



## TOP 10 NCHBA ACTIONS TO BENEFIT OUR MEMBERS IN 2011

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**1. Codified Compromise Victory on Energy Efficiency Mandates**—Last December NCHBA won a major victory when the NC Building Code Council rejected a number of proposed code changes purporting to increase residential energy-efficiency by 30%. Instead, the Council approved a compromise, which NCHBA had negotiated with Governor Beverly Perdue, which adopted the 2009 International Residential Energy Code requirements (with NC amendments) designed to increase residential energy efficiency by approximately 15%. These costs were to be offset by elimination of unnecessary existing code requirements. NCHBA proposed a list of code provision candidates for elimination to achieve the estimated \$3,000 cost of complying with the 15% requirement which were adopted by the Council. During the 2011 Session, *HB 801 (Building Code Revisions/Modify Legislative Review)* was enacted to codify this compromise into law. ***COST SAVINGS in defeating the original 30% mandate: \$9,718 (on 1,600 sq. ft. house); when coupled with NCHBA's successful effort to defeat the residential sprinkler proposal before the Council last December (at an estimated cost of \$7,000-\$21,000 per house), the TOTAL COST SAVINGS arising from the defeat of both proposals: \$16,000-\$30,000 per house.***

**2. Continued to Lead Effort to Make Solving the AD&C Credit Crisis NAHB's Number One Priority**—Last September, the NCHBA Board of Directors unanimously adopted a resolution calling on NAHB to make solving the ongoing AD&C credit crisis NAHB's number one priority. Lyle Gardner, 2010 NCHBA President, led a successful effort by a coalition of states (NC, TX, NJ & SC) during the 2010 NAHB Fall Board Meeting in New York to get this resolution enacted by the NAHB Board of Directors. In response, NAHB drafted *H.R. 1755 (Home Construction Regulatory Improvement Act of 2011)* and sought to have it introduced. In order for this legislation to be seriously considered, strong bi-partisan co-sponsors had to be obtained. NCHBA was successful in enlisting Congressman Brad Miller (D-NC-13<sup>th</sup> District) to join forces with Congressman Gary Miller (R-CA-42<sup>nd</sup> District) as the principal sponsors of this legislation which would ease the regulatory burden on sound lenders and allow them to make good AD&C loans. While this legislation has not yet been heard in committee, a strong NAHB grass-roots effort has produced broad bi-partisan support with currently 81 House co-sponsors. ***No COST SAVINGS intended; instead, the goal of this effort is to unfreeze credit so that our builders can survive.***

**3. Defended Challenges in the Supreme Court of North Carolina to APFO Victories in Lower Courts**—Last October, the NC Supreme Court denied Union County's petition for it to review the December 2009 decision of the NC Court of Appeals that struck down Union County's APFO. The Court of Appeals ruled that the General Assembly had never authorized local governments to impose an APFO nor had they allowed local governments to shift the burden of paying for public schools from the public to our industry. This case was initiated and financed by the NCHBA Legal Action Fund. Citing our Union County decision as controlling authority, the Court of Appeals, in separate cases, also struck down similar ordinances adopted by Cabarrus County and the Town of Cary and required all fees collected to be refunded with interest. However, in June of 2011, the Supreme Court decided to hear these two latter cases. NCHBA joined these cases and filed *amicus* briefs to preserve our Union County victory. Oral arguments were heard on 10/17/11. The Supreme Court has already ruled against the Town of Cary and we expect to win the Cabarrus case as well. ***COST SAVINGS: Literally millions of current and future dollars as this illegal practice was spreading across NC; the cost savings in Union County alone was \$16,000 per house.***

**4. Repealed Land Transfer Tax Referendum Authority**—*HB 92 (Repeal Land Transfer Tax)* was enacted which removes provision inserted into 2007 state budget conference report allowing counties to hold referenda seeking voter approval to levy a .4 of 1 % land transfer tax; 24 elections were held in 22 counties and the voters rejected this home tax in every case; campaigns to defeat were very costly to NCHBA and NCAR; passage of this act ends this bad idea. ***COST SAVINGS: Literally millions statewide had these, and future, referenda passed; substantial future savings to NCHBA Issues Mobilization Fund.***

**5. Led Business Coalition to Major Reform of Workers' Comp Laws**—NCHBA, NC Chamber, and NC Retail Merchants led a business coalition of more than 80 businesses and business organizations to the first major comprehensive reform of the workers' comp laws in more than two decades; key elements included: reform of Industrial Commission; cap on temporary total disability payments; redefines "suitable employment" to encourage return to work; and improves employer access to employee medical records. **COST SAVINGS: Millions of dollars to employers over the next decade.**

**6. Led Business Coalition in Enactment of Sweeping Regulatory Reform Act**—NCHBA led a broad business coalition in proposing, lobbying for, and overcoming a gubernatorial veto to enact this sweeping regulatory reform act (*SB 781*) by amending the rulemaking and administrative hearing provisions of the Administrative Procedures Act. Highlights include: ending abuse by agencies in adopting "policies" to avoid rulemaking; no state rule can be more restrictive than imposed by federal law; reduces financial threshold triggering preparation of fiscal notes by agencies and requiring that notes be available prior to public hearings; rules must be based on sound science and objective of rule must be achieved in most "cost-effective and timely manner"; contested case reforms including removing ability of agency to overrule decisions in favor of citizens issued by administrative law judges; extends life of certain state environment permits to 8 years. **COST SAVINGS: Millions of dollars to our members, other employers, and to the public.**

**7. End Abuse of "Owner Exception" to General Contractor License**—NCHBA sought introduction of, and successfully lobbied for, a bill (*HB 648*) which requires verified affidavit of owner seeking to build on his or own property without a license and requires Licensing Board to verify that the owner is actually the contractor; also extends period from 2 to 4 years for inactive license to be renewed without taking exam. **No COST SAVINGS intended; instead, the goal is to end abuse by unlicensed contractors soliciting owners to "pull permits" and to allow contractors a longer period to reinstate an inactive license without retaking the exam.**

**8. Secured Major Property Rights & Land Use Victories**—Successfully sought enactment of several bills including: *HB 806 (Zoning St. of Limit./Ag. Dist. Change)* which retains the existing two-month statute of limitations to challenge rezoning while expanding the statute of limitations for constitutional or other legal challenges to zoning ordinance adoption or text changes; and prohibits counties from using back-door zoning to prohibit 10-acre-lot subdivisions not subject to subdivision regulation. *HB 332 (Clarify Development Moratoria Authority)* ends abuse of moratoria authority as a planning tool by prohibiting moratoria on residential uses. *HB 687 (Atty Fees/City or County Action Outside Authority)* allows attorneys fees to citizen who successfully sues local government for acting outside scope of its legal authority; fees mandatory if court finds local government action was abuse of authority. *HB 750 (Stormwater Best Management Practices)* requires DENR to accept developer transfer of stormwater devices to home owners association (HOA). **No COST SAVINGS intended; instead, the goal of these bills was to remove major obstacle to challenge illegal ordinances and allow for attorneys fees if successful; end moratoria abuse; and to require DENR to approve transfer of stormwater devices to HOAs.**

**9. Protected Members Lien Rights**—In cooperation with other major industry groups, NCHBA stopped a radical rewrite of lien laws which would have diminished protections of existing law for general contractors, subcontractors, and suppliers; bill turned into a study. **COST SAVINGS: Millions of dollars in preserving lien rights for all segments of our industry.**

**10. Stopped or Amended Other Bad Bills and Ideas**—Among other bills which NCHBA successfully opposed or amended during this session were the following: *HB 36 (Employers & Local Governments Must Use E-Verify)* amended to exempt employers with fewer than 25 employees from mandatory use of E-Verify; removed all unfavorable provisions from *HB 165 (Planned Community & Condo Act Amendments)*; sidetracked *HB 454 (ERC to Study Construction on Slopes)* and it was not included as authorized topic in studies bill; several bad local bills were defeated or not calendared (e.g., one seeking tree ordinance authority, another seeking to enact local energy code; etc.); a bad idea which first appeared in the last session resurfaced in this one—a proposal to apply the franchise tax to limited liability entities which many of our members use to hold land for development purposes; this idea was eliminated from the leadership's list. **Millions in COST SAVINGS to our members.**