

INDIANA BUILDERS ASSOCIATION  
Legislative and Regulatory Report #15  
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## **HIGHLIGHTS/NEWS**

### **UPDATED STATE REVENUE FORECAST UNVEILED**

Lawmakers on the State Budget Committee received an updated state revenue forecast this morning which showed Indiana taking in \$690 million less over the next two fiscal years than lawmakers had been told to expect in December. The forecast was better than many legislators had expected and its projection will help legislators determine the appropriate level of spending in the budget bill.

### **IBA SUBMITS BID TO ADMINISTER WEATHERIZATION FUNDING**

IBA recently submitted a proposal to administer the weatherization program provided for in the stimulus package. IBA hopes the bid, focusing on a statewide approach, could help put members back to work and will be approved. The State has tentatively scheduled contracts to be awarded on Monday, June 15<sup>th</sup>.

### **HOME BUILDER CONFIDENCE POSTS BIGGEST GAIN IN FIVE YEARS**

Builder confidence in the market for newly built, single-family homes rose five points in April to the highest level since October 2008, according to the latest NAHB/Wells Fargo Housing Market Index (HMI), released this week. This gain was the largest one-month increase recorded since May 2003, and brings the HMI out of single-digit territory for the first time in six months –to 14. Every component of the HMI reflected the boost, with the biggest gain recorded for sales expectations in the next six months.

### **HOUSING STARTS DECREASE IN MARCH**

Housing starts decreased nearly 11% in March to an annual rate of 510,000. The decline followed a hefty increase in the previous month. The March decline was attributable to a 29% drop in multifamily starts while single family production held firm at 358,000, seasonally adjusted. Permits fell 9% in March to a seasonally adjusted 513,000, a record low as both single-family and multifamily production declined from their February levels.

### **MORTGAGE LOAN ACTIVITY INCREASES**

On a seasonally adjusted basis, the pace of mortgage loan activity increased 4.7 percent last week, according to the Mortgage Bankers Association. Overall, mortgage rates were up, with 30-year loans increasing to 4.71 percent, from 4.61 percent, and 15-year mortgages averaging 4.49 percent, an increase from 4.45 percent a week prior.

## **LEGISLATIVE**

### **ANOTHER DEADLINE PASSES, ONLY TWO WEEKS TO GO**

Wednesday marked the passing of the third reading deadline which required all bills still moving in the process to be approved by full Chamber votes. Now legislators will determine whether or not they want to take legislation still moving into conference committee where further changes can be made. Any language previously approved by a full chamber vote is eligible to be amended into bills still moving. Conference committees will likely start next week and the legislature must adjourn by April 29<sup>th</sup>.

### **MODEL HOME ACT CHANGE APPROVED**

House Bill 1447, which would apply the provisions of the model home act passed during the 2008 Indiana General Assembly to model homes assessed for the first time in 2008 and were unoccupied as of 1/1/09 to the 2008 payable 2009 property tax bills, passed the Indiana Senate earlier this week and now moves to the Indiana House for a concurrence vote or to conference committee with House and Senate members. A link to current Indiana law on the model home act deduction is below as well as a link to HB 1447 as it passed the Indiana Senate. IBA encourages members to contact their Indiana State Representative and ask them to keep the model home language in HB 1447.

<http://www.in.gov/legislative/ic/code/title6/ar1.1/ch12.6.html>

<http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2009&session=1&request=getBill&docno=1447>

### **SENATE PASSES TWO-YEAR BUDGET**

The full Senate approved a two-year budget this week which heavily relies on stimulus funding. The bill will now proceed to conference committee where members of the House and Senate will work out differences in spending and IBA will continue to monitor the bill.

### **HOUSE FAILS TO ACT ON PROPERTY TAX CAPS**

The Indiana House failed to pass Senate Joint Resolution 1 which would have put the state one step closer to having property tax caps in the state constitution. Under the constitutional amendment, property taxes would be limited to 1 percent of a home's assessed value, 2 percent for rental properties and 3 percent for businesses. The resolution was passed last session and approved earlier this session by the Senate but required the House to take action by Wednesday's deadline. The resolution may still be passed next year before going to the general public for a final public vote.

### **EMPLOYERS FACE HIGHER TAXES IF FUND GOES UNFIXED**

The federal unemployment tax rate paid by Indiana employers might raise 38 percent next year if the state has not repaid all of the hundreds of millions of dollars in loans it needs to keep paying jobless benefits, Chief Financial Officer Scott Sanders of the Department of Workforce Development said. As of Monday, Indiana had borrowed \$725.1 million from the federal government to keep paying jobless benefits; only four states including Michigan and Ohio have borrowed larger amounts. IBA has been working with interested legislators on the issue and a conference committee has been meeting to draft a plan to fix the state's insolvent unemployment trust fund which must be passed by April 29<sup>th</sup>.

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2009&session=1&request=getBill&docno=1379>

#### HOMEOWNERS ASSOCIATION BILL APPROVED, HEADS TO CONFERENCE COMMITTEE

House Bill 1071, dealing with homeowners associations, was approved 49-1 by a full Senate vote this week. IBA has been working with interested legislators to address concerns with the bill throughout session and will now head to conference committee.

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2009&session=1&request=getBill&docno=1071>

#### FORECLOSURE AND TENANTS BILL DIES, SIMILAR LANGUAGE STILL MOVING

Senate Bill 225, which with certain exceptions, requires the former owner of a real property subject to judgment of foreclosure to notify each tenant of the judgment of foreclosure and the tenant's rights language was not called down on third reading by the Wednesday deadline and no longer moving forward. Similar language contained in HB 1081 is still moving and IBA will be carefully monitoring the language in conference committee.

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2009&request=getBill&docno=225>

#### NAHB NEWS

##### CGP NUMBERS SOAR AS HOME BUILDERS GAIN GREEN BUILDING EXPERTISE, SAYS NAHB

More than 2,725 builders, remodelers and other home building industry professionals have now achieved the Certified Green Professional designation –a sure sign of the growth of the green building movement and the NAHB's leadership in providing educational opportunities for its members. The designation is awarded after the successful completion of 24 hours of classroom instruction on green building techniques and business practices, two years' industry experience, a commitment to continuing education and adherence to the CGP code of ethics.

##### NEW ACTION PLAN ON AD&C LENDING

NAHB is expanding efforts on the AD&C lending crisis with a new game plan that is focused squarely on our members. The centerpiece of this effort calls for developing solid and specific examples of the ongoing AD&C problems that builders and developers are experiencing. NAHB will use these examples to create case studies that will bolster arguments with federal regulators, legislators and others to illustrate the degree of the crisis at hand. NAHB is soliciting input from individual members who have compelling AD&C experiences and should use the online template at [www.nahb.org/adccasestudy](http://www.nahb.org/adccasestudy) or contact Chellie Hamecs at (800) 368-5242 ext. 8425.