


Indiana Builders Association

Legislative Report

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February 3, 2023

First calls to action yield positive results for two housing-related bills

The Indiana Builders Association activated members to contact state lawmakers in the Indiana General Assembly for their support of [HB 1315](#) new home warranties and [SB 300](#) residential TIF. Both bills passed their chamber of origin. Details on each are provided below. **Watch for a call to action next week on [HB 1005](#) housing infrastructure.**

House passes new home warranties bill

[HB 1315](#) updates the new home construction warranties statute to allow a builder to disclaim implied warranties for a new home that is first occupied by a person renting the home as a residence from the initial home buyer, as is currently allowed by statute for owner-occupied homes. The bill sailed through the House 97-0 and moves to the Senate for further consideration.

Position: IBA supports amending the current statute on new home construction warranties to clarify that the warranties on a new home begin at occupancy, regardless of whether the occupant is the owner or a renter.

Authored by: [Rep. Doug Miller](#)

Co-Authored by: [Rep. Jake Teshka](#), [Rep. Chris May](#), [Rep. Justin Moed](#)

Sponsored by: [Sen. Scott Baldwin](#)

Residential TIF bill passes Senate

[SB 300](#) removes the 1% cap for establishing a residential housing TIF and eliminates the requirement to obtain approval from the school board. IBA and AIM, the association that represents municipal government, worked to defeat opposition to the bill from the associations representing county government, teachers, and school superintendents. The bill passed the Senate [28-19](#) and moves to the House. Other IBA-supported residential TIF bills include: [HB](#)

1081, held in the House Local Government Committee, and HB 1157, which passed 11-0 in the House Local Government Committee and was referred to the House Ways and Means Committee.

Position: IBA strongly supports residential tax increment financing (TIF), which uses new tax dollars generated by development to finance infrastructure, as a financing tool that helps communities to grow.

Authored by: Sen. Linda Rogers, Sen. Travis Holdman, Sen. Brian Buchanan

Co-Authored by: Sen. Scott Baldwin, Sen. Mike Gaskill, Sen. Jeff Ratz, Sen. Liz Brown, Sen. Blake Doriot, Sen. Jon Ford

Sponsored by: Rep. Doug Miller, Rep. Dave Heine, Rep. Timothy O'Brien

IBA-priority bill “on the list” in state’s budget

HB 1005, which establishes a residential housing infrastructure fund and program, received a 12-0 vote in the House Government and Regulatory Reform Committee. The bill was referred to the House Ways and Means Committee, who voted 18-0 to provide funding in the state's budget to political subdivisions for housing infrastructure, with Chairman Jeff Thompson saying, “It’s on the list.” The bill is on second reading in the House on Monday.

Position: IBA strongly supports this bill, which is an outgrowth of the Housing Task Force’s comprehensive review of housing data that yielded 16 recommendations to improve housing supply. The bill creates a loan fund for local governments to offset the cost of housing infrastructure and prioritizes lending for communities with housing-friendly zoning.

Authored by: Rep. Doug Miller

Co-Authored by: Rep. Timothy O'Brien, Rep. David Hall, Rep. Edward DeLaney

News Story: [Revolving fund for housing moves forward... without a price tag](#)

Tricked out semis are key to attract next generation of construction professionals

The Indiana Builders Association, Indiana Construction Roundtable Foundation (ICRF) and other trade associations are seeking support from members of the House Ways and Means Committee for funding in the state budget to expand the Build Your Future program to include mobile simulators. This exciting new initiative would allow the ICRF to obtain two semi-trucks and trailers, custom fabricated with virtual and augmented reality simulators in 12 high-wage, in-demand professions, to provide 15,000+ Hoosiers annually with hands-on experiential

learning activities to generate interest in careers in manufacturing, construction, and transportation. [Urge your legislators to support funding in the budget](#) for BYF mobile simulators!

Bills of interest scheduled for hearings next week

Residential building commission (HB 1075)

[HB 1575](#), authored by Rep. Tim O'Brien (R-Evansville), establishes the residential building commission (RBC) within the department of homeland security and provides that the RBC has exclusive jurisdiction for the review and adoption of building codes and standards that regulate the construction of dwellings.

Status: Scheduled for hearing on Tuesday in House Government and Regulatory Reform Committee on Tuesday, Feb. 7

Position: IBA strongly supports this legislation to ensure that housing regulations balance safety and cost and are the maximum standard that all agencies and local units of government can enforce.

Attainable Homeownership Credit (SB 339)

[SB 339](#), authored by Sen. Linda Rogers (R-Granger), establishes a tax credit (credit) for a contribution to an affordable housing organization (organization) approved by the IEDC and provides that the amount of the credit is equal to 50% of the amount of the contribution that is not more than \$20,000 made to the organization. Provides for a tax deduction for a taxpayer that has made a contribution that is more than \$20,000 to an organization in an amount equal to the lesser of: (1) 50% of the amount contributed in excess of \$20,000; or (2) \$5,000.

Status: Scheduled for hearing on Tuesday, Feb. 7 in the Senate Committee on Tax and Fiscal Policy

Position: IBA supports incentivising private investment in single-family homeownership development for low to moderate income Hoosiers.

Special inspections and tests for commercial construction, including apartments (SB 333)

[SB 333](#), authored by Sen. Mark Messmer (R-Jasper), makes changes to the qualification requirements for an applicant of a design release issued by the state building commissioner to mandate special inspections and tests for commercial construction, which includes apartments.

Status: Scheduled for amend and vote in the Senate Homeland Security and Transportation Committee on Tuesday, Feb. 7

Position: IBA testified in opposition to the bill due to the added cost and delays to apartment projects that can provide much-needed housing for Hoosiers. The Fire Prevention and Building Safety Commission's General Administrative Rules already provide inspection requirements that must be performed by a design professional. Absent data that shows those requirements are insufficient, there's no need to mandate special inspections and tests. The bill is supported by the associations representing engineers and architects who are the only entities qualified to perform the special inspections and tests that would be required.

Study of homeowners association issues (SB 195)

[SB 195](#), authored by Sen. J.D. Ford (D-Carmel), seeks an interim study committee tasked with studying the following issues concerning homeowners associations:

- levying and enforcing fines
- reviewing the accounting and fiduciary responsibilities
- collecting funds and what happens to those funds and maintenance and utility contracts when an HOA ceases to exist

Status: Scheduled for a hearing in the Senate Committee on Judiciary on Wed., Feb. 8

Position: IBA seeks member feedback on this legislation.

Bill to require live streaming and archiving of meetings held

[HB 1167](#) requires governing bodies of state and local agencies to provide, on a publicly accessible platform: (1) live transmissions of public meetings; and (2) an archive of copies of the live transmissions with links to any meeting agendas, minutes, or memoranda.

Position: IBA supports efforts to provide access to public meetings to keep citizens and the regulated community informed on the topics and projects impacting their community.

Status: Passed as [amended](#) 11-0 in the House Government and Regulatory Reform Committee to limit the archiving requirement to 90 days and to allow a public agency to charge a fee to provide a copy or download; Held in the House Committee on Ways and Means following discussion of an [amendment](#) to narrowing the scope of the bill to apply only to state agencies, meetings of the executive, legislative body, or fiscal body of a county, city, town, or township, or a school board that has members who are elected.

Authored by: [Rep. Ben Smaltz](#)

Co-Authored by: [Rep. Jim Pressel](#), [Rep. Doug Miller](#), [Rep. David Abbott](#)

Bill to strike DNR mandate to use “best floodplain mapping data available” clears Senate

[SB 242](#) repeals a provision that requires a local floodplain administrator to use the "best floodplain mapping data available" when reviewing an application for a permit to authorize construction in or near a floodplain.

Position: IBA supports the legislation to ensure property is correctly rated, land remains buildable, and homeowners are spared from paying high flood insurance premiums.

Status: Passed the Senate [40-5](#), moves to the House for further consideration

Authored by: [Sen. Jean Leising](#), [Sen. Chris Garten](#)

Sponsored by: [Rep. Beau Baird](#), [Rep. Brad Barrett](#), [Rep. J.D. Prescott](#), [Rep. Shane Lindauer](#)

“Lost farmland” bill on third reading in House

[HB 1557](#), authored by Rep. Kendall Culp (R-Rensselaer), directs the state department of agriculture to conduct an inventory of farmland lost in Indiana from 2010 to 2022. The bill [passed 11-0](#) in the House Committee on Agriculture and Rural Development and is on third reading in the House on Monday, Feb. 6. IBA opposes statutorily mandated farmland preservation given its negative impact on economic development. IBA is closely watching [HB 1557](#) as well as [HB 1132](#), also authored by Rep. Culp, which creates the land use task force to study development growth trends in communities across Indiana. [HB 1132](#) is scheduled to be heard in the House Committee on Commerce, Small Business and Economic Development on Wednesday, Feb. 8.

House committee considers property tax relief legislation

[HB 1499](#), authored by Rep. Jeff Thompson (R-Lizton), would temporarily provide a supplemental homestead credit and lower the 1% cap on residential property taxes due to what Rep. Thompson referred to as “a significant, unusual increase in assessed values of homestead across the state.” The bill, which is opposed by schools and local officials due to the financial impact it could have on their budgets, was held in the House Ways and Means Committee.

News Story: [Stress test for the assessment and taxation system](#)

Water-wastewater bills making their way through committees

Residential On-site Sewage Systems (HB 1647, SB 414, HB 1436)

[HB 1647](#), authored by Rep. Morris (R-Fort Wayne), pertains to residential onsite sewage systems (system) and requires: an inspection of a residential onsite sewage system (system) no more than 90 days before the home's sale with a written report provided to the local health department and retained for at least one year; no system may be installed less than 25 feet from the edge of a sinkhole; a riser attached to the distribution box for systems installed after June 30, 2023; local health department to issue a permit for a system when certain conditions are met; a lot with less than 1-acre must have two sites suitable to install the system; provisions to address failing systems, and establishes an onsite sewage system technician licensing board (board) and provides that after July 1, 2025, an individual may not install, inspect, or provide maintenance or repair services for onsite sewage systems unless the individual has obtained a license from the board.

Status: The bill was held in the House Committee on Environmental Affairs

Position: IBA is neutral on the licensing component of the bill and shared concerns with the bill's author and committee members about the requirements for an inspection prior to sale and the second lot set aside for lots smaller than 1 acre.

Other septic bills of interest include [SB 414](#), authored by Sen. Gary Byrne (R-Byrneville), and [HB 1436](#), authored by Rep. Karen Engleman (R-Georgetown). The bills require IDEM to issue a National Pollutant Discharge Elimination System general permit that will authorize the installation and use of "alternative residential onsite sewage systems" under specific conditions. The bills passed the Environmental Affairs Committee in their respective chambers. SB 414 is on third reading in the Senate on Monday, while HB 1436 was referred to the House Ways and Means Committee. [HB 1218](#) Environmental scrutiny before property transfer and [HB 1402](#) Waste management matters have not been scheduled for hearings.

Watershed development commission (HB 1639)

[HB 1639](#), authored by Rep. Aylesworth (R-Hebron), requires the department of natural resources (DNR), with the approval of the natural resources commission, to certify the area of a member county that is within a commission's designated watershed, sets forth certain flood damage reduction and drainage purposes for which a commission may be established, provides that a commission may also have voluntary water quality purposes if the board develops a water quality improvement plan that is approved by the natural resources commission, requires a commission to develop a flood damage reduction and drainage plan for its designated watershed and grants a commission exclusive authority to perform drainage and flood damage reduction activities within the channel of the river that is the surface water outlet of the commission's designated watershed, and provides for the funding of a commission through an annual special assessment against each taxable parcel of real property that is located: (1) in a member county; and (2) within the designated watershed of the commission.

Status: The bill passed as amended 13-0 and is referred to the House Ways and Means Committee.

Bill to “reinvent school” clears committee

[HB 1002](#), authored by Rep. Chuck Goodrich (R-Noblesville), allows students to meet graduation requirements through career experience, gives students state-funded scholarship accounts to spend on workforce training outside their schools, and requires schools to host career fairs.

Status: Passed as amended 8-4 in the House Education Committee and was referred to the House Ways and Means Committee to consider the cost of the program.

Position: IBA CEO Rick Wajda offered testimony in support of the legislation on behalf of the Indiana Builders Association and the Indiana Construction Roundtable Foundation saying “81% of high school dropouts said more “real-world learning” may have influenced them to stay in school.”

Tax bill that benefits businesses on third reading in Senate

[SB 2](#), authored by Sen. Scott Baldwin (R-Noblesville), authorizes certain pass through entities to make an election to pay tax at the entity level based on each owner's aggregate share of adjusted gross income. Provides a refundable tax credit equal to the amount of tax paid by the electing entity with regard to the owner's share. Allows a credit for pass through entity taxes that are imposed by and paid to another state.

Status: Passed as amended 12-0 in the Senate Tax and Fiscal Policy Committee; Third reading in the Senate on Monday, Feb. 6

Position: Support.

Committee hearings next week for bills of interest

IBA's Advocacy Team will monitor the following bills scheduled for committee hearings next week. Details and links to the bills are included in the attached Builders Bill Track. View the full committee schedule for the [Senate](#) and [House](#).

<u>Monday, February 6, 2023</u>	
SENATE ENVIRONMENTAL AFFAIRS	
SB155**	IDEM MATTERS. (NIEMEYER, R)
SENATE NATURAL RESOURCES	
SB412**	NATURAL RESOURCES MATTERS. (GLICK, S)
<u>Tuesday, February 7, 2023</u>	
HOUSE LOCAL GOVERNMENT	
HB1030**	REGISTRATION OF RENTAL UNITS. (OLTHOFF, J)
SENATE TAX AND FISCAL POLICY	
SB339**	ATTAINABLE HOMEOWNERSHIP TAX CREDIT. (ROGERS, L)

HOUSE GOVERNMENT AND REGULATORY REFORM	
HB1179**	PROFESSIONAL LICENSING. (CLERE, E)
HB1575**	RESIDENTIAL BUILDING COMMISSION. (O'BRIEN, T)
HB1623**	ADMINISTRATIVE RULEMAKING. (BARTELS, S)
Wednesday, February 8, 2023	
SENATE PENSIONS AND LABOR	
SB347**	WORK SHARING UNEMPLOYMENT BENEFITS PROGRAM. (BASSLER, E)
HOUSE COMMERCE, SMALL BUSINESS AND ECONOMIC DEVELOPMENT	
HB1132**	LAND USE TASK FORCE. (CULP, K)
SENATE JUDICIARY	
SB195**	STUDY OF HOMEOWNERS ASSOCIATION ISSUES. (FORD, J).
SB385**	FLOODPLAIN DISCLOSURES. (RAATZ, J)

Resources for Navigating the Legislative Session

Builders Bill Track (attached) - provides a list of bills that IBA's advocacy team is tracking

[Find a Bill](#) | [Find a Committee](#)

Floor Calendar for [Senate](#) & [House](#) | Committee Schedule for [Senate](#) & [House](#)

[Session Legislative Deadlines](#)

[Contact Your Legislators](#)

Less than 3 weeks until Legislative Day - February 20

The Indiana Builders Association will host its annual Legislative Conference on February 20 at Embassy Suites in downtown Indianapolis. Members from across the state are invited to a legislative briefing at 10:30 a.m. with keynote speaker Senate Majority Floor Leader [Chris Garten](#). With talking points in hand, members discuss priority issues with state lawmakers during a luncheon at 11:30 a.m. at the Indiana Statehouse. Following the IBA Board of Directors Meeting that afternoon, members have an additional opportunity to talk to State Senators and Representatives at a legislative reception at 4:30 p.m. at Embassy Suites.

Several IBA committees meet the following day where members exchange ideas and work to solve housing challenges. Don't miss the opportunity to advocate for housing and protect your business and industry! Registration and details for all meetings held during the 2-day conference are available [here](#).

Indiana Builders Association

Advocacy Team



[Rick Wajda](#), Chief Executive Officer



[Carlie Hopper](#), Governmental Affairs Director



The Indiana Builders Association (IBA) is a statewide trade organization representing Indiana's home building, remodeling and light commercial construction industry. Established in 1952, IBA has 21 local affiliates across Indiana and is associated with the National Association of Home Builders in Washington, D.C. IBA educates and advocates for the construction industry to positively impact legislative, regulatory, and legal issues that affect housing affordability. View and register for upcoming association events [here](#).

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