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 **Advocacy Digest | July 20, 2020**

 **Brad Boycks, Executive Director**

**Two Bills Need Sign Off**

Prior to Wisconsin going into a “Safer at Home” Executive Order in March, the state senate was set to come to floor at least one more time prior to adjourning for the session. We had been advocating for three bills that had previously been passed by the state assembly and needed to be taken up in the state senate to then be signed by Governor Evers.

[Assembly Bill 859](http://docs.legis.wisconsin.gov/2019/proposals/reg/asm/bill/ab859) would allow for the greater use of TIF laws for workforce housing and implementing some additional transparency measures for taxpayers to assure the future success of tax incremental districts. [Assembly Bill 791](https://docs.legis.wisconsin.gov/2019/proposals/ab791) would add two positions at DSPS for two years to help eliminate the backlog of private onsite wastewater treatment system applications.

And finally, [Assembly Bill 544](http://docs.legis.wisconsin.gov/2019/proposals/reg/asm/bill/ab544) would make surplus funds from the Wisconsin Housing and Economic Development Authority (WHEDA) to fund a pilot program for financial assistance for workforce housing for those living in rural communities. Recently, the Joint Committee on Finance approved a proposal from WHEDA that mirrored the provisions of AB 544. The effort to include the provisions of AB 544 in the plan by the Joint Committee on Finance was the result of the bill author, Rep. John Nygren, working directly with WHEDA officials.

Initially, we were hopeful the state senate would come back into session to consider these and other provisions prior to Labor Day. As we get closer to the end of July it appears that the more likely scenario is the state senate coming into special session this fall after the November general election to possibly take up items from the regular session that need senate sign off prior to being sent to Governor Evers for consideration to become law.

**Contractor Certification Subcommittee items approved by Advocacy Group**

The Advocacy Group was briefed on the findings of the Contractor Certification Subcommittee findings during their meeting on June 24. This subcommittee was formed in February and was chaired by WBA Treasurer Cory Sillars and met several times via Zoom in the winter and spring to come up with a [plan](CONTRACTOR%20CERT%20SUB%20COMMITTEE%20FINAL%20SUMMARY%20WITH%20ADVOCACY%20GROUP%20ADDITONS%206.24.20.docx) to revise administrative rules and state statues on contractor certification requirements.

The Advocacy Group made a few tweaks to the plan and then voted to make this effort part of the overall 2021-2022 [WBA Advocacy Agenda](ADVOCACY%20LEGISLATIVE%20DRAFT%20AGENDA%202021%202022.docx)**.**

The Advocacy Group will again be discussing all provisions in the draft 2021-2022 WBA Advocacy Agenda during their October 1 meeting. The WBA Board of Directors will also be voting on these provisions during their October 1 meeting.

If you have any thoughts on the contractor certification revisions, the items contained (or those not contained) please contact Brad Boycks.

**Wisconsin Supreme Court Rules**

Recently, the Wisconsin Supreme Court issued a decision that ruled a GOP sponsored state statute that required any state agency that issued “guidance documents” to first post the documents and get public comments prior to them being finalized.

WBA recently signed on to a [coalition letter](Wisconsin%20Business%20Coalition%20Letter%20to%20Gov.%20Evers%20re%20Guidance%20documents.pdf) asking Governor Evers to continue the previous policy that would allow for greater transparency and public input into these guidance documents.

**From NAHB: Builder Confidence Rallies to Pre-Pandemic Level in July**

In a strong signal that the housing market is ready to lead a post-COVID economic recovery, builder confidence in the market for newly-built single-family homes jumped 14 points to 72 in July, according to the latest NAHB/Wells Fargo Housing Market Index (HMI) released today. The HMI now stands at the solid pre-pandemic reading in March before the outbreak affected much of the nation.

“Builders are seeing strong traffic and lots of interest in new construction as existing home inventory remains lean,” said NAHB Chairman Chuck Fowke. “Moreover, builders in the Northeast and the Midwest are benefiting from demand that was sidelined during lockdowns in the spring. Low interest rates are also fueling demand, and we expect housing to lead an overall economic recovery.”

“While the housing market is clearly rebounding, challenges exist,” said NAHB Chief Economist Robert Dietz. “Lumber prices are at a two-year high and builders are reporting rising costs for other building materials while lot and skilled labor availability issues persist. Nonetheless, the important story of the changing geography of housing demand is benefiting new construction. New home demand is improving in lower density markets, including small metro areas, rural markets and large metro exurbs, as people seek out larger homes and anticipate more flexibility for telework in the years ahead. Flight to the suburbs is real.”

Derived from a monthly survey that NAHB has been conducting for 30 years, the NAHB/Wells Fargo HMI gauges builder perceptions of current single-family home sales and sales expectations for the next six months as “good,” “fair” or “poor.” The survey also asks builders to rate traffic of prospective buyers as “high to very high,” “average” or “low to very low.” Scores for each component are then used to calculate a seasonally adjusted index where any number over 50 indicates that more builders view conditions as good than poor.

All the HMI indices posted gains in July. The HMI index gauging current sales conditions jumped 16 points to 79, the component measuring sales expectations in the next six months rose seven points to 75 and the measure charting traffic of prospective buyers posted a 15-point gain to 58.

Looking at the monthly average regional HMI scores, the Northeast surged 22 point to 70, the Midwest jumped 18 points to 68, the South increased 10 points to 73 and the West increased 14 points to 80.

HMI tables can be found at nahb.org/hmi. More information on housing statistics is also available at housingeconomics.com.