

Florida Building Material Association Government Relations

Adopted Policy Issues for 2010

***HOUSING AFFORDABILITY/RESIDENTIAL FIRE SPRINKLERS**

Position: FBMA supports legislation that prohibits the adoption of building codes mandating fire sprinklers in residential facilities.

Background: Last year, the International Code Council (ICC) adopted provisions in the residential building code that requires the installation of an approved automatic fire sprinkler system in new one-and-two family dwellings and townhouses. In March 2010, the Florida Building Commission will begin work on the next edition of the Florida Building Code based on the ICC model code that contains the sprinkler mandate. Florida law already prohibits fire sprinkler requirements in one-and-two family dwellings *unless* a cost-benefit analysis is performed and specific fees, allowances and trade-offs are granted by the local government to offset the increased costs of installing fire sprinklers. With the recent downturn in Florida's housing economy, adding an additional financial burden such as mandating fire sprinklers would be devastating to rebuilding a robust housing market.

***GREEN BUILDING MANDATES**

Position: FBMA supports environmentally-sound green building construction practices and the conservation of our natural resources; however, we oppose any mandates that increase construction costs and likewise affordability.

Background: Green building—the wave of the future—provides an opportunity for the building materials industry to promote wood as the most sustainable and “green” choice for construction. In order to be successful, green building programs must continue to be voluntary and provide options for the building and design community without imposing a preference for one green rating system over another. Likewise, there needs to be a balance between conservation and land devoted to environmentally-friendly growth and development.

***BUILDING CODES/PRODUCT APPROVAL**

Position: FBMA supports building code changes that are based on sound science and industry best-practices, including the latest homebuilding technology and product innovations, and opposes code changes that discriminate against wood products and materials. Additionally, FBMA supports legislation that streamlines the state product approval process in order to get approved products to market more expeditiously.

Background: Since the establishment of the Florida Building Commission (FBC) and the uniform building code in 1998, FBMA has lobbied to tighten up the code process to ensure that the FBC does not adopt unnecessary code changes and that they follow a set procedure for determining the fiscal impact and Florida-specific criteria of each code amendment. Oftentimes, unnecessary code requirements result in increased costs to construction and are detrimental to the building material and housing industry. Moreover, the constant threat of product discrimination exists when proposed code changes are not vetted through the consensus process. Likewise, efforts to improve the state product approval process to lessen the burden on product manufacturers and deliver approved products to market more expeditiously are critical.

***WORKERS' COMPENSATION**

Position: *FBMA opposes any legislation that increases workers' compensation rates for Florida's employers and supports legislation that further rolls back rates.*

Background: Recently, Florida Insurance Commissioner Kevin McCarty issued an order approving the National Council on Compensation Insurance's (NCCI) amended rate filing for workers' compensation insurance rates effective Jan. 1. The 6.8% rate decrease marks the seventh consecutive drop in worker's compensation rates since 2003 when the Florida Legislature passed major reforms to the workers' compensation system, bringing the cumulative overall statewide average rate decrease to 63.2 percent. Prior to the legislative reforms, Florida consistently ranked No. 1 or No. 2 in the country for the highest workers' compensation rates; this additional rate reduction will now place Florida among the lowest 10 states in the country. Florida lawmakers need to oppose any efforts to erode the cost-savings on workers' compensation rates for Florida employers.

***PROPERTY INSURANCE**

Position: *FBMA supports fiscally-responsible legislation that provides regulatory incentives to stabilize the market and increase the affordability and availability of property insurance for Floridians.*

Background: Skyrocketing property and casualty insurance premiums have negatively impacted housing affordability. We applaud the Legislature's efforts since 2007 to pass comprehensive property insurance reform; however, without additional measures, such as opening up the reinsurance market to create competition and bring new companies into Florida, the property insurance market will never stabilize and rates will continue to rise.

***UNEMPLOYMENT COMPENSATION**

Position: *FBMA supports current limits on unemployment compensation coverage and opposes changes that would increase unemployment compensation costs.*

Background: Some lawmakers want to access additional federal stimulus dollars (\$444 million) by adopting the alternative base proposal, thus expanding the unemployment compensation benefits to part-time workers, those with dependents and workers leaving a job for family reasons. Businesses fear that the stimulus funds would not offset the increase in the pool of workers that may need to be covered by unemployment compensation and employers are already faced with an increase in the unemployment compensation tax that lawmakers passed last year to bolster the deficit in the unemployment compensation trust fund.

***HOUSING AFFORDABILITY**

Position: *FBMA supports legislation that seeks to remedy Florida's affordable housing and workforce housing crisis and supports efforts to fully-fund the Sadowski Affordable Housing Act.*

Background: Thousands of Floridians are unable to achieve the American dream of home ownership due to a variety of factors, including escalating costs for land development, increased labor expenses and skyrocketing regulatory fees that drive up the cost of a new home. For every \$1000 increase in housing costs, more than 25,000 Floridians are priced out of owning their own home. With the recent downturn in Florida's housing economy, assisting the housing industry is critical to saving thousands of jobs across the state and restoring a robust housing market. As an integral component of the construction and housing industry, building material suppliers share a critical role in promoting home ownership and advancing affordable housing.

***IMPACT FEES**

Position: *FBMA supports legislation that maintains an equitable approach to funding necessary capital improvements and opposes impact fees and regulatory fees that restrict the ability to meet Florida's unmet housing needs.*

Background: Local government regulatory fees are among the top reasons working Floridians are priced out of achieving home ownership and oftentimes equate to as much as one-third of the overall price of a new home. Impact fees are one-time fees that are assessed on builders and developers—and ultimately passed on to homebuyers and building owners—to pay for infrastructure needs such as roads, schools, water, sewer, fire service, beaches, libraries, parks, sidewalks, etc. Impact fees are intended to pay for the impacts generated by new growth; however, with budget cuts at the local level, the proliferation of impact fees has increased dramatically and local governments are unfairly using impact fees as the solution for Florida's

infrastructure backlog, shifting the burden to new development. Developers are often forced to pay more than their fair share for new infrastructure without receiving credits against future impact fees. The negative cumulative effect of exorbitant regulatory fees and impact fees is increased home prices and a corresponding decrease in housing affordability with essential service workers most impacted—teachers, police officers, firefighters—as well as first-time homebuyers and young families.

***HOMETOWN DEMOCRACY**

Position: FBMA opposes the proposed constitutional amendment referred to as “Hometown Democracy.”

Background: The Hometown Democracy proposed constitutional amendment would require voters to approve every local government comprehensive plan amendment for any land use change during a referendum election. By circumventing the local elected officials and short-circuiting the current growth management process, the proponents of Hometown Democracy strive to impose their myopic views of a communities’ future onto the rest of the citizenry. Voters will be disenfranchised, while developers will be pitted against special interests whether approving a re-zoning request for a multi-use development, recreational facility or a large-scale development. Hometown Democracy will cripple smart growth, threaten the economy—already in grave peril—and the quality of life in our state. Likewise, local governments will be hamstrung on making critical decisions to attract new business, emerging technology, state-of-the-art medical complexes or even “green” or clean industry facilities. Health care impacts will be felt when the much-needed trauma center cannot be zoned and beneficial projects such as affordable housing or recreation complexes will undoubtedly be non-existent when voters succumb to the already prevalent NIMBY attitude (Not-in-my-backyard). Other quality of life infrastructure needs such as adequate roads, potable water, solid waste facilities and sewer lines will also be thwarted by this bad amendment.