

INDIANA BUILDERS ASSOCIATION  
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## **HIGHLIGHTS/NEWS**

### **NAHB'S CEO TO KEYNOTE LAND USE CONFERENCE IN INDIANAPOLIS**

NAHB'S Executive Vice President and CEO, Jerry Howard, will visit Indianapolis on October 29, 2007 to keynote the Communities at the Crossroads Conference X: Improving Land Use in the Face of Change. The Conference is put on by the Indiana Land Use Consortium, of which the Indiana Builders Association is a member. The conference will cover topics such as green building; land use; and transportation planning. To register for the conference or more details, check out: [www.indianalanduse.org](http://www.indianalanduse.org) or call (317) 261-3046.

### **IBA/NAHB TO HOST FREE COPYRIGHT INFRINGEMENT PLAN SEMINAR**

IBA and NAHB will present "Copyright infringement of house plans: What you need to know" on Tuesday, November 13, 2007 from 8:30-9:30 a.m. at the Hilton Indianapolis North. This FREE one-hour issues briefing will feature David Jaffe, from NAHB's Legal Affairs Department and an Indiana home builder who has firsthand experience dealing with copyright infringement that resulted in a multi-million dollar insurance claim. Jaffe will cover the basics of copyright law as it pertains to buildings and architectural works. In addition to their presentations, attendees at the briefing will discuss common copyright problems and how to avoid them. Contact the IBA at 800-377-6334 to register.

### **HOUSING STARTS DECLINE 10.2 PERCENT IN SEPTEMBER**

Nationwide housing starts declined 10.2 percent in September as builders focused on reducing their inventories in the midst of continuing mortgage market travails, according to data released by the U.S. Commerce Department. The majority of the downward movement was centered in the multifamily sector, where a significant uptick in starts had been registered in the previous month.

### **BUILDER CONFIDENCE ERODES FURTHER IN OCTOBER**

Builder confidence in the market for new single-family homes was further shaken in October due to continuing problems in the mortgage market, substantial inventories of

unsold units and the perceived effect that negative media coverage is having on potential buyers, according to the latest National Association of Home Builders/Wells Fargo Housing Market Index (HMI). The HMI fell two more points to 18 in October, its lowest point since the series began in January of 1985.

#### **IRS OFFERS RELIEF FOR LATE S CORPORATION ELECTIONS**

Revenue Procedure 2007-62 allows small businesses that missed filing the Election by a Small Business Corporation before filing the U.S. Income Tax Return for an S Corporation, to file both forms simultaneously. The new process will save time and effort for those taxpayers requesting relief for late elections.

#### **INDIANA FALLS IN STATE BUSINESS TAX CLIMATE INDEX**

Indiana ranks 12<sup>th</sup> in the nation for “business friendly” tax systems, according to the 2008 State Business Tax Climate index released by the Washington D.C. based Tax Foundation. Indiana ranked 11<sup>th</sup> in the 2007 index. The rankings are based on taxes that include the corporate tax, individual income tax, sales tax, unemployment tax and property tax. Scores are also weighted on the relative importance or impact of the tax to a business.

#### **INDIANA RANKS IN TOP TEN FOR FORECLOSURE FILINGS**

Indiana ranked tenth last month for states with the most foreclosures, according to an analysis by real estate information company RealTrac. The company says U.S. foreclosure filings in September nearly doubled the number of filings for the same period a year ago.

#### **ECONOMIC DEVELOPMENT COALITION DISCUSSES TRANSPORTATION**

The Indiana Builders Association is a member of the Indiana Economic Development Coalition, which is made up of Legislators, business and industry trade groups, as well as Economic Development groups who meet regularly to discuss issues facing the Indiana General Assembly. The coalition recently met to discuss transportation issues. The meeting focused on the potential lack of Federal funding in the near future and mass transportation options for the state. Representative Terri Austin discussed regional mass transportation studies which are currently underway.

### **LEGISLATIVE**

#### **LEGISLATIVE COMMITTEE TO HOLD FINAL MEETING ON FORECLOSURES**

The Interim Study Committee on Mortgage Lending Practices and Home Loan Foreclosures will hold its final meeting on October 30<sup>th</sup> in an effort to find ways to decrease the foreclosure rate and reduce mortgage fraud in Indiana. IBA lobbyists have

monitored this Committee all summer and will be on hand to understand any legislation that will be considered during the 2008 General Assembly.

#### **LEGISLATIVE COMMITTEE ON ANNEXATION MEETS**

The Interim Study Committee on Annexation met this week to discuss potential changes to the annexation law in Indiana. IBA member Corby Thompson, and IBA CEO, Rick Wajda, testified at the hearing on voluntary annexation and the issue of pre-annexation waivers to remonstrate. The Committee plans to meet again on October 24<sup>th</sup> to outline Committee recommendations for legislation to be considered during the 2008 General Assembly.

#### **STATE TAX AND FINANCING POLICY COMMISSION STUDYING PROPERTY TAXES MAY NOT YIELD A PLAN**

The Interim Study Commission on State Tax and Financing Policy has met numerous times this summer to study various issues surrounding property taxes. Earlier this week, Chairman Senator Luke Kenley said the panel of lawmakers and tax experts may not produce a single, detailed plan. Instead the Committee might only be able to agree on some common goals and concepts to be explored during the 2008 General Assembly.

#### **GOVERNOR MITCH DANIELS TO RELEASE PROPERTY TAX PLAN SOON**

Governor Mitch Daniels recently told a crowd in Muncie that he would have a plan to provide property tax relief within the next two or three weeks. "We are not going to be a state where people work all their lives to own their homes and then can't afford to keep [them]," Daniels said. Daniels said his administration would attack the problem "with the same vigor and the same creativity" that it did with other initiatives, such as the Indiana Toll Road. Part of the problem with property taxes, Daniels said, is Indiana's antiquated government. The property tax relief plan, he added, has taken time because the issue is complex and he did not want the plan to place more burdens on taxpayers.

#### **REGULATORY**

##### **INDIANA STATE DEPARTMENT OF HEALTH INTENT TO ADOPT RULE CONCERNING AUTOMATIC FIRE SPRINKLER SYSTEMS**

Indiana State Department of Health announced an intention to adopt a rule requiring automatic fire sprinkler systems in comprehensive care facilities and have a battery operated or hard-wired smoke detector in each resident's room.

#### **NAHB NEWS**

##### **BUILDERS OPPOSE ATTEMPTS TO FEDERALIZE THE STATE BUILDING CODE PROCESS**

NAHB opposes a provision in energy bill H.R. 3221 that would create a new code-writing role for the Department of Energy for states that fail to achieve significant above-code benchmarks. "Because the structural and efficiency needs vary greatly for homes built in Florida or New York, versus homes built in Oregon or New Mexico, for example, it is crucial that the code process remains open, is based entirely upon consensus and is protected from overarching encroachment by any federal agency," Frank Thompson, a Pennsylvania home builder, said in testimony before the House Small Business Committee. "Establishing mandatory benchmarks and rigorous federal oversight for state building codes would subvert the consensus-code development process, violate states' rights and impose unwanted and exorbitant costs on home buyers."

#### A NEW GOVERNMENT PROGRAM TO ASSIST DISTRESSED BORROWERS

The latest initiative aimed at alleviating the crisis in home mortgage markets, "HOPE NOW" was announced by Treasury Secretary Henry Paulson and HUD Secretary Alphonso Jackson. The initiative brings together foreclosure prevention counselors, mortgage servicers and other mortgage market participants in an alliance to help home owners who are facing default. It will provide at-risk borrowers the information and resources available in the marketplace that will allow them to keep their home by restructuring the terms of their mortgage or pursuing other options available to them. NAHB President Brian Catalde said, "HOPE NOW will encourage many more troubled borrowers to seek out their mortgage provider or housing counselor to help them explore alternatives to stay in their homes."

#### GREEN BUILDING PILOT PROGRAM BEGIN WORK

Home builders associations and individual builders will begin pilot programs next week that will allow NAHB's green building certification tool to be tested. The results will help the "NAHB Green" oversight groups determine a certification and verification protocol that makes the most sense for builders enrolled in the program. Pilots began October 15<sup>th</sup> and should be finished by the end of the year, leaving "NAHB Green" on track to launch in February 2008 at the International Builders' Show.