

INDIANA BUILDERS ASSOCIATION
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Rick Wajda- (800) 377-6334- rick@buildindiana.org
Gretchen White (800) 377-6334 – gretchen@buildindiana.org
Roger Stephens- (800) 377-6334- rogers@bagi.com

House of Representatives- (800) 382-9842
Indiana Senate- (800) 382-9467

Please note this is the last issue of IBA's legislative report for 2007. The report will continue in 2008 with weekly updates during session to keep you informed. Happy Holidays!

NEWS/HIGHLIGHTS

FED LOANS BANKS \$20 BILLION

The Federal Reserve is providing \$20 billion in loans to banks as part of an unprecedented auction process to ease a global credit crisis and make sure financial institutions can keep lending to their customers. The new auction facility was created to encourage banks to seek cash directly from the Fed to overcome credit problems.

U.S. REPRESENTATIVE JULIA CARSON DIES AT AGE 69

U.S. Representative Julia Carson passed away on December 15th in Indianapolis after a battle with lung cancer. Carson served in Congress for six terms and previously served in the Indiana House of Representatives and Center Township Trustee.

DEPT. OF LOCAL GOVERNMENT FINANCE ANNOUNCES NEW TOOLS TO VIEW PROPERTY TAX BILLS

The Indiana Department of Local Government and Finance launches two new taxpayer tools which will give taxpayers access to more information than ever before available. The first tool provides property tax billing information for virtually every county available online through a searchable database, allowing the public to review property tax bill data submitted by county auditors. Additionally, DLGF will begin providing video of the Tax Control Board meetings along with a summary of the meeting minutes and audio files from each meeting. Both tools can be found on their website, www.dlgf.in.gov.

ANTICIPATED REVENUE SLUMP PROMPTS STATE TO CUT COSTS

State agencies will have to cut overhead, leave jobs unfilled and postpone projects under orders issued by Governor Daniels to cut state spending by 5 percent. The orders came after the Governor received word that projected state revenues over the next 18 months will come in \$231 million less than anticipated. Still, according to the projections, the state will end the current budget cycle in June 2009 with \$91 million in its main checking account instead of \$322 million that was anticipated when the General Assembly passed the two-year state budget last spring.

BUSH SIGNS FUEL BILL CONTAINING GREEN BUILDING REQUIREMENT

President Bush signed into law energy legislation includes a section requiring green building standards to be adopted for future federal building construction. The General Services Agency will be required to set green standards through the rulemaking process which will consider input from a variety of groups and trades. The legislation does not mandate a specific standard.

REGULATORY

IRS TO QUICKLY IMPLEMENT AMT PATCH

The Internal Revenue Service will begin final reprogramming steps for its income-tax processing systems to prepare for the upcoming tax season following final passage of the Alternative Minimum Tax “patch” Wednesday by the House. The AMT and AMT-related tax calculations affect a number of core IRS processing systems that will need to be updated. Revised copies of the 12 tax forms impacted by the AMT legislation will be posted to IRS.gov within 72 hours after the AMT patch is signed into law.

LEGISLATIVE

SENATOR BOB JACKMAN WILL NOT SEEK REELECTION

Senator Bob Jackman (R-Milroy) announced that he will not seek reelection after his term expires in November 2008. Jackman has served in the Indiana Senate for the past 11 years and his district includes Decatur, Fayette, Rush and Shelby Counties, as well as portions of Franklin County.

MORTGAGE FORECLOSURE AND FRAUD TASK FORCE DISCUSSES FORECLOSURE

The Mortgage Foreclosure and Fraud Task Force recently met to discuss the mortgage foreclosure hotline recently established by the Indiana Housing and Community Development Authority (IHCDA) and the overwhelming number of calls received. Lieutenant Governor, Becky Skillman plans to roll-out the hotline on January 3rd. The group also discussed the need for various state agencies to engage in information sharing and possibly establish a centralized database for fraud investigation purposes.

ECONOMIC DEVELOPMENT COALITION DISCUSSES LEGISLATIVE ISSUES WITH ADMINISTRATION OFFICIALS

The Economic Development Coalition recently had the chance to discuss the Governor’s property tax proposal and other issues that will be debated during the upcoming session. This group of business leaders meets monthly during the interim to discuss economic development issues.

IBA STAFF MEETS WITH CHAIRMAN OF THE HOUSE WAYS AND MEANS COMMITTEE

IBA staff met with Representative Bill Crawford (D-Indianapolis) to discuss property taxes and the Model Home Act. Representative Crawford is confident property tax reform will emerge from the session and is a supporter of the Model Home Act which

would exempt a model or spec home's structure from property taxes until it is occupied or sold.

IBA MEETS WITH RANKING MINORITY MEMBER OF THE SENATE TAX AND FISCAL POLICY COMMITTEE

IBA staff recently met with Senator Tim Skinner (D-Terre Haute) to discuss property taxes. Senator Skinner believes the majority of the session will be devoted to property taxes and would like to see property tax reform this session.

NEW STATE PERSONNEL DIRECTOR APPOINTED

Daniel Hackler has been named as the new director of the Indiana State Personnel Department. Hackler previously worked as director of human resources for the Office of Management and Budget and succeeds Debra Minott, who is leaving the position for the private sector.

NAHB NEWS

BANKRUPTCY BILL COULD HARM HOME BUYERS

The House Judiciary Committee completed its markup of H.R. 3609, the Emergency Home Ownership and Mortgage Equity Protection Act of 2007. The measure would allow bankruptcy judges to reduce the value of a home loan, extend the terms of the loan, lower the interest rate, delay the effective date of an adjustable rate increase and make other changes to a mortgage for home owners going through Chapter 13 bankruptcy proceedings. NAHB is concerned this legislation would add substantial new risks to investors in the secondary market. The likely effect would be to reduce liquidity, make it more difficult for borrowers to obtain a mortgage or refinance, and increase mortgage rates.