships with fewer than 15,000 parcels. For the 43 largest townships in Indiana, the new law required a voter referendum this year on whether to keep the township assessor or shift that responsibility to the county assessor. Results show that 31 of 43 township assessors have been eliminated.

VOTER TURNOUT TOPS PREVIOUS ELECTION

Roughly 60% of eligible voters cast a ballot on Tuesday compared to about 55% in the 2004 election. There were 668,868 absentee ballots cast for the General Election compared to 260,550 in 2004.

NEWS/HIGHLIGHTS

IBA LEADERSHIP TRAINING AND NOVEMBER BOARD APPROACHING

Plan to attend IBA's leadership conference and board meeting held on Tuesday, November 18th. The leadership conference will run from 9-12 p.m. with the board meeting from 4-6 p.m. Reserve your spot by contacting IBA today at (800) 377-6334.

MORTGAGE LOAN ACTIVITY INCREASES

On a seasonally adjusted basis, the pace of mortgage loan activity increased 16.8 percent last week, from the prior week, according to the Mortgage Bankers Association. Overall, mortgage rates were down, with 30-year loans decreasing to 6.26 percent, from 6.28 percent, and 15-year mortgages averaging 6.01 percent, down from 6.05 percent in the prior week.

NEW HOME SALES RISE IN SEPTEMBER

Sales of newly built single-family homes turned upward in September, posting a 2.7 percent gain to a seasonally adjusted annual rate of 464,000 units according to numbers recently released by the U.S. Commerce Department. The report also indicated that builders are making substantial progress in dwindling down the months' supply of unsold units on the market.

2009 CENTRAL INDIANA STORMWATER WORKSHOP

The 2009 Central Indiana Stormwater workshop has moved to a two-day format to allow participants to attend both the construction/erosion control track and the post-construction/site design track if desired. The workshop will also provide the opportunity to become a certified inspector for observing and reporting on the implementation of Storm Water Pollution Prevention Plans (SWPPPS). The conference will take place January 21-22, 2009 at the Marriott East in Indianapolis. For additional program and registration information, please contact Jill Hoffmann at (317) 891-8820 or jhoffmann@empowerresults.com.

LEGISLATIVE

SENATE DEMOCRATS ELECT NEW LEADERSHIP

Wednesday Senate Democrats voted to elect State Senator Vi Simpson (D-Ellettsville) as Democratic Floor Leader and State Senator Tim Lanane (D-Anderson) as Assistant Democratic Floor Leader. Additionally, State Senator Connie Sipes (D-New Albany) was elected Caucus Chairwoman. Senator Richard Young (D-Milltown) announced before the election his plans to step down as Minority Floor Leader.

NEW LEADERS NAMED FOR SENATE FISCAL COMMITTEES

Indiana Senate President Pro Tem David Long (R-Fort Wayne) recently named Senator Luke Kenley (R-Noblesville) as chair of the Senate Committee on Appropriations and Senator Brandt Hershman (R-Wheatfield) as chair of the Senate Committee on Tax and Fiscal Policy. Kenley's committee will work closely on the new two-year budget and Hershman's committee will focus on other revenue policies.

ORGANIZATION DAY APPROACHING

The Indiana House of Representatives and Senate plan to convene on Tuesday, November 18th for Organization Day where newly elected legislators will be sworn-in. This serves as the only official meeting day before the 2009 legislative session begins in January.

STUDY COMMITTEE ADOPTS FINAL RECOMMENDATIONS

The Environmental Quality Service Council (EQSC) summer study committee adopted a final report with recommendations that included: finding ways to encourage the adoption of green building standards, supporting an updated study on funding water and wastewater infrastructure needs through a variety of funding sources, as well as examining the Indiana Energy Code and look to updating the code with input from a broad group of stakeholders.

REGULATORY

PUBLIC HEARING SCHEDULED FOR PROPOSED RULE

On November 12, 2008, at 9:00 a.m., at the Indiana Government Center South, Conference Center Room 20, Indianapolis, Indiana, the Fire Prevention and Building Safety Commission will hold a public hearing on the proposed rule to amend 675 IAC 14-4.3, the 2005 Indiana Residential Code, to clarify Sections R408.1 on ventilation as well as R703.7.4.2 and R703.7.4.3 on air space. IBA supports the proposed rule.

NAHB NEWS

HOME BUILDERS CONGRATULATE PRESIDENT-ELECT OBAMA, URGE QUICK ACTION ON HOUSING STIMULUS

NAHB congratulated Senator Barack Obama on his election and all the lawmakers who were elected to Congress while urging them to move forward to enact a second economic stimulus package that includes key housing recovery provisions. NAHB is encouraging Congress to provide a 10% home buyer tax credit up to a maximum of \$22,000, depending on the FHA loan limit in a given market. Available to all buyers who purchase a home over the next year, the tax credit would not have to be repaid by the buyer and replace the temporary \$7500 first-time home buyer tax credit. In addition, NAHB is also encouraging an interest rate buy down on conforming loans for all families purchasing a home through the end of 2009. The plan would reduce the interest rate to 2.99 percent on 30-year mortgages for homes purchased through June 30, 2009; the interest rate would increase to 3.99 percent on contracts closed between July 1, 2009 and December 31, 2009.

REAL GROSS DOMESTIC PRODUCT DECLINES

Real gross domestic product (GDP) declined at a seasonably adjusted annual rate of 0.3% in the third quarter, according to the "advance" estimate released by the Commerce Department on October 30. While this was the weakest performance since the third quarter of 2001, the decline actually was smaller than consensus estimates –NAHB projected a decline of 1.0%. NAHB Chief Economist David Seiders predicts a further decline in GDP during the fourth quarter and some shrinkage early next year.

TOP LIST OF CONCERNS FOR BUILDERS RELEASED

NAHB, in cooperation with the Economics group, produces an annual Critical Issues Survey on behalf of our membership. Top issues from January 2008 to June 2008 were:

1. Mortgage Financing
2. Development Costs
3. Impact Fees
4. Development Approval/Permitting Process
5. Sprinkler Requirements

APPLICATIONS BEING ACCEPTED FOR 2009 NAHB GREEN BUILDING AWARDS

The Green Building awards are presented at a gala dinner during the NAHB National Green Building Conference being held for May 8-10 in Dallas. The awards honor home builders, remodelers, home builders' associations and other organizations for advancing green building through innovating design and construction techniques, excellent educational programs and successful advocacy efforts.