

## INDIANA BUILDERS ASSOCIATION

Legislative and Regulatory Report #13

April 3, 2009

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### **HIGHLIGHTS/NEWS**

#### **NEW-HOME SALES TURN UPWARD IN FEBRUARY**

Providing a welcome glimmer of hope that potential home buyers are starting to return to the market, sales of newly built, single-family homes rose for the first time in seven months this February, according to recently released figures by the U.S. Commerce Department. The report showed a 4.7 percent gain in new-home sales to a seasonally adjusted annual rate of 337,000 units in February, along with upwardly revised figures for each of the previous three months.

#### **AS APRIL 15 NEARS, HOME BUYER TAX CREDIT COMES INTO VIEW**

With the deadline for tax season approaching, home builders should make qualified first-time home buyers aware of the methods they can use to claim the recently enacted \$8,000 home buyer tax credit. The tax credit may be claimed by buyers who have not owned a home in the previous three years prior to the purchase. The credit amount is equal to 10% of the purchase price, up to a maximum of \$8,000. The credit is refundable –it can be claimed even if the home buyer has less than \$8,000 in tax liability, and it is a true tax credit. More details can be found at [www.federalhousingtaxcredit.com](http://www.federalhousingtaxcredit.com).

#### **MORTGAGE ACTIVITY INCREASES**

On a seasonally adjusted basis, the pace of mortgage-loan activity increased 32.2 percent last week, according to the Mortgage Bankers Association. Overall, mortgage rates were down, with 30-year loans decreasing to 4.63 percent, from 4.89 percent, and 15-year mortgages averaging 4.48 percent, a decrease from 4.52 percent a week prior.

#### **FBI CREATES INDIANA MORTGAGE FRAUD HOTLINE**

The Indianapolis Division of the FBI in coordination with the Mortgage Fraud Working Group has established a hotline for the benefit of Indiana's real estate professional associations and agencies to report potential mortgage fraud issues in Indiana. The hotline number to contact the FBI Indianapolis Division Mortgage Fraud Task Force is **317-321-6366**. This is not a number that we are providing to the general public but instead is to be used as a way for the FBI to develop a more direct relationship with those professionals that are working in the real estate industry. It is hoped that this will allow the FBI and the Mortgage Fraud Working Group, to better address the mortgage fraud issues that are confronting Indiana. Members can provide information to the FBI Task

Force anonymously. The Indiana Builders Association is a member of the FBI Mortgage Fraud Working Group.

#### **ENERGY EFFICIENCY REBATE PROGRAM CLOSED**

The Indiana Office of Energy Development's rebate program for replacing an existing furnace, boiler, or water heater with an energy efficient unit in existing Indiana residences is now closed as available funding has been depleted. No additional applications will be accepted.

#### **MARK YOUR CALENDARS FOR IBA'S GOLF OUTING**

IBA's Annual Golf Outing will take place on Tuesday, May 5<sup>th</sup> in Granger at Juday Creek Golf Course. Mark your calendars today for this important outing. Additional information is available at [www.buildindiana.org](http://www.buildindiana.org) or feel free to contact IBA for further information at (800) 377-6334 or [Info@BuildIndiana.org](mailto:Info@BuildIndiana.org).

#### **PLAN TO ATTEND THE GO GREEN CONFERENCE**

Plan to attend IBA's Second Annual Go Green Conference on Monday, May 11<sup>th</sup> from 10-5 p.m. in Indianapolis. The conference will discuss the newly ANSI-approved National Green Building Standard in detail and provide a networking opportunity with suppliers. Members can attend the conference for just \$25. Additional information is available at [www.buildindiana.org](http://www.buildindiana.org) or feel free to contact IBA for further information at (800) 377-6334 or [Info@BuildIndiana.org](mailto:Info@BuildIndiana.org).

#### **LEGISLATION OF INTEREST**

##### **SESSION NEARS LANDMARK**

Next week marks the final week for bills in the opposite chamber to be passed out of committee. Any bills not approved in committee will no longer move forward as a separate piece of legislation but will be eligible to be amended into a bill still moving through the process during conference committees. All bills passed out of committee must be approved by a full floor vote by Wednesday, April 15<sup>th</sup>.

##### **UNEMPLOYMENT INSURANCE TRUST FUND CONFERENCE COMMITTEE MEETS**

A conference committee on House Bill 1379 met for the first time earlier this week to begin the process of passing a bill before the end of session to address the solvency of the unemployment insurance trust fund. Conferees and advisors from all four caucuses met on Thursday to give their opening remarks and suggestions on what a final bill should include. House Democrats are adamant that cutting benefits for unemployed Hoosiers will not be a part of the plan. The Fund is currently borrowing approximately \$5.8 million a day from the federal government to pay out unemployment benefits to Hoosiers.

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

##### **WATER NUISANCE BILL SCHEDULED AGAIN IN SENATE COMMITTEE**

House Bill 1278 provides that a person who unreasonably improves the person's land by knowingly collecting, concentrating, and discharging the diffused surface water from the person's land as a body on a neighboring property so that the water stands on another person's land in an unusual quantity for a prolonged period or passes into or over another person's land in a large quantity is liable for the actual damage caused to the other person by the unreasonable altered flow of diffused surface water. Permits a person whose land is damaged by the neighboring landowner's actions to bring an action to abate or enjoin the unreasonable improvement that caused the altered flow of water. Specifies that this law: (1) does not limit the availability of other civil remedies for damages caused by water; and (2) does not apply to a person engaged in building Class 2 structures or developing land for residential purposes with appropriate local drainage approval.

<http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2009&request=getBill&docno=1278>

***The bill will be heard again in Senate Judiciary next week. IBA is opposed to any changes from the House version of the bill that would restore language abrogating the common enemy doctrine.***

#### IBA TESTIFIES ON MODEL HOME ACT IN SENATE COMMITTEE

IBA lobbyist testified in the Senate Tax and Fiscal Policy Committee earlier this week on an amendment to HB 1447 that 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. The Chairman of the Committee, Senator Hershman (R-Wheatfield), offered the amendment for consideration at the request of the IBA. The Committee held the whole bill for further consideration at its next and last committee meeting next week. A link to current Indiana law on the model home act deduction is below.

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

#### HOA BILL TO BE HEARD

House Bill 1071, dealing with homeowners associations, has been scheduled for a hearing next Wednesday in Senate Judiciary Committee. IBA has expressed concerns with the current language and working with legislators on an amendment to address concerns.

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

#### ENERGY CONSERVATION CODE PASSES

House Bill 1348 passed the Senate by a margin of 47-2 and returns to the House with amendments for conference committee and further action. The bill requires the fire prevention and building safety commission to adopt the most recent edition of: 1) International Energy Conservation Code as published by the International Code Council; or 2) American Society of Heating, Refrigerating, or Air-Conditioning Engineers Standard 90.1; for Class 1 structures before July 1, 2010.

<http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2009&request=getBill&docno=1348>

## **REGULATORY**

### **IRC CHANGES TO VENTILATION AND AIR SPACE EFFECTIVE APRIL 1ST**

The Fire Prevention and Building Safety Commission's 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 became effective on April 1, 2009. IBA supported the following changes:

675 IAC 14-4.3-78.5 Section R408.1; ventilation

Sec. 78.5. (a) Add a sentence to Section R408.1 after the first sentence to read as follows: The ventilation openings may be located in the rim joist of the exterior wall.

675 IAC 14-4.3-119 Section R703.7.4.2; air space

Sec. 119. Mortar is permitted to encroach into the air space or make incidental contact with the sheathing or the sheathing paper or equivalent.

675 IAC 14-4.3-120 Section R703.7.4.3; mortar or grout filled

Sec. 120. (b) Change the first sentence to Section R703.7.4.3 to read as follows: As an alternate method to apply stone and masonry veneer, mortar or grout shall be permitted to fill the air space when the requirements of this Section R703.7.4.3 are met. <http://www.in.gov/legislative/iac/20090401-IR-675080604FRA.xml.pdf>.

## **NAHB NEWS**

### **NAHB APPROVES RESOLUTION TO SUPPORT MORE STRINGENT ENERGY-EFFICIENCY REQUIREMENTS**

On March 23, 2009 the NAHB Executive Board approved a resolution to support efforts that would make the 2012 International Energy Conservation Code 30% more energy-efficient than the 2006 model code. The resolution challenges home builders, manufacturers and policymakers to meet that goal in ways that remain practical and cost-effective for home buyers. The resolution affirms the importance of a code development consensus process that brings together all parties - including building code officials, energy-efficiency experts, builders, environmental advocates, product manufacturers and building science consultants rather than developing a federal mandate for energy efficiency in residential construction.