

INDIANA BUILDERS ASSOCIATION
Legislative and Regulatory Report #7
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LEGISLATIVE LUNCH IS HERE, PLAN TO ATTEND

IBA's Housing Indiana Legislative Lunch will take place on **Monday, February 23rd** from **11:30-1:00 p.m.** in the South Atrium of the Rotunda in the Statehouse. It is imperative that all members attend this important event to make sure legislators understand the impact pending legislation will have on the industry. Please contact IBA if you are not registered by calling (800) 377-6334 or Info@BuildIndiana.org. Registrations will be accepted on-site and the cost is just \$25. Key deadlines and votes will be taken on Tuesday and Wednesday, so attendance is important.

IBA BOARD OF DIRECTORS TO MEET MONDAY

IBA will hold a Board of Directors meeting Monday, February 23rd from 4:30-6:30 p.m. and is important that all board members attend. Lieutenant Governor Becky Skillman will keynote the meeting, providing an update to board members on the affairs of the state as they relate to the housing industry. The meeting will be held at the Indiana Convention Center in Indianapolis in room 209. If you have not yet registered, contact IBA today at (800) 377-6334.

IBA'S ANNUAL HOUSING CONFERENCE NEXT WEEK

Plan to attend IBA's Annual Housing Conference next week at the Indiana Convention Center in Indianapolis. The conference will be held Tuesday, February 24th and Wednesday, February 25th. Packed with important seminars on sales, market solutions, green and codes as well as nearly 100 exhibitors, this is an event you don't want to miss. Bob Jones, NAHB 2009 Vice President, will give the keynote presentation, focusing on 'Finding the Green Lining' Tuesday the 24th from 11-noon.

LEGISLATION TO ADDRESS MODEL HOME TAX CREDIT DOES NOT RECEIVE HEARING

House Bill 1249 was filed to help aid those with model or speculative homes. After discussions with key leaders in the House and Senate IBA advocated for a bill that would make last year's Model Home Act retroactive and allow those with these homes in inventory before the bill went into effect (January 2009). This issue received a lot of attention but ultimately was not heard in committee because property tax bills have already been sent out and would require local governments to change assessments already mailed. IBA will continue to push for relief during these tough economic times and will keep members updated.

PRESIDENT ANNOUNCES FORECLOSURE PLAN

President Barack Obama unveiled a \$75 billion plan this week to keep as many as 9 million Americans from losing their homes to foreclosure. Obama's Homeowner Affordability and Stability Plan has three main components:

- 1) A refinancing program for borrowers who are current on their mortgage payments but who have been unable to refinance because their home has declined;
- 2) A mortgage modification program for borrowers in default, or at imminent risk of default, that builds on the model established by FDIC by expanding eligibility and incentives for borrowers, mortgage holders and servicers; and
- 3) Actions to bolster the financial stability and mortgage support capacity of Fannie Mae and Freddie Mac.

GOVERNOR ANNOUNCES \$25 WEEKLY INCREASE IN UNEMPLOYMENT BENEFITS

Governor Mitch Daniels announced this week that eligible Hoosiers who are collecting unemployment insurance will receive a \$25 increase in their weekly benefits. The \$25 weekly increase is part of the just enacted federal stimulus legislation and the increased benefit could extend through the end of 2009.

FREE RENEWABLE ENERGY WORKSHOPS ANNOUNCED

The Indiana Office of Energy Development recently announced renewable energy workshops focusing on helping Hoosiers set their own energy strategy. These workshops are planned for a variety of locations across the state and will provide basic information on Solar Domestic Hot Water Systems, Photovoltaic solar systems, and residential wind power. For details on the workshops, please visit http://www.in.gov/oed/files/MREA_Workshops.final.pdf.

SUBMIT ECONOMIC DEVELOPMENT INFRASTRUCTURE PROJECTS IN YOUR AREA

Governor Daniels has charged the Indiana Economic Development Corporation, Indiana Office of Community & Rural Affairs and Indiana Association of Regional Councils with the task of directing the use of certain funds from the economic stimulus plan. The Governor would like to expedite long-term and short-term economic development in Indiana and has created a survey to generate a comprehensive list of potential infrastructure projects. To add a project from your area, visit <http://www.bsu.edu/cber> before February 25th.

LEGISLATIVE

HALFWAY POINT APPROACHING

Thursday marked the final day for bills to be passed out of committee and their reports to be adopted. Next Tuesday marks the second reading deadline and Wednesday is the deadline for bills to be passed out of their respective chambers of origin. IBA will be closely evaluating all bills next week to wade through amendments made in committee and their potential impact to the construction industry.

HOUSE PASSES ONE-YEAR BUDGET

The House of Representatives has approved their version of the budget which only appropriates money for fiscal year 2010 instead of the usual two fiscal years. The bill passed 52-44 among concerns from Republicans. The bill now moves to the Senate for further debate.

IMMIGRATION BILL ADVANCES

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2009&request=getBill&docno=580>A bill to revoke the business licenses of companies that repeatedly hire illegal workers was approved unanimously by the Senate Labor and Pensions Committee. The bill now moves to the full Senate floor for further debate and if approved would proceed to the House. House Speaker Patrick Bauer has said he believes immigration is a federal issue and that he prefers the House doesn't deal with the topic this session.

HOMEOWNERS ASSOCIATION BILL AMENDED

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2009&request=getBill&docno=1071> House Bill 1071, dealing with homeowners associations, was amended in the House Judiciary committee Tuesday morning. IBA has spent a lot of time with the bills authors Representative Dave Cheatham (D-North Vernon) and Representative Phil Hinkle (R-Indianapolis) to voice concerns on the legislation. Several changes requested by IBA were included in the committee amendment and the authors have pledged to continue working with us as the bill moves through the process so IBA is not opposing the bill. The bill is eligible for second reading on the House floor where Representative Cheatham plans to remove language requiring HOAs to go through the small claims court before filing a lien based on the amount of annual dues.

UNDERGROUND PLANT PROTECTION BILL PROGRESSES

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2009&session=1&request=getBill&docno=487>

Senate Bill 487, the underground plant protection legislation which establishes the underground plant protection advisory committee which among other duties can recommend civil penalties for certain violations. The bill passed the Senate earlier this week by a vote of 47-3 and now heads to the House for consideration.

LEAD-BASED PAINT ACTIVITIES BILL ADVANCES

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2009&session=1&request=getBill&docno=202>

Senate Bill 202 which largely transfers the lead-based paint activities program from the Indiana Department of Environmental Management to the Indiana State Department of Health passed the Senate with a vote of 46-4 Thursday evening. The bill now moves to the House for further debate.

LEGISLATION OF INTEREST

House Bill 1278 Water Nuisances (M. Smith R-Columbus)

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

IBA worked with the House Natural Resources Committee earlier this week on two amendments to alleviate some of the IBA's concerns with the bill. The bill is now on the floor of the House for consideration.

Senate Bill 337 Professional licensing and registration; interior designers. (Kruse R-Auburn)

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2009&request=getBill&docno=337>

Establishes registration criteria for interior designers. Provides that the professional licensing agency is not liable for misrepresentations, fraud, or omissions caused by an individual who is registered on the registry. Establishes the professional licensing study committee.

The bill was heard and passed out of Senate Commerce and Public Policy & Interstate Cooperation 6-1. The bill now moves to the full Senate for further debate.

Senate Bill 564 Standards for vacant structures (Breax D-Indianapolis)

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2009&request=getBill&docno=564>

Before January 1, 2010, requires the health and hospital corporation in a county having a consolidated city to adopt maintenance and repair standards for the consolidated city for purposes of the unsafe building laws.

The bill was amended in Senate Local Government this week to be specific to Marion County by requiring their local health and hospital corporation to adopt maintenance and repair standards as opposed to the introduced version which required this of the State Department of Health.

REGULATORY

CHANGES TO THE STATE'S ELECTRICAL CODE

The Fire Prevention and Building Safety Commission intends to adopt 2 rules concerning the state's electrical code. The first proposed rule, LSA Document #09-139, amends [675 IAC 14-4.3](#), the 2005 Indiana Residential Code, so as not to be in conflict with provisions of the 2009 Indiana Electrical Code, [675 IAC 17-1.8](#). The second proposed rule, LSA Document #09-140, adds [675 IAC 17-1.8](#), which adopts by reference and amends the 2008 National Electrical Code as the Indiana Electrical Code, 2009 Edition and repeals [675 IAC 17-1.7](#). The proposed rules will be published in the Indiana Register in 28 days with information on the public hearing.

PROPOSED RULE AWAITS GOVERNOR'S APPROVAL

The Fire Prevention and Building Safety Commission adopted 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. The Attorney General has approved the proposed rule and it awaits approval by the Governor. If approved, the rule becomes effective on March 22, 2009. IBA supported the rule.

NAHB NEWS

TAX CREDITS BOOST INCENTIVE FOR GREENING AMERICAN HOMES

Expanded tax credits for energy-efficient home improvements in the new economic stimulus package puts more money in consumers' pockets by providing financial incentive for home owners to go green on their renovation projects in 2009 and 2010. While more efficient homes save on water and energy bills, these tax credits will make such home upgrades even more affordable. The Internal Revenue Code 25C tax credit for remodeling previously was equal to only 10% of the cost of each product with a lifetime cap of \$500 –now equal to 30% with a lifetime cap of \$1,500. Details on qualifying improvements will soon be available at the IRS website (<http://www.irs.gov>) and is expected that homeowners will need to complete Forms 5695 (Residential Energy Credits) and submit as part of their 2009 income tax returns to claim the credit.

BUILDERS LAUNCH TAX CREDIT WEBSITE

NAHB has launched a newly-designed website that provides detailed information about the \$8,000 tax credit for first-time homebuyers that is a key measure in the sweeping economic stimulus legislation signed into law this week. The tax credit is equal to 10% of the home's purchase prices up to a maximum of \$8,000; is available for homes purchased on or after January 1, 2009 and before December 1, 2009; does not have to be repaid; and has income limits of \$75,000 for single taxpayers and \$150,000 for married couples. Please visit www.federalhousingtaxcredit.com for more information.