

# INDIANA BUILDER NEWS

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### IBA to offer RCS training

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## Indiana's new sales and use tax guidance on construction materials

The Indiana Department of Revenue (IDOR) recently issued Information Bulletin #60 (Bulletin) to provide guidance on the sales and use tax responsibilities on the purchase, sale and use of construction materials after the Indiana Tax Court's 2014 decision in Lowe's Home Centers invalidated IDOR's prior regulations on this topic, and the Indiana General Assembly later reinstated these regulations in 2016. It is vital for any contractor to understand what it must do in various construction project transactions, and the Bulletin provides clarity on these circumstances.

As background, generally any sale of tangible personal property, such as construction materials, are subject to Indiana sales tax, as opposed to the sale of real property (e.g. land, building, etc.) which are not. In the construction industry, tangible property is often "converted" into real property after being installed, such as doors, windows, cabinets, gutters, flooring, or anything that becomes attached to or incorporated into real property. Despite these materials essentially becoming part of real property, they are still generally subject to Indiana sales or use tax when purchased or used. That all seems pretty straightforward, right? But what you may not know

is that a contractor's sales and use tax responsibilities vary greatly depending on the type of contract involved. First, a "construction material" for Indiana sales and use tax purposes includes items like doors, garage doors, windows, cabinets, garbage disposals, water heaters, water softeners, alarms, furnaces and AC units, gutters, carpeting and other flooring materials, drywall, lumber, asphalt, concrete, fencing, trees, shrubbery and pre-fabricated construction materials. Such term does not, however, include items which are generally not thought to become affixed to or incorporated into real property (such as a house), like computers, televisions, refrigerators, stoves, dishwashers, washer and dryer, window AC units, furniture, and other removable items.

Next, a contractor must next understand what type of contract is involved – a "time and material contract" or a "lump sum contract" as this will dictate the contractor's sales and use tax obligations – but that was not always the case. As stated, back in 2014, the Tax Court held in Lowe's that the distinctions between these two types of contracts for sales tax purposes in IDOR's regulations were invalid and thus did not need to be followed by taxpayers. But, in 2016, the Indiana legislature enacted new legislation

to essentially reinstate these distinctions – and even made these laws effective retroactively, all the way back to January 1, 2010, for a variety of reasons, including to prevent a flood of sales tax refund claims from contractors' customers under Lowe's which IDOR could no longer collect from contractors after so much time had passed. So, for better or worse, these contractual distinctions are now the law of the land in Indiana, and IDOR issued this Bulletin to put more meat on the bones of these laws.

According to the Bulletin, for lump sum contracts, the contractor must either: (i) pay sales tax when it purchases the materials, or (2) self-assess and remit "use" tax (the equivalent of sales tax) later when the material is actually converted into real property (i.e., used) in Indiana. Again, the latter situation only applies if the material (continued on page 6)



## IBA elects Pat Richard as state president

The Indiana Builders Association has elected Pat Richard of Lafayette as the 2018 State President.

Pat has served as a senior officer of the association since 2015. A former president of the Builders Association of Greater Lafayette, Pat manages his own construction company, Spire Group. As a third generation carpenter and builder, Pat has almost 20 years experience in the



building industry. In fact, it's embedded in his family with all of his uncles and

cousins in the business as well.

After many years of helping his Uncle Dana in California as a masonry laborer, Pat decided to go Purdue University to study construction management in order to finally start pursuing his own business interests he dreamed of as a boy. While in college, Pat gained more experience working with family helping his cousin Barry as a framing carpenter for both houses and apartments. It is these experiences with his family that Pat truly learned his work ethic.

"I am a doer and problem solver and a fixer and I don't sit still for very long. Fast paced and high energy. I have a servant's heart and find joy in what I do every day even when it sucks. People know if you want something done or it seems not doable or a difficult task/project to call Pat at Spire Group." Pat says.

College was rough for Pat as he just loved being out in the field, but thanks to his friend Brad, Pat finished with his degree and now runs his business successfully on his own. Pat is a true

family man and attributes his success to those close to him including those he met when joining the association.



With a servant's heart, Pat remains involved in his community as a volunteer teacher for Junior Achievement a project builder for Habitat for Humanity. Recently, Pat completed a five-year term as a governor-appointed to the Indiana Fire Prevention and Building Safety Commission.

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Please direct all advertising inquiries to Reagan Van Cleave at 800-377-6334 ext. 203 or reagan@buildindiana.org.

## A servant's heart

**D**omestique is French and translates to 'servant'. Everyone needs a servant, right - someone to clean their house, wash their car or cook their food? Stay with me, I am going somewhere with this.

I was thinking something a little different. I am a fan of cycling and not the motorized type, but the human powered type. I thought of this 'domestique' thing while competing in a 24 hour cycling challenge for CASA for Kids. I made it 20 hours and was wishing I had a domestique. I have enjoyed

with mechanical disasters and sacrifice their bikes if that is the need. Should the team leader lose his lead position the domestique would ride in front of him and create a slipstream so that the team leader could rest and catch back up to the pack of riders. Domestiques race in the interest of the TEAM, or race against the opposing team by putting his or herself in a breakaway and forcing other teams to chase after them. In turn they also chase breakaways that threaten their TEAM. What is the take away?! That is the first thing I ask myself when confronted with something new. For me it is this...Even though I am self-employed, the boss so to speak; I still have bosses and they are called customers (smiling). That makes me a domestique for my TEAM. Being the president of IBA makes me the domestique for TEAM IBA. So to me being a leader means being a servant!! Remember that sometimes you have to be a servant and sometimes you will be served. Know your place on the TEAM and know that sometimes your place on the TEAM can change and as part of a TEAM you must serve one another to accomplish goals.

...."The pain will go away, but knowing you quit never leaves you"....



### President's Message

By Pat Richard  
*Spire Group*

*President*  
 Indiana Builders Association

cycling now for 15 years and have to come to understand how a cycling team works and appreciate their efficiencies. I can't say exactly what 'keys' me up about the sport or riding my bicycle, but I truly enjoy it. I spent 20 hours pedaling at an average of 15 miles per hour. I like being at the bottom of a hill and looking up and knowing I have to climb it or being at the top and knowing I get to go down it and try to hit 40 miles per hour. It's just me, the road, the wind and the bike! There is actually a lot of strategy in team racing and that is where I want to direct your thinking...TEAM thinking.

Okay about this domestique thing. The domestique is actually the grunt of the cycling team. His or her job is to be a servant to the TEAM (mostly a servant to the leader of the team). They serve as basic and tactical support.

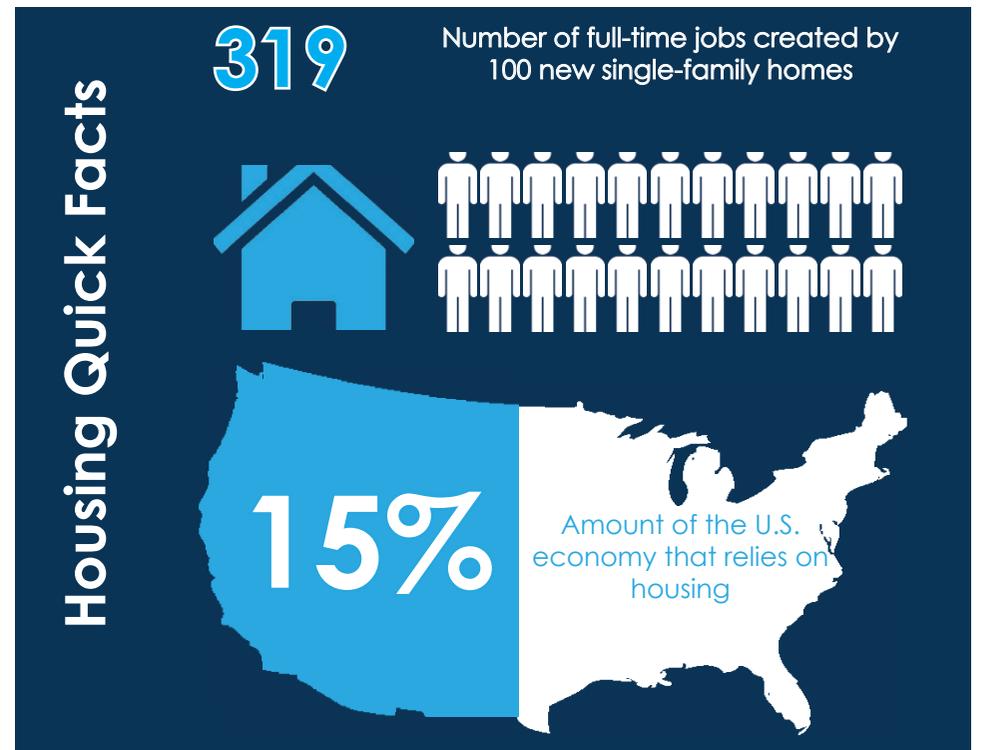
There are different levels of the domestique on a team but I will keep it simple here. Domestiques bring water and food up from the team cars to give to the other riders and shield the team leader from the wind and from other team's riders. They help teammates



IBA President Pat Richard attends the BA of Greater Lafayette membership meeting during their new logo reveal.



Members of the HBA of Greater Terre Haute gather for a picture at a recent membership meeting. Pictured from left to right: Hank Kidwell; Joe Anderson; and Rick Jenkins.



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### Indiana Builder News

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## A quick sprint better known as the short session

The Indiana General Assembly officially began their “short-session” on January 3 and they are scheduled to wrap up their work by March 15, 2018. The term “short-session” is used for off-budget years when the Indiana General Assembly meets due to a 1970 constitutional amendment that authorized the General Assembly to meet annually instead of biennially.

Most of the bills that will be introduced in the General Assembly in 2018 will be released the first week of session and committee hearings begin almost immediately. It can be a fast and frenetic process during the short-session as lawmakers are up against the clock to get bills assigned to committees, schedule committee hearings and begin the legislative process of moving a bill out of their respective chamber within the first month.

Many of the issues that are taken up during the short-session are issues that did not get resolved in prior sessions or are the work product of a summer study committee. However, there are always issues that move to the front-burner due to situations that occur on a local, state, or national level.

To borrow the title of the song from Andy Williams, “It’s the most wonderful time of the year”, many lobbyists enjoy or dread (depending on your frame of reference) the beginning of each session because of

the surprises that await you and the clients/ organizations you represent.

Something that you were sure had no legs as a legislative issue starts to move through the process and in a short-session; your bites at the apple are few. This is why it is critical to have a strong grassroots



### Inside the Issue

By Rick Wajda

Chief Executive Officer  
Indiana Builders Association

advocacy organization like the Indiana Builders Association. Legislators like to hear from their constituents and they take their concerns to heart when weighing the pros and cons of a particular piece of legislation.

As is usually the case, the Indiana Builders Association will have no shortage of issues to cover this session. The home building industry is impacted by so many layers of government that your governmental affairs team doesn’t have the luxury of only covering one specific type of committee.

Some years tax issues dominate the discussion and we spend a lot of time

in front of the House Ways and Means Committee and Senate Tax and Fiscal Policy Committee. Other years, environmental/ natural resource issues command our attention and each chamber has a committee for those bills. And, a lot of issues we track head to the following committees: local government; employment and labor; public policy; government and regulatory reform; government reduction and utilities to name a few.

Our legislative guide is included in this issue of the Indiana Builder News and I encourage all of our members to familiarize themselves with the issues that we anticipate we will see in 2018. I would also encourage every member to read the IBA Legislative & Regulatory Report that is sent out every Friday during session. The Legislative & Regulatory Report is a great resource to stay updated on bills/rules that impact the home building industry as they move through the process.

From time to time, we will ask the membership to engage on an issue through our grassroots advocacy tool, Voter Voice. With a couple clicks of the mouse, you will be able to reach out to your State Representative and/or State Senator and make your voice heard on a particular piece of legislation.

Thank you in advance for your participation in the legislative process. The 2018 session will be fast and furious and then, 2018 mid-term elections!



IBA Senior Life Director Tom Slater (left) was recently inducted into the HBA of Greater Terre Haute’s Hall of Fame. 2018 president Mark Howald presented Tom with the prestigious award.



NAHB State Representatives Andy Place Sr. (Left) and State Rep. Heath VanNatter (Right) visit with U.S. Senator Todd Young at the NAHB Tax Reform Fly-In.



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## Tools for a safe job site

Construction is considered a high-hazard industry by the federal Occupational Safety and Health Administration (OSHA) and, as a result, home builders are frequently the subject of inspections by the Indiana Occupational Safety and Health Administration



### Advocacy Angle

By Carlie Hopper

Governmental Affairs Director  
Indiana Builders Association

(IOSHA).

Risks inherent in construction work include:

- falls from heights such as roofs, ladders and scaffolding
- getting struck by objects and materials such as tools or debris
- accidents involving trucks, forklifts, demolition and excavation machinery and equipment
- burns from fires, explosions and electricity mishaps
- using dangerous tools, machines and materials

- handling and moving heavy materials
- trench collapses or cave-ins
- exposure to the elements and air contaminants

Many of the risks inherent in construction work can be minimized or eliminated altogether when employers in the construction industry follow safety regulations.

Indiana adopts all OSHA standards and regulations, but has a federally approved “state plan” for inspections and enforcement. A brief summary of the Indiana State Plan is included in the Code of Federal Regulations at 29 CFR 1952.17. The Indiana State Plan applies to all places of employment in the state, with a few exceptions, and IOSHA is authorized to conduct inspections of construction job sites to determine whether employers are complying with OSHA safety standards.

While understanding the regulations and complying with them can seem overwhelming, it is absolutely necessary to keep workers safe and to avoid penalties. There are numerous resources to help employers operate safe job sites, improve compliance and reduce occupational injuries and illnesses, including:

INSafe - Helps employers comply with IOSHA standards and identify and correct potential safety and health hazards. Indiana Builders Association has a long-standing Alliance Agreement with the Indiana

Department of Labor, so IBA members receive priority in scheduling a free INSafe consultation at <https://www.in.gov/dol/2896.htm>.

IBA appreciates the work of Commissioner of Labor Rick Ruble, Deputy Commissioner Tim Maley, and Assistant Commissioner Michelle Ellison to help us schedule safety trainings, answer questions from members, and update our Codes & Safety Committee on new regulations. Rick, Tim, and Michelle understand the common-sense approach our members take to getting the job done efficiently while keeping workers safe.

Intro to OSHA for Small Builders - This webinar gives the small builder an introduction to the Occupational Safety and Health Administration (OSHA) and an overview of how to move your company toward compliance.

New Employee Safety Orientation - This webinar provides construction jobsite orientation training to new employees on safety basics and will reduce accidents and save your company money. You can also check out a New Employee Construction Safety Toolkit.

OSHA Inspection Toolkit - This Web page provides builders and trade contractors important information on dealing with OSHA’s stepped-up enforcement and increased penalties including the top 10 most frequently cited standards.

Safety Program Toolkit - This web page provides resources to assist your company in creating a safety program that includes procedures for the identification, evaluation and prevention or control of workplace hazards, specific job hazards and potential hazards that may arise.

Safety Training Toolkit - Many OSHA standards require workers to be trained to recognize and avoid unsafe conditions on the job. The materials contained on this web page will help builders and trade contractors train their workers and comply with OSHA regulations on fall protection, fire protection and prevention, recordkeeping, trenching and excavation, confined spaces, electrical safety, hazard communication, and silica.

OSHA Inspection Process Fact Sheet - This fact sheet from NAHB will help home builders fully prepare their worksites for an OSHA inspection and ensure their employees are trained in how to interact with a compliance officer in the course of an inspection. You can also check out this presentation on How to Prepare for an OSHA Inspection.

Video Toolbox Talks - Each safety Video Toolbox Talk explains and demonstrates how to recognize, avoid, abate, and prevent construction specific safety hazards through the use of techniques including best industry practices and OSHA regulatory requirements.

## Indiana Builders Association Networking Night

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Top New Member Recruiters for 2017 (as of 11/30/17)	
1. Brian Murphy, Newburgh, 11	11. Charlie Giese, Fort Wayne, 5
2. Sheri Zimmer, Chesterton, 11	12. Jason Bell, Bloomington, 5
3. Craig Jensen, Indianapolis, 11	13. Casey Knigga, Lawrence, 5
4. Jeff Thomas, Fort Wayne, 7	14. Jason Ells, Westfield, 5
5. Greg Furnish, Memphis, 6	15. Jay Andrews, Lafayette, 5
6. Jay Crapo, Terre Haute, 6	16. Jay Reynolds, Battle Ground, 5
7. Tim Eckert, Zionsville, 6	17. Chase Murphy, Floyds Knobs, 5
8. Todd Meier, Goshen, 6	18. Andy Place Sr., South Bend, 4
9. Steve Schrader, Lafayette, 6	19. Ed Kelly, Crown Point, 4
10. Chris Erb, Goshen, 5	20. Frank Morin, Merrillville, 4



The “Builder Caucus” all together on Organization Day. Extremely honored to have so many members represent home builders in the Indiana General Assembly. From left to right: Representative Doug Miller (R-Elkhart), Representative Heath VanNatter (R-Kokomo), Representative Julie Olthoff (R-Merrillville), Representative Dale DeVon (R-Granger), Representative Wes Culver (R-Goshen), and Representative Jim Pressel (R-Rolling Prairie).

## Tax (Continued from page 1)

was purchased by the contractor without paying sales tax on the front-end, which can occur if an exemption applies. For example, if the contractor's customer is purchasing materials directly from the supplier, the contractor can provide a Form ST-105 Indiana Exemption Certificate to the supplier and purchase the materials sales tax free, but is still likely on the hook to pay "use" tax on the materials later on when they are used in the project. A contractor's responsibilities are completely different, however, in a "time and material contract" – one in which the cost of construction materials and the cost of labor or other charges are stated separately. In such situations, the Bulletin makes clear that contractors are considered "retail merchants" of construction materials when they dispose of, or convert construction material into real property. This means that any contractor installing "construction material" into real property, such as in the construction of a building or home, becomes a "retailer" of such materials and thus is an agent of the state responsible for collecting sales tax on the material portion of the contract and remitting it to

ularly powerful, and important, in the construction industry where tax rules are always unique, and always changing (even retroactively).

Daniel G. Mudd, Esq., is a Member and tax attorney at Frost Brown Todd, LLC and part of the firm's regional State Tax and Incentives Team, where he specializes in various Federal, State and local tax matters, including property tax, sales and use tax (particularly in the manufacturing, mining, recycling and metal industries), tobacco and other excise tax, income tax, and local occupational license and

business tax.

He currently serves on and is involved with multiple professional and industry organizations, including the Independent SALT Alliance (ISA), Greater Louisville Inc.'s (GLI) Business Competitiveness Committee & Tax Reform Task Force, and the Kentucky Association of Manufacturers, to name a few. Previously, he served as the Chairman for both the Kentucky Bar Association (KBA) and the Louisville Bar Association's (LBA) Tax Sections. For these efforts and accomplishments in state and local tax,

Daniel was selected as a Kentucky Rising Star® for Tax and well as a recipient of Strathmore's Who's Who for Tax in Kentucky. Daniel has participated as a speaker on state and local tax controversy and incentives matters in several conferences and forums, and his articles have appeared in a number of publications.

This issue is very important to our industry. For questions regarding these issues or similar. Daniel can be reached at (502) 779-8148 or dmudd@fbtlaw.com.



By Daniel Mudd,  
Esq.

*Frost Brown Todd*

IDOR. The contractor must also obtain a Registered Retail Merchant Certificate from IDOR to submit these sales tax payments or returns going forward. But don't forget, certain sales tax exemptions can still apply even with time and material contracts and can be likewise be documented through the use of an exemption certificate.

In addition to sales tax being collected on materials under time and material contracts, the Bulletin also notifies contractors that gross retail income tax may also need to be collected on charges for certain services performed on these materials – including for preparation, fabrication, alteration, modification, finishing, completion, delivery, or other services performed with respect to the construction material before the material is transferred or delivered to the contractor's customer. But note that installation charges separately stated on an invoice are not included in gross retail income.

It is vital for Indiana contractors to understand the tax effect of its various projects and services in order to either build such costs into their agreements, or at the very least understand their Indiana tax responsibilities associated with same, as these "unknown" tax liabilities can be significant, and may include interest and penalties on top of the tax. Knowledge is power in any industry, but it is partic-

# Residential Construction Superintendent Training (RCS)



The Residential Construction Superintendent Designation (RCS) series is geared toward promising field superintendents, administrative personnel, associate members, trade foremen, builder members and anyone else wishing to excel in this position. The Designation's ten courses cover issues and subjects identified by National Association of Home Builders members as critical to a field supervisory job.

## Courses

- **General Project Management**
- **Planning and Scheduling**
- **Budget Management and Cost Control**
- **Customer Service and Homeowner Relations**
- **Safety and Security**
- **Codes and Quality Control**
- **Hiring, Training and Supervision**
- **Office and Trade Contractor Relations**
- **Blueprint for Effective Communication**
- **Building it Right: Quality Construction**

## Dates

Tuesdays Beginning  
Feb. 13-March 20  
8:00 a.m.-5:00 p.m.

## Location

Fischer Homes  
6602 E 75th St  
Indianapolis, IN 46250

## Cost

For full 10-course, 5-week program:  
Members: \$1,500  
Non-Members: \$2,000

## Register

Register on our Events tab at [www.buildindiana.org](http://www.buildindiana.org) and click the RCS designation program.

\*Registration limited to first 30 registrants. If registration does not meet pre-determined minimum, those already registered will be notified of cancellation of course and will receive a full refund.

# IBA announces 2018 Legislative Issues

## Priority Issues Affecting Home Builders



During the 2018 Legislative Session, lawmakers will debate many issues affecting Indiana's home building industry. IBA's Governmental Affairs team will closely monitor the following priority issues to foster growth in Indiana and to protect our members ability to provide safe and affordable housing for Hoosiers.

### Workforce Development

**We support initiatives that will provide students and adults alike with opportunities to learn a construction trade.**

- Indiana has one of the lowest unemployment rates in the Midwest and the high demand for more workers has created a labor shortage for the home building industry.
- Ensuring a consistent, reliable influx of new workers is important in an industry that is continuing to grow.
- IBA wants to make sure that young people continue to pursue a career in building the homes of tomorrow and incumbent workers can skill up through employer training programs.

### Engineered Wood Products

**We oppose attempts to require a label/placard be affixed to new homes to identify the use of engineered wood products in floor and roof materials.**

- The use of engineered wood products in new home construction and remodeling projects is common as they are a resource-efficient material, provide architectural design flexibility, and offer consistent structural performance.
- When a fire reaches the structural components of the home, the home is subject to structural failure whether it's constructed with engineered wood products or conventional lumber.

### Impact Fees

**We oppose changes to the state law regarding impact fees.**

- An impact fee is a fee that is imposed by a local government on a new or proposed development project to pay for all or a portion of the costs of providing certain public services to the new development.

### Fire Sprinklers

**We oppose mandating the installation of fire sprinkler systems in new homes because it is not a cost-effective safety improvement over smoke alarms.**

- Almost two-thirds of home fire deaths resulted from fires in properties without working smoke alarms.
- Fire sprinkler installation costs vary significantly: ranging anywhere from \$2.66/ sq. ft. to \$6.88/ sq. ft. depending on a home's location, layout, number of stories, and other factors – particularly access to water.
- Ongoing maintenance costs impose an additional financial burden on homeowners.
- Nearly every state and local jurisdiction has adopted the model code without the fire sprinkler mandate.

### Indiana Residential Code

**We support the adoption of the Indiana Residential Code – a statewide building code that regulates the construction of one-and two-family dwellings and townhouses.**

- Homeowners, building owners, builders, trade contractors, building officials, legislators, and anyone with an interest in the code as well as those regulated by it should be able to view the state's construction requirements online for free.
- The IRC should be updated no sooner than 6 years from the date of the previous adoption and by a review committee established by the Indiana Fire Prevention & Building Safety Commission.
- Recommendations for amendments to the IRC must balance safety with affordability and include a fiscal impact statement.
- The IRC should serve as both the minimum standard that construction must meet and the maximum standard that all agencies and political subdivisions can require.

## IBA takes an active role in the following issues impacting home builders:

### Business Regulation

- Economic Development
- Impact Fees
- Foreclosure Issues
- Homeowners Associations
- Contractor Licensing
- Home Inspectors
- Mechanic's Lien
- Home Warranties
- Performance & Maintenance Bonds

### Insurance

- Worker's Compensation
- Medical Insurance
- Title Insurance

### Labor

- Workforce Training Programs
- Employee Classification
- Unemployment Insurance Trust Fund

### Taxation

- Model/ Speculative Home Exemption
- TIF Districts
- Historic Preservation Tax Credit

### Land Development

- Private Property Rights
- Eminent Domain
- Planning & Zoning
- Complete Streets

### Construction Codes & Standards

- Statewide Building Code
- Building Code Mandates
- Permit & Inspection Fees
- Green Building
- Fire Sprinklers
- Carbon Monoxide Alarms

### Energy & Environment

- Onsite Sewage Systems
- Combined Sewer Overflows
- Mold Remediation
- No More Stringent Than Corresponding Federal Provisions
- Wetland Mitigation
- Lead Paint
- Radon-resistant Construction

## IBA welcomed 25 new members in November

**I**BA welcomed 25 new members in the month of November. They are listed below:

- Ralph Anderson, Fort Wayne
- Chuck Bill, Columbus
- Katelyn Crumley, Kokomo
- John Doppler, Crown Point
- Kyle Ennis, Kokomo
- David Finnerty, Evansville
- Chris Frederick, Indianapolis
- Mike Gonzalez, Lafayette
- Jeffrey Gore, Chandler
- Mark Graber, Linton
- Rob Griffith, Lafayette
- Frank Haig, Indianapolis
- Greg Halter, Indianapolis
- Chris Harouff, Fort Wayne
- Josh Martin, South Bend
- Marilyn Mausar, Elkhart
- Aaron Metzger, Columbia City
- Andy Milentis, Fort Wayne
- Will Miller, New Carlisle
- Darren Patterson, Japser
- Jeff Reinoehl, Carmel
- Alan Simmons, Muncie
- Joyce Watkins, Elkhart
- Shannon Whitley, Plymouth
- Mike Zins, Franklin



**IBA Governmental Affairs Director Carlie Hopper with State Senator Mark Messmer (R-Japser) on Organization Day in November.**

# IBA president visits local associations for the holidays

**I**BA President Pat Richard spent his holidays traveling the state to visit local associations during their holiday get-togethers and membership meetings.



Winners of Vincennes University Foundation Scholarships Bumper Hosteler-(VU Foundation), Sam Riester-(VABA scholarship \$750), Scott Betz-(Art Bowman scholarship \$500), Jonathan Greene-(VU scholarship \$1000), Richard Wente-(VU scholarship \$1350), David Salvors-(IBA Charitable Foundation \$1250), Alexander Bruner-(VU scholarship \$500), Marty Baker (VU Foundation), John Jones-(VABA member), Rich Welage-(VABA President), NOT PICTURED...Drew Nelson-(VU scholarship \$500) and Dillion Owens-(Indiana Lumber Association scholarship \$850)



Members of the HBA of St. Joseph Valley gather with former State President Linda Rogers (second from right) and 2018 President Pat Richard (right) at the 2017 Holiday Party.



2017 Howard County Builders Association President Steve DeLon and his wife Joni at the annual holiday party,



Mike Ullery seated, Doug Cunningham (back center), Bob McKean(right) pose for a picture with IBA President Pat Richard.



IBA President Pat Richard poses for a picture with Howard County Executive Officer Marnie Radtke.



IBA President Pat Richard poses for a picture underneath the christmas tree with incoming Howard County President, Isaiah Baker (right).



IBA President Pat Richard joining Lawrence Johnson, HBA of Madison County Past President, at their holiday party in December.



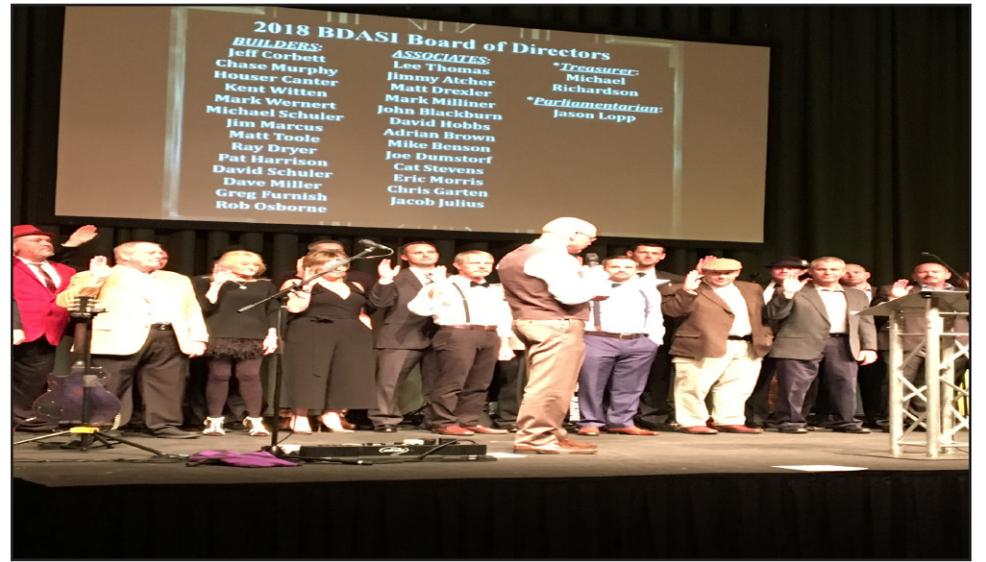
IBA President Pat Richard poses for a picture with HBA of Madison County President Paul Schwinghammer (left) and Lynn Madden (right).



IBA President Pat Richard gathers with HBA of Madison County Secretary Chris Rouse (left) and Executive Officer Donna Jacobsen (right).



IBA President Pat Richard (third from left) poses with members from the Building and Development Association of Southern Indiana at their Great Gasby-themed holiday party.



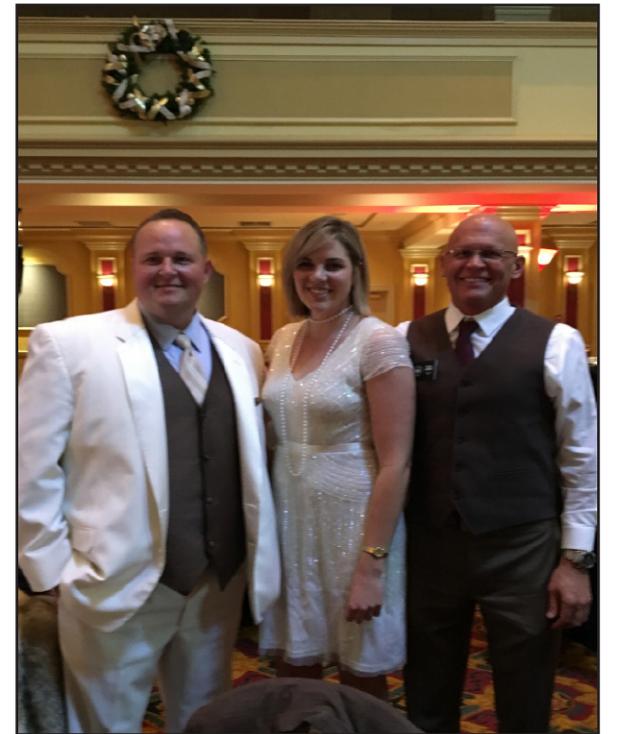
IBA President Pat Richard Swears in Building and Development Association of Southern Indiana 2018 Board of Directors.



IBA Vice President Don Thieneman and his wife Kelly at the Building and Development Association of Southern Indiana Christmas Party.



IBA President Pat Richard does a solo of "Sweet Caroline" by Neil Diamond after his daughter, Caroline Richard.



BDASI Executive Officer Charlie Smith (left) poses for a picture with NAHB Regional Field Representative Alex Martindale (Center) and IBA President Pat Richard after receiving NAHB awards for Largest Numerical Increase and Membership Cup Finalist.



BA of Southeastern Indiana congratulates Bill Amberger for his years of service to the industry and the association. Bill also received a Certificate of Congratulations from Indiana State Senator Gene Leising (R-Oldenburg). Family of Bill Amberger were present when he received his service awards. Bill is a long-time employee of Gillman Home Center in Batesville and has organized many events for the association over the years.



Builders Association of Dubois County Board of Directors and Executive Officer Tracy Lee gather underneath the christmas tree at their holiday party.

## Engineered hardwood top pick for new construction

By Home Innovation Labs

Through its Annual Builder and Consumer Practices surveys, Home Innovation Research Labs has seen some notable trends emerge in the flooring market for new-home construction: carpeting is retreating to bedrooms; resilient flooring is losing its already dwindling share to tile; and hardwood finish flooring is now dominating the main living areas of new homes. The biggest winner among all flooring types in the past decade has been engineered hardwood, capitalizing on the style trend toward wood finishes and the need for quick, trouble-free installation. Hardwood is now the most popular flooring in new-home kitchens. In the past 12 years, hardwood floors—solid and engineered combined—have grown from 11% of all flooring in new single-family homes to 31%. Ceramic tile has shown a much slower growth rate in that same period, meanwhile, from 15% to 21%. Hardwood (all types) has become more popular in all areas of the home except the bedroom and bathroom. It now represents 65% of all flooring installed in new-home dining rooms, half of all flooring in living rooms, and about 45% of all flooring installed in kitchens. Within the hardwood category, engineered wood has been the biggest gainer, especially in production and semi-custom homes.

The most notable flooring trend,

however, is where market movement is not happening. Laminate and, more recently, luxury vinyl tile (LVT) have not caught on in new homes like they have in the flooring replacement/remodeling market. Builders have told Home Innovation that, after figuring in installation cost, laminate is not much less expensive than hardwood so, “you may as well buy the real thing.”

With flooring, trends often originate in the luxury home market before going mainstream and trickling down to move-up and starter homes. Based on what’s happening with luxury home flooring, Home Innovation’s director of marketing research Ed Hudson predicts growth in hardwood finish flooring still has a lot of steam left; demand for carpeting and vinyl sheet will continue to soften in new homes; and tile and natural stone flooring may grow moderately.

The real unknown, according to Hudson, is whether LVT will begin to capture share in new homes like it has in the replacement market. In luxury homes, natural materials like solid hardwood, tile, and stone will continue to do well, and engineered hardwood will continue to see an increasing share as the production building segment responds to the growing demand for wood-finish flooring.



Indiana State Senator Andy Zay (left) and Ric Zehr discuss housing at an event in Ft. Wayne.



NAHB Past Chairman of the Board, Ed Brady discusses housing at an event in Washington, DC with Indiana’s Lt. Governor Suzanne Crouch.

## 2018 Home Shows

Below is a list of confirmed home shows taking place throughout the state for 2018

### February

Builders Association of Elkhart County- Feb. 23-25

Builders Association of Greater Lafayette- Feb. 10

### March

Builders Association of Terre Haute- March 4

BA of Kosciusko-Fulton Counties- March 16-18

Builders Association of Marshall County- March 17-18

### April- May

HBA of Fort Wayne- April 28-29, May 5-6

HBA of St. Joseph Valley- May 12-13, 16, 19-20

### June

Builders Association of Elkhart County- June 16-26

### September-October

HBA of Fort Wayne- Sept. 29-30, Oct. 6-7

HBA of St. Joseph Valley- Oct. 20-21



## Indiana Builders Association Legislative Conference Board of Directors & Committee Meetings Monday, February 5 & Tuesday, February 6, 2018



### Board Meeting Keynote Speaker

**Abdul-Hakim Shabazz** is a writer and political commentator for major news outlets such as the Indianapolis Star, RTV 6, NUVO and WIBC. As the editor and publisher of indypolitics.org, Abdul is highly respected for

keeping Hoosiers informed on local and state-wide issues with his popular podcasts.

### Meeting Location & Hotel Accommodations

**Sheraton City Centre Hotel**  
31 West Ohio Street, Indianapolis, IN 46204

Reserve your hotel room by visiting <http://bit.ly/2Ec64xR> or calling 317-635-2000 and asking for the Indiana Builders Association rate.

### Cost

The prices listed below reflect the early bird registration amount. An additional fee of \$5 will be applied for on-site registration.

Legislative Conference = \$25 (\$30 after January 26)  
Board of Directors Lunch = \$40 (\$45 after January 26)

### Registration

Register and pay by **January 26** to receive the early bird discount. Registration can be done online on our events tab at [www.buildindiana.org](http://www.buildindiana.org).

## Schedule of Events

### Monday, February 5

8:30 a.m.  
Senior Officers Meeting  
10 a.m.  
Registration

10:30-11:15 a.m.  
Legislative Briefing

11:30 a.m.-1 p.m.  
Legislative Lunch at the Statehouse

1:30-3:30 p.m.  
Executive Committee Meeting  
Executive Officers Council Meeting

3:30-4:20 p.m.  
Build Your Future: Train the Trainer  
Codes and Safety Committee Meeting  
Remodelers Committee Meeting

4:30-7:00 p.m.  
Welcome Reception Honoring IBA State & Local Presidents  
Cornhole Tournament

### Tuesday, February 6

7:30-8:30 a.m.  
Chris Garten and Linda Rogers  
Campaign Breakfast

8 a.m.  
Registration

8:30-10 a.m.  
Association Issues Committee Meeting  
Land Use Committee Meeting  
Past Presidents' Council Meeting

10:00-10:15 a.m.  
Executive Committee Meeting

10:15 a.m.-12:00 noon  
Board of Directors Lunch Meeting

12:30-2:00 p.m.  
Housing Protection Fund Committee Meeting

## Event Sponsors

Lunch Sponsor



# Home builders remain confident as new construction slows

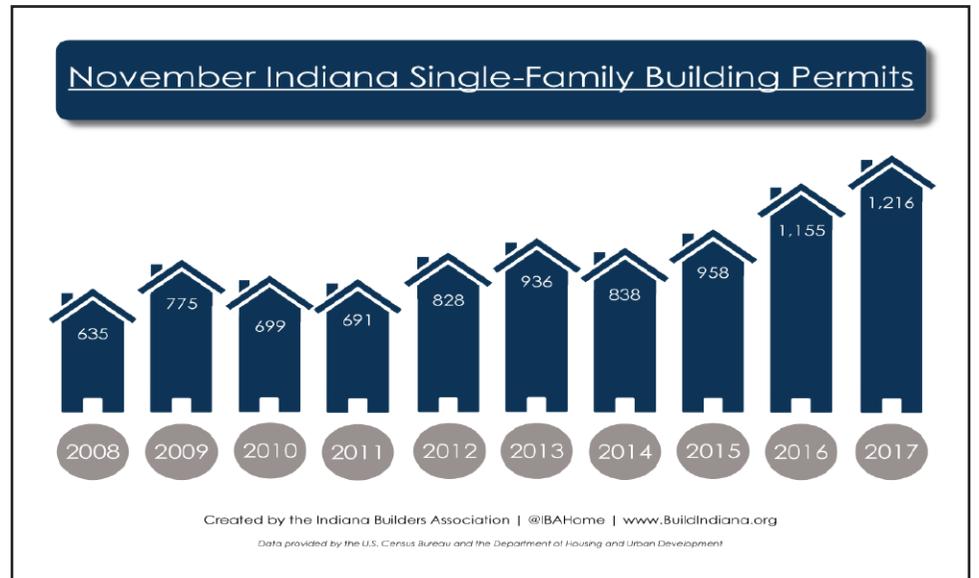
The number of permits filed for single-family homes in the state of Indiana decreased 14 percent between the months of October and November 2017. Despite a statistical decrease from the U.S. Census Bureau, single-family permit numbers in November of 2017 are 5% higher than those in November of 2016 and are up 10% for the first eleven months of this year.

“Even with a decrease for new construction, market conditions are improving as new policies form pathways for small business growth,” said Indiana Builders Association 2017 President Lance Swank. “With Indiana’s unemployment rate low and housing inventory tight, single-family starts should continue to make gains in 2018.”

In November 2017, there were 1,216 single-family building permits issued compared to 1,155 permits in November 2016.

Builder confidence in the market for newly built single-family homes has climbed five points in December at 74 on the National Association of Home Builders/Wells Fargo Housing Market Index (HMI). Any number over 50 indicates that more builders view sales conditions as good than poor.

“The demand for housing has expanded as the economy welcomes new businesses in more parts of the state,” said Swank. “As initiatives are put in place to grow our industry, builders work with confidence to meet the growing demand for homeownership.”



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\$50,000	\$2,500	\$950	\$3,450

EXAMPLE SAVINGS



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State Representative Dave Wolkins (left) and IBA Treasurer, Brett Harter, grab a picture at an event in northern Indiana.



IBA Past State President, Joe Zehr and wife, Tami Zehr, gather for a picture at a holiday event for the North Eastern Group in Ft. Wayne.



IBA President Pat Richard recognizing Executive Officer, Tracy Lee, for her dedication to the home building industry through 5 years of association management to the BA of Dubois County.

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