

INDIANA BUILDERS ASSOCIATION

Legislative and Regulatory Report #27

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NEWS

REGISTER TODAY FOR IBA'S ANNUAL HOUSING CONFERENCE

IBA's annual Housing Conference is scheduled for February 24th and 25th at the Convention Center in Indianapolis. This year's conference will include a number of important seminars that should not be missed! Register today by calling IBA at (800) 377-6334 or by visiting www.buildindiana.org.

PRESIDENT SIGNS HISTORIC \$700 BILLION ECONOMIC RESCUE BILL

After several weeks of debate, the federal government's far-reaching and historic plan to stem the credit crisis was signed into law by President Bush last week. The economic rescue bill allows the Treasury Secretary to purchase as much as \$700 billion in troubled assets in a bid to kick-start lending. Federal Reserve Chairman Ben Bernanke said "the legislation is a critical step toward stabilizing our financial markets and ensuring an uninterrupted flow of credit to households and businesses." NAHB membership generated over 2,000 phone calls and more than 5,200 letters and e-mails to Capitol Hill offices. The House and Senate are scheduled to return to Washington during the week of November 17 for organizational meetings.

HUD ALLOCATES \$3.92 BILLION TO STATES, INDIANA RECEIVES \$83.7 MILLION

The U.S. Housing and Urban Development (HUD) recently allocated a total of \$3.92 billion to all states and particularly hard-hit areas trying to respond to the effects of high foreclosures. Indiana has been allocated \$83,757,048 for HUD's new Neighborhood Stabilization Program (NSP) with cities receiving various set amounts. The program will provide targeted emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities. The NSP provides grants to every state and certain local communities to stabilize neighborhood and stem the decline of house values of neighboring homes.

VEGAS CASE EXPOSES CORRUPTION AMONG HOA'S

A team of FBI agents and detectives with the Las Vegas Metropolitan Police Department have joined forces to investigate alleged corruption among local homeowner associations, involving a web of board members, management companies, lawyers, contractors and others, who have allegedly siphoned away millions of dollars from home owners and developers in construction defect litigation cases. Specifically, the FBI is investigating

whether individuals were placed on homeowner association boards and, in turn, directed business stemming from construction defect lawsuits to select companies. Authorities are investigating whether people were placed on the boards to direct business from construction defect lawsuits to certain companies.

LEGISLATIVE

ELECTION APPROACHES, VOTING OPTIONS AVAILABLE

With just 25 days until the election, options are currently available to registered voters unable to vote at designated polls on Election Day, Tuesday, November 4th. All registered voters are currently eligible to vote absentee-in-person at the county election board office. If you have a specific reason for being unable to vote at your designated poll on Election Day, you may also request an absentee ballot by mail by submitting the required form which can be found at http://www.in.gov/sos/pdfs/abs-1_092308.pdf. Applications for an absentee ballot must be received by October 27th.

IMMIGRATION STUDY COMMITTEE CONTINUES TO MEET

The Interim Study Committee on Immigration Issues continues to meet to further discuss the impact of immigration in Indiana. IBA staff continues to monitor the committee and is working with Legislators on issues that impact the housing industry. The committee is expected to wrap-up its work in early November.

COMMISSION ON COURTS TO DISCUSS CREATION OF STATEWIDE REGISTRY

The Commission on Courts was previously scheduled to discuss the possibility of creating a statewide registry for residential mechanic's liens but later decided to postpone discussion on the topic. The Commission has rescheduled the hearing for Friday, October 24th and IBA staff will be on hand.

ENVIRONMENTAL QUALITY SERVICES COUNCIL MAKES RECOMMENDATIONS

THE Environmental Quality Services Council (EQSC) interim study committee recently approved a final report containing recommendations on energy code and green buildings. The committee decided to encourage the administration to update the state's energy code and support encouraging state as well as local buildings to build to various green building standards.

REGULATORY

DLGF TO ADOPT RULES SURROUNDING MODEL HOME ACT

The Department of Local Government Finance has announced its intent to adopt rules concerning the Model Home Act. IBA has been working with a staff attorney surrounding the rules which need to be in place before the Model Home Act goes into effect January 2009. Complete language of the rule can be found at http://www.in.gov/dlhf/files/Standard_Deduction_Rule.pdf.

PROPOSED RULE TO AMEND 2005 INDIANA RESIDENTIAL CODE

The Fire Prevention and Building Safety Commission will hold a public hearing on the proposed rule to amend the 2005 Indiana Residential Code to clarify ventilation, air space and mortar or grout filled issues. IBA supports this proposed rule. The public hearing is scheduled for November 12, 2008 at 9:00 a.m. at the Indianapolis Government Center South (402 W. Washington St., Indianapolis) in conference room 20. Language on the proposed rule can be found at <http://www.in.gov/legislative/iac/20081008-IR-675080604PRA.xml.pdf>.

PIKE-GIBSON WATER RATE CASE: STATE UTILITY CONSUMER ADVOCATE ACCEPTING PUBLIC COMMENTS

The Indiana Office of Utility Consumer Counselor (OUCC) is inviting public comments as it reviews the request of Pike-Gibson Water, Inc. for an increase in its rates and charges. The OUCC –the state agency representing consumer interests in cases before the Indiana Utility Regulatory Commission (IURC) –is scheduled to complete its review and file testimony in this case on Wednesday, October 22nd and will accept written comments on the case until Friday, October 17th. Current rates for Pike-Gibson Water, a not-for-profit utility with approximately 3,400 customers in Gibson, Pike and Warrick Counties, were approved in 2003. The utility’s proposal would increase the monthly bill for a residential customer using 5,000 gallons from \$28.33 to \$33.35. Comments should include the consumer’s name, address, and a reference to “IURC Cause No. 43528, can be submitted by mail (445 W. Washington Street, Suite 1500 South, Indianapolis, 46204), fax (317) 232-5923, or e-mail uccinfo@oucc.in.gov. Additional information may be found at www.in.gov/oucc/3434.htm.

NAHB

NAHB STATE AND LOCAL ISSUES FUND CONTINUES TO HELP BUILDERS

During the NAHB Fall Board of Directors meeting in San Diego, NAHB grants were awarded to associations and individuals fighting industry battles with national implications. IBA secured grant dollars to help fund a comprehensive study of the impact of immigration on the state’s economy. Other grants were awarded for issues focusing on ballot box planning, growth limits, water supply master plans, homeowner’s bill of rights, and size-based impact fee analysis.

EXPIRING ENERGY TAX INCENTIVES EXTENDED

Included in the financial rescue package approved by Congress last week is a set of provisions championed by NAHB that extend several expiring energy tax incentives in the Internal Revenue Code, including those for new home construction, existing homes and commercial buildings and larger multifamily properties. Included is a \$2,000 tax credit for the construction and sale or lease of a home that achieves a 50% reduction in energy use relative to a home constructed according to the 2004 IECC energy code.

NAHB APPLAUDS FHA’S ON-TIME ROLL OUT OF NEW FORECLOSURE PREVENTION PROGRAM

NAHB recently expressed appreciation for the efforts of the Federal Housing Administration (FHA) in meeting the October 1 deadline for opening the Hope for Homeowners program, where FHA will insure new, more affordable mortgages for homeowners struggling with burdensome payments on their current home loan.