

INDIANA BUILDERS ASSOCIATION
Legislative and Regulatory Report #11
March 23, 2007

Rick Wajda- (800) 377-6334- rick@buildindiana.org
Roger Stephens- (800) 377-6334- rogers@bagi.com
Brooke Burtnett- (800) 377-6334- brooke@buildindiana.org

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

HIGHLIGHTS

ILRC Unanimously Passed Their Final Recommendations

The Indiana Land Resources Council (ILRC) met this week to discuss and vote on their final recommendations for the model land-use ordinances. They voted unanimously to pass the proposals. The ILRC has spent the past six months working to ensure the best proposal was put forth for all Indiana citizens. There were numerous public hearings held throughout the state to make certain that Hoosiers' concerns were heard.

The next step for the ILRC is to get their proposal out for people and companies to see.

The best resource for people to use to view the executive summary is the Indiana Department of Agriculture's website: www.in.gov/isda/modelordinances/index.html

The ILRC will meet again on Tuesday, April 24th to discuss their next priorities.

LEGISLATIVE

HB 1525 New Home Construction and Homeowner Construction (Murphy, R-Indianapolis)

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2007&request=getBill&docno=1525> Provides that after June 30, 2007, a builder may not enter into a home construction contract with a prospective home buyer unless the builder first gives the prospective home buyer a written estimate of the property taxes that: (1) will be owed by the prospective home buyer on the new home; and (2) are based on an assessment made on the first assessment date after the construction of the new home is complete. Specifies that the required estimate may not be based on an assessment of unimproved real estate. Requires the Indiana housing and community development authority (authority) to prescribe a form to be used by builders in making the required disclosure. Defines an "at risk home buyer" as a person who: (1) has a credit score that is less than 620; and (2) seeks to obtain a home loan from a creditor. Requires the authority prepare and make available to creditors home ownership educational materials for use by at risk home buyers. Provides that after June 30, 2007, a creditor may not enter into a home loan with an at risk home buyer unless the creditor first gives the at risk home buyer the educational materials prepared by the authority.

HB 1525 has been referred to the Senate Committee on Tax and Fiscal Policy. It has been scheduled for a hearing next week.

SB 334 Restrictive Covenants Regarding Modular Homes (Riegsecker, R- Goshen)

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2007&request=getBill&docno=334> Provides that a deed restriction, restrictive covenant, or agreement recorded after June 30, 2007, may not prohibit or restrict the erection of an industrialized residential structure on real property. Provides that a deed restriction, restrictive covenant, or agreement that applies uniformly to all homes and industrialized residential structures in a subdivision may impose aesthetic compatibility requirements on an industrialized residential structure in the subdivision.

SB 334 has been scheduled for a hearing next week in the Indiana House of Representatives Committee on Small Business and Economic Development. IBA Staff will keep you informed on its status.

HB 1351 Affordable Housing and Community Development Fund (Bardon, D-Indianapolis)

<http://www.in.gov/apps/lisa/session/billwatch/billinfo?year=2007&request=getBill&docno=1351> Allows a county in which at least one unit in the county has established an affordable housing fund to adopt an ordinance authorizing the county recorder to charge a fee of: (1) \$5 for the first page; and (2) \$1 for each additional page; of each document recorded by the county recorder. Provides that: (1) 60% of the fees collected shall be distributed to those units with an affordable housing fund for deposit in those funds; and (2) 40% of the fees shall be deposited in the affordable housing and community development fund. Prescribes a formula for apportioning the fees collected among the units with affordable housing funds. Allows a county containing a consolidated city to adopt an ordinance authorizing the county recorder to charge a fee of: (1) \$5 for the first page; and (2) \$1 for each additional page; of each document recorded by the county recorder. Provides that: (1) 60% of the fees collected shall be deposited in the county's housing trust fund; and (2) 40% of the fees shall be deposited in the affordable housing and community development fund. Provides that, beginning July 1, 2007, on July 1 of each year, the interest balance in the property custody fund and the interest balance in the abandoned property fund shall be transferred to the affordable housing and community development fund. (Current law provides that on July 1 of each year, the interest balance in the property custody fund and the interest balance in the abandoned property fund shall be transferred to the state general fund.)

IBA Staff has been informed that the recording fee language in HB 1351 may go into a senate tax bill. We are monitoring any action and will keep you informed.

HB 1717 Regulation of Mortgage Brokers (Bardon, D-Indianapolis)

<http://www.in.gov/apps/lsa/session/billwatch/billinfo?year=2007&request=getBill&docno=1717> Transfers responsibility for the: (1) licensure of mortgage brokers; and (2) registration of mortgage loan originators; from the securities commissioner to the department of financial institutions (department). Requires the department to request a national criminal history background check through the state police department for all applicants for an initial license or registration after June 30, 2007. Establishes examination and education requirements for individuals applying for an initial license or registration after December 31, 2008. Establishes continuing education requirements for individuals renewing a license or registration after December 31, 2008. Requires a licensee to maintain on file with the department a complete set of fingerprints for: (1) the licensee, if the licensee is an individual; and (2) each registrant covered by the license. Prohibits certain acts by licensees and registrants. Creates the mortgage broker regulation account in the state general fund. Provides that licenses and registrations issued to mortgage brokers and mortgage loan originators before July 1, 2007, expire on January 1, 2008.

HB 1717 was heard in the Senate Committee on Insurance and Financial Institutions this week. The legislation passed with a 9-0 vote out of Committee and will now move to the Senate Floor for full debate.