



The Builders Association of Northern Nevada

2008-2009 State & Local Policy Manual and Legislative Agenda

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Introduction

MISSION

Chartered in 1956, the Builders Association of Northern Nevada (BANN) is a non-profit organization affiliated with the National Association of Home Builders and is committed to education, information, representation and benefits to our membership, community and the building industry. This is achieved through a team effort of our membership and community to create a better quality of life, housing for our citizens, and economic prosperity.

AFFILIATED ORGANIZATIONS

The Builders Association represents the collective interests of the construction industry in Northern Nevada. BANN currently has 893 member organizations representing 18,000 employees. The association offers programs of information, training and education to all construction professionals. The Builders is the primary administrative vehicle for affiliated organizations and sub-organizations that have been established to meet targeted member needs. These affiliated organizations include BANN-PAC, Build-PAC, Sales and Marketing Council, Major Builders Council, and ~~the~~ Women's Council.

Committees within The Builders exist to foster and enhance programs designed by the association to benefit its members and include the coordination and implementation of membership functions, publications and public information, government affairs, and special events that are held under the auspices of the Builders Association of Northern Nevada and its affiliated organizations. Staff and administrative support is provided to each of these additional organizations by the Builders Association.

POLITICAL ACTIVISM

A major goal for the Builders Association is to enhance the building climate in Northern Nevada, a primary factor in housing affordability. To facilitate our ability to educate those who regulate our industry, the Builders Association maintains an ongoing dialogue with decision-makers and legislators at the local, state, and national levels.

The Builders Council, the Legislative, Codes, Infrastructure & Planning, and Energy & Conservation]committees represent the members interests in federal, state, and local government activities. This includes full time representation at the State Legislature and with all of local entities. This would also involve campaigns such as "Yes Yes for Kids" and the Washoe County School Bond rollover proposal for school construction and successful reforms in construction defect legislation working with the Coalition for Fairness in Construction.

LEGISLATIVE POLICY

The Builders legislative policy is reviewed on an annual basis, although it remains consistent. Within the guidelines of this Legislative Policy Manual, the BANN Board of Directors and staff are able to make timely decisions, deliver testimony and implement personal contact with elected officials to solicit an appropriate response on behalf of the BANN membership.

EDUCATION

BANN supports a world class education system for the future of our community. BANN believes that accountability is critical to ensure results from our school system. Career and Technical education is imperative to provide choices for our children and to provide options on career choices to develop a well rounded workforce. BANN will continue to work with the Washoe County School District to bond for new school construction as it has in the past. Creative solutions to type of schools and funding ~~of~~ must be considered.

SUPPORTS:

- High Standards for all students and educators
- Increased choices to students such as Career and Technical curriculum.
- Greater accountability of voter approved bond and rollover bond funding for new schools
- A plan for the backlog of deferred, current, and future maintenance needs of aging schools.
- Cooperation with the development community on planning for future schools sites.
- Creative, broad based solutions to funding and building schools.
- Amendment of charter school legislation to provide equitable capital construction funding for successful programs like ACE High School.
- An increase in the Washoe County School Districts portion of the property tax to come closer to the ratio of Clark County School District.
- Broad based funding sources.

OPPOSE:

- Impact fees for new schools
- Any Single Industry Taxes.
- Gateway curriculum
- Increase of the Real Property Transfer Tax (RPTT).

ENERGY

BANN recognizes that at both state and national levels, energy efficiency and conservation is growing in popularity – within the government sectors as well as with the public. Often this goes beyond just energy conservation and energy alternatives, moving into the broader topic of “green building,” with an emphasis on resource conservation and alternative construction materials. With the recent passage of AB3, the state of Nevada is actively pursuing this agenda, with the Las Vegas area expected to have to meet new standards in 2007, and the rest of the state to follow in 2008. Consequently, BANN is proactive on this issue, working to develop standards that are reasonable and cost effective for the home buying public.

SUPPORTS:

- Incentives for developers and consumers to provide energy efficient homes.
- Working with the construction industry to develop appropriate, cost effective energy options that will be supported by the consumer via increase value of the home.
- Adoption of the Sierra Green Residential Program by local entities which recognizes energy efficiencies by policy makers and the public

OPPOSES:

- Arbitrary requirements for purported energy efficient techniques that increase the price of housing without understanding the consumer purchasing preferences.

INDOOR AIR QUALITY STANDARDS

The presence of mold in residential and commercial buildings continues to generate litigation against builders, building owners, and property managers for personal injury and property damage. It is the subject of disputes between insurers and their policy holders. Mold occurs naturally, has been around since the beginning of human-built structures, and is everywhere. While mold growth in indoor environments is not new, the issue has generated national media attention and led to the creation of a number of mold sites on the Internet.

SUPPORTS:

- The development of indoor air quality standards with the State Board of Health and or the Legislature.

OPPOSES:

- National standards that do not allow different standards for different climates and regions.

NEVADA STATE CONTRACTORS BOARD (NSCB)

The NSCB is a licensing agency, funded solely by the revenues generated from license holders. BANN feels that this agency needs to be a fair, unbiased body that works to promote industry standards, and not act solely as a consumer advocate agency.

SUPPORT:

- Clearer legislation or administrative language on issues such as inspector training and educational requirements.
- A standard for “qualified” inspectors and a clear procedure for investigations.
- Current licensing to support professionalism in the the industry.

OPPOSES:

- The NSCB being placed in a position of “consumer advocate”
- Use of unlicensed contractors.

PUBLIC EMPLOYEE BARGAINING

Nevada is a “right to work” state, yet our current laws for government employees are more in keeping with a “union state.” Many of these practices discourage dismissal of poorly performing employees due to the policies in place. Furthermore, these practices frequently result in higher costs, such as the policy that dictates in the event of consolidation, government employees are due to the “highest and” wages and benefits. These practices cost the state tax dollars, and negatively impact economic development efforts.

SUPPORTS:

- An analysis on the budget ramifications of pubic employee bargaining.
- A reform package of state and local policy changes that will help open this process to the public and bring this spending back under control.
- Elimination of collective bargaining and replacement of current process with mandatory arbitration.

OPPOSES:

- Collective bargaining and keeping this process closed to the public.
- Barriers to salary savings when consolidating services.

REGIONAL FLOOD PLANNING

Flood planning by our local jurisdictions is something that our entire community benefits from and therefore should be funded by broad based funding sources.

SUPPORTS:

- A regional flood project supported and funded by the entire community
- Fair treatment of mitigating flood storage volume ratios based on sound science.

OPPOSES:

- Construction industry related funding measures.
- Requiring new residents to pay for existing flood management deficiencies.

REGIONAL PLANNING

The Truckee Meadows Regional Planning Agency (TMRPA) is responsible for the preparation and implementation of the Truckee Meadows Regional Plan which highly impacts the home building industry. The Regional Plan addresses land use planning, natural resource management, and infrastructure and service provisions within Washoe County.. The agency implements the Regional Plan by ensuring that master plans of local governments and affected entities conform with the Regional Plan. The TMRPA is comprised of the Regional Planning Governing Board (RPGB), the Regional Planning Commission (RPC), the Director of Regional Planning, and staff.

SUPPORT:

- Working with the Truckee Meadows Regional Planning Agency and community stakeholders for sound growth management policies for the future of Northern Nevada
- Reasonable facility planning and implementation standards for good planning across the region.
- Consolidation of infrastructure and services where reasonable: water, flood control, sewer, roads, parks, fire, police, and schools.

OPPOSES:

- Concurrency in it most stringent interpretation.
- Regional Planning Commission acting as additional layer of bureaucracy.
- Regional Planning for a forum to continue disputes from the various entities.

TAXES and IMPACT FEES

BANN opposes the imposition of industry specific taxes, especially when the revenues generated benefit the citizens at large. For almost 400 years, local, state and national governments have assumed full responsibility for funding public infrastructure improvements. Traditionally citizens have understood and accepted the fact that public infrastructure improvements benefit everyone, so everyone should pay a fair share of the costs of providing and maintaining them. In recent years, a combination of no growth attitudes, opposition to taxes (new and increased) and reduced funding transfers to local governments from the state and national government has lead to a fundamental shift in public expectations of who should pay for public infrastructure. The prevailing attitude is “anyone but me.” Based on this new political reality, local governments are allocating higher proportions of the costs of public infrastructure improvements on the residential construction industry. While BANN supports local government’s need and ability to reasonably manage this growth, it opposes unreasonable land use restrictions and policies or business specific taxes that unfairly punish the development and construction industry for responding to market demands. Successful economic development endeavors are integrally related to a healthy, affordable housing market, and its ability to respond to the resulting market demand for new housing.

SUPPORT:

- Broad based tax solutions to community wide problems
- A legislative effort to eliminate the current practice of 1.5% annual depreciation on real property up to a 75% reduction of a structure’s assessed value.
- Resetting assessed property values at the point of sale.
- Regional Transportation Commission (RTC) regional road impact fee indexing.

OPPOSES:

- Additional industry specific taxes.
- Implementation of new or additional impact fees for infrastructure or services such as recent proposals for flood control, schools, fire, police and parks.
- Increase in the residential transfer tax.

TRANSPORTATION

Northern Nevada has a considerable growing transportation infrastructure need due to increased commercial, industrial and residential growth that requires a regional solution. BANN supports full funding for identified transportation projects, such as the Regional Transportation Commission's (RTC) proposal to build the South East Connector roadway. BANN supports the establishment of a consistent, dedicated source of funds that fully fund transportation infrastructure across the state.

SUPPORT:

- Regional approach to transportation needs
- Immediate construction of the South East Connector roadway
- Indexing of impact fees with an inflationary adjustment for future transportation, as the building industry's "fair share" of funding for transportation.
- A dedicated reliable source of state funds for transportation
- Establishment of transportation funding districts when appropriate.
- Indexing of the fuel tax to keep up with fuel efficient automobiles and inflation.

OPPOSE:

- Concurrency in its most stringent interpretation.
- Impact fees paying for existing deficiencies.
- Exactions over and above impact fees.

WATER RESOURCE PLANNING

The Builders believe that we must have a regional planning approach for water and flood control. Two decades worth of work on the Negotiated Settlement Agreement is the single most critical plan for future water supply in Northern Nevada. The Truckee River Operating Agreement (TROA) must be approved so the Negotiated Settlement becomes a reality. TROA will make a long standing agreement between Nevada, California, Pyramid Paiute Indian Tribe, the federal government, local entities, and addresses endangered species, water quality, and storage issues related to the Truckee River.

SUPPORT:

- Negotiated Settlement Agreement
- Finalize Truckee River Operating Agreement (TROA)
- Adequate Truckee River storage to meet drought year demands.
- The Western Regional Water Commission's authority to oversee cost effective importation and resource management that adds resources to our existing system which will stabilize or reduce prices and increase availability of water.
- TMWA and Washoe County Water Resources providing water rights through acquisition.]
- Consolidation review efforts of water resource management systems to optimize fiscal and operational efficiencies and practice.
- Consistent and seamless and equitable management between TMWA and WCWR (i.e., regardless of which service territory, one receives the same treatment.).
- Regional conservation plans designed to use our resources efficiently.
- Use of effluent water for parks, greenways, and outdoor residential use where reasonable. Analyze effluent price structures for cost efficiencies.
- Streamlining the "perfection process" for low volume transfers helping make the whole system more efficient.

OPPOSE:

- Policies that allow for duplication of managing services including not maximizing water resource management, and efficiency deficiencies.

AFFORDABLE HOUSING

The federal government should provide incentives to local and state governments to remove regulations and procedures that arbitrarily increase the costs of housing, which decreases the affordability of housing. In addition, all levels of government, including state and local governments, should address affordable housing needs by implementing a broad and comprehensive strategy including alternative and innovative funding programs, increased housing production and diversity, streamlined regulatory processes, and reduced market interventions on the part of government, and not through the adoption of mandatory inclusionary zoning without proper incentives.

SUPPORTS

- Addressing housing affordability through the use of a competitive market operating in a climate that encourages and accommodates housing options for all income levels and that provides broad funding supplements where market forces cannot supply housing without added incentives or subsidy.
- Implementation of legislation to encourage local and state governments to remove barriers to affordable housing
- The production of a broad spectrum of housing by the home building industry that guarantees appropriate development incentives and subsidies and that guarantees that the cost is borne by the general community and not by the home buying public.

OPPOSES:

- Adoption of mandatory inclusionary zoning programs or policies.

2008-2009 LEGISLATIVE INITIATIVES

Ballot Questions - Proposed Constitutional Amendments

PROPERTY OWNER BILL OF RIGHTS (ALSO REFERRED TO AS PISTOL)

This proposed initiative would amend Article 1 of Nevada's Constitution concerning the public use of property, payment for private property, and compensation for economic loss through eminent domain, as well as property owner's rights through court proceedings.

BANN OPPOSES BASED ON THE FOLLOWING:

- The current use of eminent domain in Nevada is fair to taxpayers and property owners.
- The proposed amendment goes too far in its reach and will cost taxpayers of Nevada millions of dollars for uses that are truly public.
- This proposal would swing the pendulum largely in favor of the property owner and would unfairly penalize taxpayers.
- Passing of this proposal would severely impact local government's ability to plan for the needs of the community.

Additional Legislative Policy Issues

CONSTRUCTION DEFECT – CHAPTER 40

The construction industry is facing a very serious crisis, as providers of general liability and construction liability leave the state.

SUPPORTS:

- Meaningful tort reform on frivolous class action construction defect lawsuits to include caps on damages which will open up the market to carriers.
- Clarification and support of Chapter 40 right to repair (remedy/fix/cure) before going to court and right to release from liability.
- Definition of a class to include only the construction defect, not theoretical or extrapolated defect or injury.

OPPOSES:

- Expansion of “class action” or “extrapolation” definitions for construction defect.

IMMIGRATION REFORM

It is estimated that more than 20 percent of the building industry's entire workforce is foreign-born, making the immigrant population essential to meeting housing demand and sustaining economic growth in this country. While NAHB and BANN believes that border security reforms are important, it is also vital that immigration legislation must include a system by which immigrants can legally enter the country to work, because they are needed to sustain our nation's workforce. BANN also strongly believes this is an issue that should be handled by the federal government.

SUPPORTS:

- Protecting our borders.
- Place the responsibility of verifying a worker's immigration status with the employer who hires and pays them.
- Create an enforcement system that is fair, efficient and workable for all U.S. employers.

OPPOSES:

- Illegal immigration

EMINENT DOMAIN

The use of eminent domain by compensating private property owners for taking land for a public use is an important policy that has been gaining national attention.

SUPPORTS:

- The current use of eminent domain used to ensure the proper use of taxpayer dollars for future planning transportation needs.
- Private property rights.
- Payment of “fair market value” to provide “just compensation” during an eminent domain proceeding.

OPPOSES:

- Arbitrary condemnation of private property for public use without proper justification.

[Legislative Committee to Oversee the Western Regional Water Commission (S.B. 487, sec. 56).

The 2007 Nevada State Legislature enacted the Western Regional Water Commission to evaluate the benefits of regionalizing and finding efficiencies in TWMA’s and Washoe County Water Resources’ efforts of acquisition, development and management functions into a new entity similar to the Southern Nevada Water Authority (SNWA) model.

SUPPORTS:

- The new entity to oversee the acquisition and management of water resources for Washoe County.
- The technical advisory board, the Regional Water Planning Commission (RWPC) to report to the new entity and not Washoe County.
- A fair representation of water users by the amount of water used by each entity.
- This new entity to look at other areas where consolidation would provide a more effective and efficient overall system.
- A regional approach to water management possibly including surrounding counties.
- Continuation of the SB 487 process into the 2009 Legislature.

AB440 PREDATORY LENDING

Due to well publicized problems in the subprime loan market, state and federal governments are attempting to address this issue. “Predatory lending” is a catch-all phrase used to describe unethical or unfair practices in the loan industry. Affordable and accessible lending options are critical to the success of the home building industry.

SUPPORTS:

- Prudent mortgage loan underwriting and adequate information for consumers on mortgage loan features and risk.
- Working with federal, state, and local financial regulators to ensure that regulation of mortgage products and practices do not unnecessarily disrupt the mortgage lending process, limit consumer financing options, or increase the cost or reduce the availability for mortgage credit.

OPPOSES:

- Predatory lending practices.
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BUILDERS ASSOCIATION OF NORTHERN NEVADA OPERATING PROCEDURE

For issues not clearly defined by an approved existing policy, the following procedure will prevail. The system is completely dependent on the time available in descending order:

The Builders Council, Legislative, Infrastructure & Planning, Codes, or [Energy & Conservation] committees make recommendations to the BANN Board of Directors which ratifies, modifies or rejects:

The Builders Council, Legislative, Infrastructure & Planning, or Codes committees make recommendations to the Executive Committee which ratifies, modifies or rejects:

Unless covered by the above state policies, staff will take no independent action to represent the Builders Association of Northern Nevada without first consulting the BANN President and the BANN Executive Director.