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Volume 38 Issue 3

April 2008

## What's Inside *Inside*

- **Development Fees - Getting it Right**
- **Contest Winners Overwhelmed by International Builders' Show® Experience**
- **Green Building Q&A with Susie Marbury**



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## NMHBA Office Staff

New Mexico Home Builders Association  
505-344-7072, Toll Free 1-800-523-8421 FAX: 505-344-3103  
E-mail: [info@nmhba.org](mailto:info@nmhba.org) or Website: [www.nmhba.org](http://www.nmhba.org)  
Executive VP & CEO, Jack C. Milarch, Jr.  
Governmental Affairs Director, Melanie Teeter  
Office Manager, Nancy Barron  
Bookkeeper/Bonding/Meeting Admin, Melinda Bolivar  
Receptionist, Kami Showalter

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Builders Trust of New Mexico  
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Executive VP & CEO, Jack C. Milarch, Jr.  
COO, Randy Akin  
Chairman, John Jourdan  
New Mexico Home Builders Political Action Fund  
NMHB PAF Chair, David Gordon

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505-480-8687

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## About The Cover

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This home rendering was done by Jack Pumphrey Arts. Jack Pumphrey works from his home-based studio in Las Cruces as a full time illustrator of homes, classic cars & yachts. He can be reached at 877-883-8284 or email [inkyarts@comcast.net](mailto:inkyarts@comcast.net). More samples of his home renderings, cars & yachts can be viewed at [www.jackpumphrey.com](http://www.jackpumphrey.com).

## Membership Statistics

	Jan.	Feb.
Central New Mexico	1065	1055
Eastern NM	118	120
South Eastern NMHBA	135	135
Lincoln County	153	148
Las Cruces	572	557
Southwestern NMHBA	54	55
San Juan County	252	250
Santa Fe Area	724	720
Otero County	<u>160</u>	<u>157</u>
<b>Total</b>	<b>3233</b>	<b>3197</b>

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# A Message From The *President* PRESIDENT



Randy Crowder

## Missing In Action: MIA

### UPDATE

For the foreseeable future, the Municipal Inspectors Association will continue to be missing in action.

In recent conversations with the Executive Director of the New Mexico Municipal League, I was informed that a decision by their executive board of directors has directed staff to place the formation of a Municipal Inspectors Association on hold. The League currently has 14 subsections, from Airport Managers to Zoning officials, and only seven liaison staff members to manage all their meetings and communications. Due to the estimated size of the Municipal Inspectors Association subsection, the task of managing another group may have been overwhelming under current conditions.

House Bill 219, signed into law at the end of the 2007 Legislative Session, requires that municipalities choosing to adopt a building code be required to adopt a code that includes provisions for plan review, permitting and inspections for general, electrical, mechanical and plumbing construction, not just general construction. In order to facilitate this, CID has determined they need to know by July 2008 if a municipality intends to “take it all” or “give back” to CID all inspection duties.

The Municipal League, recognizing that some interpretations of HB219 potentially place a large number of inspection departments in a very difficult position, is considering the formation of an interim task force to advise municipalities concerning this particular piece of legislation. As they travel to their eight district meetings statewide, they are giving the municipalities a “heads up” about the rapidly approaching July 1, 2009, deadline. There are 33 local inspection departments and they estimated that 9 to 13 of those are fully staffed and could comply with the new “All or Nothing” interpretation. The 20 or so that are not fully

staffed will need to go through budgetary considerations and will therefore only have until July 1, 2008, to decide whether to ramp up or shut down for the 2009 fiscal year.

I was also given a very rough “DRAFT” of CID’s proposed requirements for alternative local building programs. While it does mention alternative programs, there is no direct mention of “joint powers agreements”. Smaller municipalities may be placed in a real squeeze because gross receipts taxes are down, and they need to make substantial investments into their inspection departments in order to comply, or close their inspection departments.

The Municipal League Director is aware of the urgency and ramifications of this new law and did state they have informed CID that they will seek meetings with the Secretary of Economic Development, the Secretary of Regulation and Licensing, and a gentleman from the Governor’s office, for counsel about dealing with this issue.

### ASSOCIATION OBSERVATIONS

On a personal note: I did have high hopes that “efficiency” within our inspection departments would be brought to a whole new level through the formation of the Municipal Inspectors Association. The wind has been removed from my sail and only questions remain.

If municipalities have 20 or so inspection departments unable to comply with HB219, and the counties have a similar number, how will inspections get done and what will happen to the construction industry on July 1, 2009? Will we be waiting weeks and months for inspections? The list goes on and on.

I want to encourage all of our members to work with and support your local building inspectors as they attempt to plan for their futures. The Councils, Commissions, and City Managers of the smaller communities are facing some difficult decisions. NMHBA leadership will do everything we can to assist our communities through this transition. We will also continue to work with the NM Municipal League to find solutions.

One of my favorite things about the housing industry is that it seems to attract some very innovative and creative problem-solving individuals. I have no doubts that when July 1, 2009, arrives, homes will be built and inspected in a timely manner. However, the road from now until then will more than likely be quite bumpy.





Jack C. Milarch, Jr.

## Contractor Successfully Challenges Workers' Compensation Rule

### Do Sole-Proprietor Contractors Who Have No Employees Need A Policy?

As many readers of the Housing Journal know, one of the more controversial and contentious rules of the Workers' Compensation Administration (WCA) is their requirement that all contractors, regardless of whether or not a particular contractor actually has any employees, must buy a workers' compensation policy. That may be changing due to a very recent decision by Court of Appeals Judge Geraldine Rivera.

According to the case filing, in June of 2007 Albuquerque contractor Bjorn Jorgi of Bjorn Construction was ordered by WCA to get a workers' compensation policy and was fined \$250 for violation of the law. Jorgi obtained coverage as ordered, but appealed the decision of the WCA Director to the District Court seeking to overturn the ruling.

Interestingly, Judge Rivera notes in the ruling that "before addressing the merits of this issue, however, this Court notes that this appeal is not properly submitted for review" and additionally "there is no statutory right of appeal to the district court from a decision of the Director of WCA." The judge then goes on to write that, all that notwithstanding, she believes the NM Constitution allows her to rule on matters brought to her by aggrieved parties, at her discretion, and "in the interest of fairness to Mr. Jorgi" she will issue a ruling on this one. (I add this detail to give some courage to those of us who tend to feel our courts are ivory tower institutions that only respond

to big name attorneys who can speak to them in Greek. Judge Rivera's decision to look at this case and her statements alone are probably worth a *Housing Journal* column, but wait, there's more!)

Judge Rivera writes that Section 52-1-6(A) requires "all employers engaged in activities required to be licensed under the provisions of the Construction Industries Licensing Act...regardless of the number of employees 'to maintain workers compensation insurance'" and further writes, "By plain language (this section) applies only to employers engaged in construction activities."

Judge Rivera notes that nobody has presented any evidence that Mr. Jorgi employs anyone. She goes on to write, "This Court recognizes that there may well be unscrupulous business owners in the construction industry who hold themselves out to be sole proprietors but who surreptitiously employ one or more workers. However, the solution to this problem is not to require all sole proprietors in the construction trade to supply proof of workers' compensation insurance, particularly when that insurance is not required to cover the sole proprietor himself."

Judge Rivera's final words in the case are "The decision of the Director of WCA is Reversed."

Now what? For all you sole proprietor contractors out there, don't cancel your policy just yet. Many workers' compensation carriers, including our affiliate Builders Trust, insist that any worker on the general contractor's job site will cause somebody to pay premium. Therefore, if you are a sub, your general contractor may still insist that you have your own policy, never mind how this case eventually plays out. And if you EVER have even a part time temporary helper it makes little sense to go without coverage. WCA Director Glenn Smith, who brought this case to the attention of a gathering of construction association executives and lobbyists recently, said he is debating whether to appeal this decision or just go ahead and change his rules.

I know many of my general contractor sole proprietor friends would urge Director Smith to follow Judge Rivera's ruling.

We will keep you updated with further news on this development in the next Housing Journal.



## Development Fees – Getting It Right

As more communities are trying to utilize development (or “impact”) fees to generate more funds it is clear some are complying with the processes established in New Mexico law, and some are going about it all wrong. While fees and “exactions” for developments pre-date the Development Fees Act, that 1993 law established rules for setting and using such fees.

The Development Fees Act was designed to set boundaries on the amounts and items for which developers could be charged, and purposely established a **fair, equitable, uniform and site-specific** mechanism for funding off-site infrastructure improvements. As the Legislature debated the “fairness” issues, they did not focus on developers or builders. They focused on the home buyer who eventually pays the impact fee, along with all other costs of a new home, and then often finances that amount over a 30-year mortgage. It is important to understand these concepts, as they are the foundations of the philosophy embodied into our Development Fees Act.

Development/impact fees are one of many options for infrastructure funding by local governments. Other ways to fund such improvements are General Obligation Bonds, Tax Increment Financing, Special Assessment Districts, and Public Improvement Districts. Because the municipalities and counties are more familiar with impact fees, and often feel it is easier than other options, they often default to development fees over other choices. However the downside of this, especially for home buyers, is that development/impact fees are arguably the least efficient method for furnishing necessary off-site infrastructure. Unfortunately when these decisions are being made those future home buyers are blissfully living someplace else.

This article is the second in a series on infrastructure financing options; the first of several parts on development/impact fees. New Mexico Home Builders Association is providing this information to help our membership and our local associations get involved in their community’s development fee process to facilitate “getting it right”, and taking action when the community leaders are “getting it wrong”. These decisions have big bucks impacts on new home buyers, the community, and even on the overall cost of all housing in your community.

Any review of the Development Fees Act or “impact fees” needs to start with a basic understanding of what the

*Continued on page 11*

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# Summary of Construction Industries Commission Meeting

Our construction industries' rule making and disciplinary board met in March and their agenda as distributed at the meeting is reproduced here for you to see what business they dealt with. NMHBA comments on topics of interest are included in italics.

## AGENDA

### 1. Determination of Quorum and Call to Order

Tom Montano, Chairman

Introductions  
Approval of Agenda  
Approval of Minutes of the January 18, 2008 Regular Meeting

### 2. Request Approval of Electrical Continuing Education Courses and Instructors

Rem Pacheco, Electrical Bureau Chief

*A number of new CE courses for electrical journeyman were approved, adding to over 180 courses already approved for this purpose.*

### 3. Request to Proceed to Public Hearing

Fermin Aragon, General Construction Bureau Chief

Proposed Amendment to NMRBC 14.7.3.12.C.1  
*General Construction Bureau Chief Fermin Aragon received permission to proceed to public hearing with minor corrections to the previously adopted green building code provisions.*

### 4. Stipulated Agreements

John Tapia, Investigations Bureau Chief

Abeita, Richard	Loewen, Jake
Bolding, Larry dba Bold Venture Const	Montano, Anthony
Bostic, Leroy	Post, John
CDR Services, INC.	Premier Wire Fence, LTD
Design Glass	Sartain, Jin, INC.
Dodge, Frank dba Dodge Environments	Silva, Joe
Donnelly, Edward	Soiles, Chris
Eirich Machines, INC.	Therrien, Steve
Hamblin, Jim dba Magnum Steel Const	Villescas, Cipriano
Harvick, Ken dba Gore Brothers	

### 5. PSI Status Report

Tadas Dabsys, PSI Vice President  
Licensure/Certification Division

*PSI, the testing and licensing contractor for CID, has been criticized for overly long "hold" times and their staff being ill informed on NM licensing details. Executives for PSI responded by saying they have had software problems and had been transferring calls from New Mexico to their Nevada offices. Recent statistics were presented showing the average "hold" time for calls to PSI is now less than one minute and more calls will be answered by the New Mexico staff. Commissioners complained about the low "pass" rate for journeyman in light of the burgeoning need especially in southeast New Mexico. In response CID staff announced a request for contractors to help review the banks of questions used by PSI in their New Mexico tests.*

### 6. Report on Congressional Legislation Related to Gas Pipelines

Bruno Carrara, PRC Pipeline Safety Bureau Chief

*PRC Pipeline Safety Bureau Chief Carrara reiterated PRC's jurisdictions over gas pipelines which are defined as "master meters" under federal regulations. These are pipes which distribute gas onto a single property when any of that gas is subsequently conveyed to others on the property and when the original party recoups costs for that gas in any way. An example would be an apartment building where tenants pay the landlord for the gas they use in their individual apartments,*

*Continued on page 12*



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NMHBA is looking for high-quality photos of your work to feature on upcoming Housing Journal covers.

If you have a home or remodeled project that's worthy of notice, we want to help you show it off! Along with exterior and interior room shots, we'll also accept photos of special features such as tile work, swimming pools, fireplaces, porches, etc.

## Specifications:

- Vertical shot 8x10 or proportional
- Actual photo or on a CD (300 dpi, jpg or tif at final size)
- If the photo was professionally done, please obtain permission from the photographer.

You may deliver your photo(s) to our office anytime during business hours. NMHBA will determine whether or not the photo will be used. All photos will be returned to you. Please contact Nancy Barron at 505-344-7072 with any questions.



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# Contest Winners Overwhelmed by International Builders' Show® Experience



International Builders' Show first-time attendees from New Mexico were "floored" by more than one million net square feet of exhibit space, dozens of free educational seminars relating to the construction industry, and the latest products and services for builders.

For the second consecutive year, Builders Trust and

NMHBA teamed up to award trips to IBS to BT participants who never before attended the Show. One winner from each Local HBA was drawn at random and most of their registration, airline, and hotel expenses were reimbursed courtesy of BT. The NAHB industry show took place in February in Orlando. Winners agreed to be interviewed for this article.

Joe Escamilla of True Santa Fe Builders Inc (Las Cruces) enjoyed the seminars more than anything else at IBS. "The seminar that stood out the most to me was **Construction Schedule...Family First**," he said. "It impressed me to know that an organization is willing to take the time to suggest to us that personal needs, like family, are very important."

"The seminars were highly interesting," said Jeff Reed, Centerline Roofing & Construction Inc (Clovis). "All the speakers were well-spoken and you could tell they had been there and lived what they were talking about."

Over 92,000 folks attended this year's IBS and had the opportunity to see what new products and services were being offered by more than 1900 exhibitors.

"The exhibits and booths were overwhelming and great for information," said Gary Storch of Taos Mountain Electronics (Taos). Storch plans to incorporate new software ideas in his company and also saw potential to get into an additional business.

Several products stood out in Reed's memory, including a sliding masonry fireplace that one could put a safe room or vault behind, a remote-controlled dog door, a 400 PSI nail gun that shoots nails 1/4" into steel and concrete, and the completed modular houses on site. "All the exhibits were phenomenal – well thought out," he said. "It was very inspiring to see such innovative products."

Escamilla said he will use several products he discovered at IBS in his business including software, operable skylights, ceiling vents, and temporary plumber coating sealants. He was even fortunate enough to win some DeWALT tools.

"There were some time management products that we would like to implement soon," said Brandon Uselman of Black Flame Construction Inc (Farmington). "This trip to IBS was very rewarding, not only in the aspect of what we experienced, but also in the contacts we made."

Contest winners stated that IBS went beyond their expectations and that they plan to return in future years.

"It was so large and very well organized – it was amazing," Reed said. "I definitely got plenty of exercise."

Escamilla said there were lots of reasons IBS exceeded his expectations. "The hospitality was very pleasant and very professional, starting with the shuttle buses from the hotel to the greeters at every booth and seminar," he said.

"I would encourage others to attend the show," Uselman said. "It's an easy way to find and review new products, systems, and services."

Jerry Lee of Mountain Valley Marble (Roswell) said his trip to the Show was excellent and he would encourage others to attend. "IBS was so good that I spent every minute of 4 days at the Show and did not do anything as a tourist in Orlando," he said. "To excel in business today, you need to be up-to-date on all the new materials and latest products that we can offer our customers."

"These shows are meant for people who want to expand their knowledge of what's taking place in the industry," Storch said. "I hope my competition doesn't attend."

The 2009 International Builders' Show is scheduled for January 20-23 in Las Vegas, Nevada.



# NMHBA Nominating Committee Begins Search for Secretary Treasurer, Associate Vice President

Are you interested in “climbing the ladder” toward becoming President of New Mexico Home Builders Association? Or perhaps you’re interested in more involvement on the Associate members’ side? The NMHBA Nominating Committee is charged with selecting a slate of candidates to serve as the elected Officers of the Association, and they will begin scheduling interviews for the positions of Secretary Treasurer and Associate Vice President.

## Secretary-Treasurer

The candidate elected to the position of Secretary Treasurer will stand for election to the position of First VP/President Elect the second year, and for election as NMHBA President the third year.

### Qualifications:

1. The Candidate shall be and shall remain during the term of office a Builder member as defined by NMHBA By laws.
2. The Candidate shall have served prior to election as President of NMHBA:
  - a. Not less than one full term as President of a local association, **and**
  - b. Chairman of a Committee of NMHBA; **or**
  - c. A member of the NMHBA Executive Committee; **or**
  - d. Served for two (2) years as an NMHBA Director, **and**
  - e. Shall have been found by the Nominating Committee, in its opinion, to have demonstrated leadership ability in such service.

### Duties:

The Secretary Treasurer shall be responsible for overseeing the keeping of a written record of all official proceedings of the Association and its Board of Directors. These will be part of the official records of the Association. The Secretary Treasurer shall have general charge of the financial affairs and shall render a periodic statement to the Board of Directors at required times. The Secretary Treasurer shall serve on the Executive and Finance committees.

## Associate Vice President

### Qualifications:

1. The Candidate shall be and shall remain during the term of office an Associate member as defined by NMHBA Bylaws.
2. The Candidate shall have served prior to election as Associate Vice President of NMHBA:
  - a. As an Associate Member in good standing of a local association for five (5) consecutive years, **and**
  - b. On the Board of Directors of a local association for at least one year; **and one of the following:**
  - c. Not less than two full years as a member of an NMHBA committee; **or**
  - d. As a member of the Executive Committee of NMHBA, **or**
  - e. As a State Director for two (2) years.
3. The Candidate must also have been found by the Nominating Committee, in its opinion, to have demonstrated leadership ability in such service.

### Duties:

The Associate Vice President shall represent the Associate Members’ interests and shall serve on the Executive Committee.

*If you’ve got the “right stuff” and want to become involved in decision-making about legislative and regulatory issues affecting business across the state, we want to hear from you! Please mail your letter of interest by May 30 to NMHBA at 5931 Office Blvd NE, Ste #1, Albuquerque, NM 87109 or fax it to 505-344-3103.*

## *Development Fees - Continued from page 5*

law intended them to be. Development/impact fees are imposed on new development in order to generate funding for **off-site** (think stoplights down the road from the subdivision, or wastewater treatment plant impact) capital improvements or facility expansions **directly attributable** to the new development. This concept is the basis for the rest of the law that explains the process for coming up with the correct amount of the development fee and how the community is to spend the money collected. On-site development capital improvements (think new subdivision drainage features or fire hydrants) are not an appropriate use for impact fees.

The Development Fees Act was passed by the New Mexico Legislature and signed into law in 1993 with the assistance and cooperation of the New Mexico Home Builders Association, New Mexico Municipal League and the New Mexico Chapter of the American Planning Association. The Act was presented to the New Mexico Legislature as a result of the construction industry's frustration with the inequitable, and often inconsistent, assessment of infrastructure costs related to development projects.

The Development Fees Act did not create fees as a condition of development. It did, however, clearly delineate the items for which these fees may and may not be charged. This detail-rich Act includes the process for assessing development fees, the use or refund of the funds collected by the fees, the timing of the assessment of the fees and the timing of the payment of development fees, a process for periodically reviewing the fee itself, and when and how such fees may be waived for certain projects.

### **Improvements Allowed and Forbidden**

As noted earlier, Development Fees are specifically for "off-site" improvements only. Off-site improvements are just that - infrastructure improvements that are not physically on the property being developed, as opposed to "on-site" improvements that are, and always have been, the financial responsibility of the developer. Development/impact fees may be charged for facilities that have a life expectancy of ten or more years and are owned and operated by or on behalf of a municipality or county. This includes:

- 1.) water supply, treatment and distribution facilities; wastewater collection and treatment facilities, and storm water, drainage and flood control facilities;
- 2.) roadway facilities, including roads, bridges, bike and pedestrian trails, bus bays, rights of way, traffic signals, and landscaping;
- 3.) buildings for fire, police and rescue and essential equipment costing \$10,000 or more and having a life ex-

pectancy of ten years or more; and

- 4.) parks, recreational areas, open space trails and related areas and facilities.

Impact fees shall not be imposed or used to pay for:

- 1.) construction, acquisition or expansion of public facilities or assets that are not identified in the capital improvements plan;
- 2.) repair, operation or maintenance of existing or new capital improvements or facility expansions;
- 3.) upgrading, updating, expanding or replacing existing capital improvements to serve existing development in order to meet stricter safety, efficiency, environmental or regulatory standards;
- 4.) upgrading, updating, expanding or replacing existing capital improvements to provide better service to existing development;
- 5.) administrative and operating costs of a municipality or county except that up to 3% of total impact fees collected for administrative costs for municipal or county employees who are qualified professionals preparing or updating a capital improvements plan;
- 6.) principal payments or debt service charges on bonds or other indebtedness, except for costs directly related to the construction of the capital improvements or facility expansions identified in the capital improvements plan;
- 7.) libraries, community centers, schools, projects for economic development and employment growth, affordable housing or apparatus and equipment of any kind, except for essential equipment costing \$10,000 or more and having a life expectancy of ten years or more.

As stated at the beginning of this article, the Development Fees Act was designed to set boundaries on the items for which developers would be charged, and purposely established a fair, equitable, uniform and site-specific mechanism for funding off-site infrastructure improvements. The Act is all about establishing the process for assessing impact fees, not about preventing them altogether.

*If you would like a pdf file of the Development Fees Act e-mailed to you, call Melanie Teeter at the NMHBA office at 505-344-7072, or e-mail to her at [melanie@nmhba.org](mailto:melanie@nmhba.org).*

*Next month: Part 2 of "Development Fees – Getting it Right". You can also see an explanation of the Tax Incremental Development District infrastructure financing law from the January 2008 Housing Journal online at [www.nmhba.org](http://www.nmhba.org). Coming in a future issue will be another in this infrastructure financing series, on Special Assessment Districts.*



Continued from page 6

even when the rent is termed to “include utilities”. The “operators” of such a Master Meter must be certified by PRC. New Mexico has 290 such registered operators now, and Carrara is seeking CID’s help in identifying and educating people on this issue. Also, recent federal rules now require a special shut off valve on such systems.

## 7. Director’s Report

Lisa D. Martinez, Director, CID

Request Approval of Licenses Issued in January and February 2008

CID Director Lisa Martinez reported as follows:

- CID is contemplating changes in the Handyman laws and rules.
- Modular building standards are being reviewed, especially their application to small storage buildings.
- Rules for Annual Permits, such as those now issued to universities for their in-house maintenance work, are being reviewed. CID is becoming concerned about school boiler maintenance.
- A proposal for joint powers agreements and combination inspectors was recently delivered to the NM Municipal League. This is being done to facilitate legislation calling for all local governments to either take over all code compliance activities by July 1, 2009 or turn these activities back to CID.
- CID will begin investigating how they can implement “performance-based codes” such as are being advocated by green building advocates.
- Fees for CID’s various activities are being compared to other jurisdictions. Martinez is contemplating requesting the Commission approve an increase in fees.
- Martinez reported that CID inspection staff capabilities are being stretched to cover building inspections in Alamogordo. She believes CID will now have to do general building inspections as well as plumbing, mechanical, and electrical inspections in Alamogordo.
- CID will begin soon to compile administrative details for the contractor continuing education and code bond initiatives which were approved by the 2006 and 2007 legislatures.

## 8. Public Comment

Chairman

## 9. Other Business

Chairman

Commissioners reported a challenge to CID’s rules on which type of licensee may bid a project. Current rules don’t allow electricians to function as “prime contractors” on jobs that are primarily electrical work. The recent increases in copper prices have changed the relative value of work on some industrial jobs to being a majority electrical, and one electrical contractor is asking the courts to allow him to act as “prime” on those jobs. If the court rules against CID this spat may spill over into the next Legislature.

## 10. Executive Session to Discuss Pending Litigation

Next CIC meeting is May 16, 2008 in Farmington, NM.

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## Your Opinion Matters!



The Single-Family Small Volume Builders Committee is revising the third edition of the Residential Construction Performance Guidelines (RCPG) published in 2005. The fourth edition is slated to publish in 2010.

The RCPG Review Group needs input from you – the users of the text. **Your comments are essential**, because by using the RCPG you have the expertise to know how to improve it.

You are invited to submit comments online at [www.nahb.org/rcpgcomments](http://www.nahb.org/rcpgcomments). Your guidance will be taken into consideration as the review is conducted and edits are made. All responses are confidential; no Review Group or other NAHB member will know who submitted comments. Comments will be accepted through Friday, June 1.

# Green Building Q&A with Susie Marbury

*Energy Efficient Green Buildings Administrator  
(NM Energy Conservation and Management Division)  
President-Elect of the U.S. Green Building Council New Mexico Chapter (USGBCNM)*

## What is green building?

Green building practices balance environmental impact and economic needs with human health and comfort, sometimes referred to as the *People, Planet, Profit* triad, or *triple bottom line*. Green building, also called sustainable building and high performance building, is the term given to a set of emerging practices in the design and construction of new and renovated buildings. Minimization of building energy requirements is a major factor in the design of sustainable buildings.

## Why the emphasis on buildings with energy efficiency?

Nationally, buildings are estimated to contribute as much as 50 percent of total energy consumption and resulting greenhouse gas emissions. By building green buildings that conserve energy, we have the opportunity to mitigate climate change while reducing utility bills and creating more healthy and comfortable environments in which to live and work.

## What other aspects go into green building?

Typically, green building looks at five aspects of building practices:

**Site** deals with where we build and how we use the site on which we build.

**Water** addresses both indoor and outdoor use of potable water.

**Energy** looks at how much and what type of energy we use.

**Materials** covers appropriate choices for resource management.

**Indoor environmental quality** assures that buildings are healthy and comfortable for occupants.

Owner education is another critical piece in the residential arena. This means providing the homebuyer with a manual that explains all the green features of the home and how to maintain them to continue reaping the benefits.

## What is the state doing to encourage green building?

In 2007, the New Mexico State Legislature passed a

*Continued on page 14*

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Continued from page 13

tax incentive to encourage commercial and residential builders to design and construct buildings with high requirements for energy efficiency and overall sustainability. The incentive is called the Sustainable Building Tax Credit.

### **How would a home builder get the Sustainable Building Tax Credit?**

Start with your design early in the planning process. To qualify for the tax credit, homes must be built to the Build Green NM Gold standard, developed by the National Association of Home Builders and adopted by the Home Builders Association of Central New Mexico, or the LEED-H Silver standard developed by the U.S. Green Building Council (USGBC). Throughout construction, the building will need documentation, including some inspections to certify that it meets green building and energy efficiency standards. Once the building is constructed and certified, the builder applies for the tax credit through the state Energy Conservation and Management Division of the NM Energy, Minerals and Natural Resources Department.

### **How much money can you get through the Sustainable Building Tax Credit?**

The tax credit can be substantial depending on the square footage of the building and the sustainable rating it receives. For example, a 2,000 square foot home built to the Build Green NM Gold standard can receive a \$9,000 tax credit. The home must also be 40 percent more efficient than a home built to the standard building code. You can find more information on the tax credit at [www.CleanEnergyNM.org](http://www.CleanEnergyNM.org).

### **Is the Sustainable Building Tax Credit a new development in New Mexico?**

Yes. After the legislation was passed in February 2007, the rules for tax credits for both residential and commercial building went into place in October 2007. No applications for commercial buildings were turned in, but even with that small window of time, two homes were certified and received the tax credit for 2007 (Keystone Builders – Albuquerque and Daniel Buck Construction – Santa Fe), and we anticipate many more builders will participate this year. In 2008, the tax credit has an annual cap of \$5 million for commercial and \$5 million for residential.

### **What plans are you making for the 9th annual GreenBuilt Tour in May held by the USGBC New Mexico chapter?**

We're planning events that span two weekends called

Sustainability Week. On May 10, we'll have our Green Central Expo and a series of lectures and workshops in Albuquerque. People can learn more about green building and see products and materials that are environmentally friendly. During the week, there will be tours of green commercial buildings and there will be workshops for building professionals. The weekend of May 17 and 18, green homes in Albuquerque, Santa Fe and Taos will be open for tours. We'll have a guidebook with directions to and descriptions of each home.

### **Where can people get more information on green building and the GreenBuilt Tour?**

Three web sites: [www.BuildGreenNM.com](http://www.BuildGreenNM.com), [www.CleanEnergyNM.org](http://www.CleanEnergyNM.org) and [www.USGBCNM.org](http://www.USGBCNM.org). Builders can also contact me directly at 505-476-3254 or [Susie. Marbury@state.nm.us](mailto:Marbury@state.nm.us).



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# NM Residential Building Permits – Now and Then

(YTD through February 2008  
& through February 2007)

County	2008	2007
New Mexico - Balance of State*	137	178
Bernalillo County	216	448
Chaves County	4	6
Colfax County	3	7
Curry County	13	32
Dona Ana County	142	203
Eddy County	16	12
Lea County	14	14
Lincoln County	14	23
Los Alamos County	0	5
Luna County	8	16
McKinley County	1	8
Otero County	16	24
Rio Arriba County	0	2
Roosevelt County	9	8
Sandoval County	157	158
San Juan County	37	63
Santa Fe County	24	50
Sierra County	1	0
Socorro County	3	3
Taos County	25	25
Valencia County	15	38
<b>Total</b>	<b>855</b>	<b>1323</b>

\* Includes the following counties: Catron, Cibola, De Baca, Grant, Guadalupe, Harding, Hidalgo, Mora, Quay, San Miguel, Torrance, and Union

Source: U.S. Census Bureau

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## 2008 NMHBA Meeting Calendar

### April

- 11 Sr. Officers, Finance and Executive committee meetings
- 28 NMHBA Pre-Trip to WA DC/NAHB Spring Board meeting (through May 3)

### May

- 16 Executive, Gov't Affairs and Building Issues committee meetings (Las Cruces)
- 17 NMHBA Board of Directors meeting (Las Cruces)
- 26 Memorial Day - NMHBA/Builders Trust Offices Closed

### June

- 6 Nominating Committee meeting
- 27 Nominating Committee meeting



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