

INDIANA BUILDERS ASSOCIATION
Legislative and Regulatory Report #10
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NEWS/HIGHLIGHTS

BURTON SIGNS ONTO HOMEBUYER TAX CREDIT LEGISLATION

Congressman Dan Burton plans signs onto the Homebuyer Tax Credit Act (H.R. 1245) as a cosponsor, which offers up to a \$15,000 tax credit for individuals who purchase a home in the next year. This language is seemingly similar to that which was unanimously approved by Senator Johnny Isakson R-Georgia during the stimulus debate. Unfortunately, the final stimulus bill continued to limit the existing tax credit to only first-time homebuyers while increasing the credit to \$8,000.

ENERGY AND WEATHERIZATION PROGRAMS RECEIVE STIMULUS FUNDING

Vice President Joe Biden and Energy Secretary Chu recently announced Indiana will receive more than \$200 million in weatherization and energy efficiency funding through the federal stimulus package. The money will be used for the State Energy Program and a Weatherization Assistance Program. The funding will support weatherization of homes, including adding more insulation, sealing leaks and modernizing heating and air conditioning equipment. The Weatherization Assistance Program will allow an average investment of up to \$6,500 per home in energy efficiency upgrades and will be available to families making up to 200% of federal poverty level –or about \$44,000 a year for a family of four. The Indiana Builders Association is working with state officials on the impact to the construction industry.

IBA SETS MEETINGS WITH INDIANA DELEGATION IN D.C.

IBA has tentatively scheduled meetings with Senator Bayh, Senator Lugar and Congressman Burton during the NAHB Legislative Conference on March 24th. IBA staff is awaiting meeting confirmation with other members of the delegation. Please contact IBA if you have an interest in attending meetings with the delegation in Washington, D.C. on March 24.

PLAN TO ATTEND NAHB LEGISLATIVE CONFERENCE

The growing economic crisis has put NAHB and its members on the front lines when it comes to advocating for the housing industry. As an NAHB member and constituent, your story and personal experience is an invaluable resource during these troubling times. The 2009 Legislative Conference will be held in Washington, D.C., on Tuesday, March 24 at the Marriott Wardman Park Hotel. As in years past, the Conference will begin with a breakfast and legislative briefing session, followed by congressional meetings on Capitol Hill. For more information and to register, visit www.nahb.org/legcon.

NAHB TO HOLD FREE TELECONFERENCE ON HOUSING TAX CREDIT

To learn more about how to use the \$8,000 tax credit to sell new homes by participating in a free teleconference that will offer details about the tax credit program and tips from leading market specialists. The free teleconference will be held on March 16 at 2 p.m. EST. To register, please visit <http://services.choruscall.com/diamondpass/registration>. The conference ID number is 428766 but a unique pin number is required to join the conference which is received upon registration. If unable to join the call, an audio file of the call will be available on www.NAHB.org a few hours after the call is complete.

DETAILS RELEASED ON ENERGY-EFFICIENT TAX CREDITS

Energy Star has published comprehensive information on how the housing industry and consumers can take advantage of the federal tax credits for energy-efficient home improvements in the new economic stimulus package. Homeowners can receive a 30% tax credit, up to a total of \$1,500, for doors, windows, insulation and other improvements. There are also new and expanded tax credits for new construction that include renewable energy systems and products. For details, please visit http://www.energystar.gov/index.cfm?c=products.pr_tax_credits#s1.

LEGISLATIVE

PROPERTY TAX CAP RALLY DEMANDS ACTION ON PROPERTY TAX CAPS

The Hoosier Property Tax Reform Alliance held a rally at the statehouse this week to demand action from House Democrats on putting the property tax caps in the state's Constitution. The rally was attended by several hundred constituents from across the state and included speeches from Alliance members. IBA's immediate past President David Compton addressed the crowd as did Paul Wyman, a member from Howard County. IBA encourages members to contact their House Representative and ask them to support Senate Joint Resolution 1 to complete the property tax reform package from last session by passing the Resolution and allowing it to be put on the 2010 ballot for referendum.

UNEMPLOYMENT INSURANCE TRUST FUND

Indiana Senate Republicans are expected to unveil their proposal to address the Unemployment Insurance Trust Fund next week. IBA has been working with interested parties on the issue and will continue to be actively engaged to protect the interests of our members.

HOMEOWNERS ASSOCIATION WORKGROUP FORMED

A small group of interested parties met this week with Senator Mike Delph (R-Carmel) to discuss House Bill 1071 dealing with homeowners associations. The group voiced concerns with the bill as currently drafted and plan to meet again next week. The bill has been scheduled for a hearing in Senate Judiciary Committee next week although it may be rescheduled.

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

BILL TO ADDRESS NOTICE TO TENANTS IN FORECLOSURE APPROVED BY COMMITTEE

The Senate Judiciary Committee approved House Bill 1081 in committee Wednesday. The bill requires landlords to provide notice to tenants in foreclosure. An IBA-supported amendment was adopted in committee to address a provision potentially hazardous to future commercial

lending. The bill has been scaled-back to only impact those in 1-4 units. The bill now moves to the full Senate for further debate.

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2009&session=1&request=getBill&docno=1081>

LEGISLATION OF INTEREST

Senate Bill 202 Lead-based paint activities (Gard R-Greenfield, Day D-Indianapolis, Crouch R-Evansville)

Transfers administration of the lead-based paint activities program from the department of environmental management (IDEM) to the state department of health (state department) and amends the definition of "elevated blood lead level" for purposes of the program. Provides that lead-based paint activities rules adopted before July 1, 2009, by the air pollution control board are considered rules of the state department after December 31, 2009, and requires the state department to adopt rules to replace the rules of the control board. Specifies that the requirements for retail establishments that sell paint do not apply to paint and paint products that are used solely for crafts or hobbies. Sets forth circumstances under which the state department may investigate lead-based paint abatement activities. Repeals current provisions governing the IDEM lead-based paint activities program.

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

House Bill 1071 Homeowners Association (Cheatham D-North Vernon, Hinkle R-Indianapolis, Delph R-Carmel, Boots R-Crawfordsville, Lewis D-Charlestown)

Applies the following provisions to a homeowners association (association) established after June 30, 2009, and allows an association established before July 1, 2009, to elect to be governed by the provisions: (1) Requires an association to maintain a current roster of all members of the association (members). (2) Requires an association to prepare an annual budget that must be approved by the members. (3) Requires the board of directors of an association (board) to address an item of business if more than 50% of the members petition the board to address the item. (4) Prohibits a board from entering into certain contracts without the approval of the affected members. (5) Prohibits a homeowners association from incurring certain amounts of indebtedness or liability on behalf of the homeowners association unless incurring the indebtedness or liability is approved by the affirmative vote of a majority of members of the homeowners association. (6) Provides that the governing documents of an association must include grievance resolution procedures that provide for the final and binding resolution of disputes. (7) Provides that the governing documents of an association must allow for the termination of the association. (8) Specifies procedures concerning enforcement of homeowners association liens involving unpaid regular annual assessments and collection of other unpaid assessments that are not enforceable through the use of a lien. (9) Prohibits an association from suspending the voting rights of a member for nonpayment of annual assessments unless the assessments are delinquent for more than one year. (10) Provides certain defenses to a member if the association brings a civil action against the member involving an act in furtherance of the member's right of petition or free speech.

The bill was approved by the Indiana House 54-41 last week, sending the bill to the Senate for further deliberation. IBA has raised several concerns with the bill as it was drafted and will continue working with authors and sponsors as it moves through the process.

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

House Bill 1637 Funding for foreclosure counseling (Bardon D-Indianapolis, Charbonneau R-Valparaiso)

Creates a \$50 court fee on persons filing an action to foreclose a mortgage for purposes of providing sufficient money to provide foreclosure prevention counseling and assistance programs.

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2009&request=getBill&docno=1637>

The bill was approved by Senate Judiciary Committee this week and will be reassigned to Senate Appropriations Committee for further discussion due to the fiscal impact of the bill.

House Bill 1348 Energy conservation codes and standards (Dvorak D-South Bend, Ruppel R-Manchester, Pierce D-Bloomington)

The Senate Energy and Environmental Affairs Committee discussed House Bill 1348, dealing with energy efficiency. The bill requires the fire prevention and building safety commission to adopt the most recent edition of the: 1) International Energy Conservation Code as published by the International Code Council (ICC); or 2) American Society of Heating, Refrigerating, or Air-Conditioning Engineers Standard 90.1; for Class 1 structures before July 1, 2010. Requires the commission to adopt any subsequent editions of the code or standard not later than two years after the effective date of the subsequent edition. *The initial exemption of class 2 structures was debated in lieu of the tie to energy provisions of the federal stimulus package. No vote was taken on the bill.*

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

REGULATORY

REVIEW OF PROPOSED 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](#). A few of the proposed changes include bubble covers in wet locations; weather-resistant receptacles in both damp and wet locations; a GFCI receptacle required within any deck, balcony, or porch accessible from the inside of the house that has a usable area of 20 square feet or more; HVAC convenience receptacle required within 25 feet of the outside condenser unit, and all garage receptacles are to be GFCI protected. Most notably the provisions for arc-fault circuit interrupters and tamper-resistant receptacles have been removed thanks to the efforts of IBA members on the Electrical Code Review Committee. To comment on these proposed changes or for copies of the proposed rules contact Carlie at 800-377-6334 or Carlie@BuildIndiana.org.

NAHB NEWS

NAHB HOUSING TAX CREDIT WEBSITE PROVIDES INFORMATION

The recently unveiled website detailing the new federal housing tax credit has added information regarding the stimulus package. Visit www.federalhousingtaxcredit.com and click on 'The Law's Other Provisions' to learn more about key highlights.

MORTGAGE AND FINANCIAL MARKETS CONTINUE TO SLOW HOUSING ACTIVITY, BUILDERS TESTIFY

NAHB recently told Congress that the housing sector is still being significantly affected by the upheaval in the financial and mortgage markets that started in 2007, and there is deep concern that these financial dislocations will increase the depth and length of the housing downturn. Testifying before the House Financial Services Subcommittee, a builder from Tulsa, Oklahoma, said that coordinated regulatory efforts among federal and state agencies are necessary to ensure prudent lending practices and effective consumer protections while facilitating efficient operation of the residential mortgage markets. NAHB urged Congress to implement a clear national framework for mortgage origination standards to replace the current patchwork of state and local laws, which often lead to unnecessary restrictions on mortgage credit.