NEW ENGLAND

U P D A T E

Legislative Roundup

HBAs take it to the statehouses

As spring legislative sessions began around New England, builders found themselves wrestling with the definition of river corridors, why statewide building codes take so long to amend, when and how property taxes on new homes are assessed, and why (in Connecticut) a nail driven into one side of a wall might be taxed while a nail driven into the other side of the wall isn't. Here's a rundown of what New England state Home Builders Associations (HBAs) have on their radar this year:

Massachusetts. Last summer, the state's Rivers Protection Act established generalized development restrictions for 200-foot-wide riverside corridors, but left the job of creating specific guidelines to the Department of Environmental Protection (DEP). The final guidelines aren't due until August. In the meantime, the Massachusetts HBA says the DEP's interim guidelines establish standards beyond the intent of the original bill. The HBA hopes to get the legislature to declare its intent regarding these issues and to make the final guidelines more builder-friendly.

The Massachusetts HBA is also promoting cluster zoning as a means of preserving open space; promoting the use of transferable development rights (which let developers build at high density at one site if they forfeit development rights at another); and trying to postpone implementation of the new state building code's fenestration standards.

Connecticut. The Connecticut HBA is trying to change what the organization's Bill Ethier calls "some very arcane sales tax rules" applying to construction. These rules make most of the labor performed on existing structures subject to sales tax, while exempting most labor done on new structures — including additions. To further complicate matters, the contractor might have the option to either pay (to the retailer) or collect (from the client, as a reseller) sales tax on materials, depending on the type of job. Thus if you roof both an addition and the existing house it's attached to, you face multiple decisions about which squares you pay sales tax on, which squares you charge sales tax for, and what portion of the labor you charge sales tax for and what part you don't.

If this seems confusing — well, it is. "I've read the 60-page guidebook three or four times," says the HBA's Ethier, an attorney, "and I can't even begin to advise our members on what to tax." Ethier is urging the legislature to make sales tax on all materials collectable by the retailer (not the contractor) and to drop the sales tax on all construction services. The Connecticut HBA is also fighting a bill that would authorize towns to establish impact fees; trying to streamline rules for adopting changes to the state building code; and pressing the legislature to end its practice of taking for the state's general fund roughly half the $100 a year each contractor pays into the Home Improvement Contractor registration program fund, which was designed to be used to educate consumers and reimburse those swindled by unscrupulous contractors.

Rhode Island. Roger Warren, executive director of the Rhode

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This month in New England Update:

NE Update continues

Keeping the CO Out: Builder's Death Serves As Grim Reminder

by Richard Faesy

Wayne Kondor of Jericho, Vermont — a leader in post-and-beam and tight-house construction, president of the national Structural Insulated Panel Association, and an officer of his local Home Builders Association — probably knew as well as anyone the theoretical dangers of carbon monoxide (CO) poisoning. Yet during a power outage on a cold night last December, Wayne did what many of us might have: To keep his heating system running, he fired up a gas-powered generator in his tuck-under garage. Perhaps he meant to shut it off. Unfortunately he didn't, and during the night he died from the carbon monoxide fumes the generator produced. A neighbor saved Wayne's wife and two daughters. But they have lost a father and husband, and Vermont's building community has lost a friend and leader.

Unfortunately, some 5,000 Americans suffer from CO poisoning every year, and some 200 to 300 die. These deaths are preventable. And builders and remodelers, because they work with or install many CO-producing systems and build the houses that will either contain or ventilate the deadly gas, stand in a good position to prevent such deaths.

Carbon monoxide, an invisible, odorless gas, is created by almost anything that burns fuel. Along with gasoline-powered equipment such as cars or portable generators, common household sources include most nonelectric heating or hot water appliances. If these appliances are malfunctioning or improperly vented, the CO will enter the house rather than leaving through vents or chimneys. CO can also enter the house if kitchen or bathroom vent fans, a clothes dryer, or an imbalanced heating or A/C duct system creates a relative vacuum indoors, causing a "backdraft" that pulls exhaust gases from non-sealed-combustion heating or hot water appliances into the house. Finally, out-of-tune gas ranges or gas pilot lights can produce CO.

Builders and remodelers can eliminate or reduce the danger from most of these sources in several ways:

A blower door test is the best way to assess a home's ventilation needs and problems.

Design to keep the CO out. Use only sealed-combustion appliances, which take combustion air directly through a duct from the outdoors and vent exhaust gases directly through a wall duct or chimney. For extra insurance, use power-vented equipment that won't operate unless a power-vent exhaust fan is working. For existing oil-burners, provide combustion air with an inexpensive boot that connects to a duct from outdoors.

Vent gas ranges (which always produce some CO) with a kitchen vent fan that ducts to the outside, and urge clients to have the ranges tuned annually. New ranges should use spark or hot-surface ignition,

continued

Little Falls Lumber Falls, Rises

Upstate N.Y. yard burns twice but rebounds

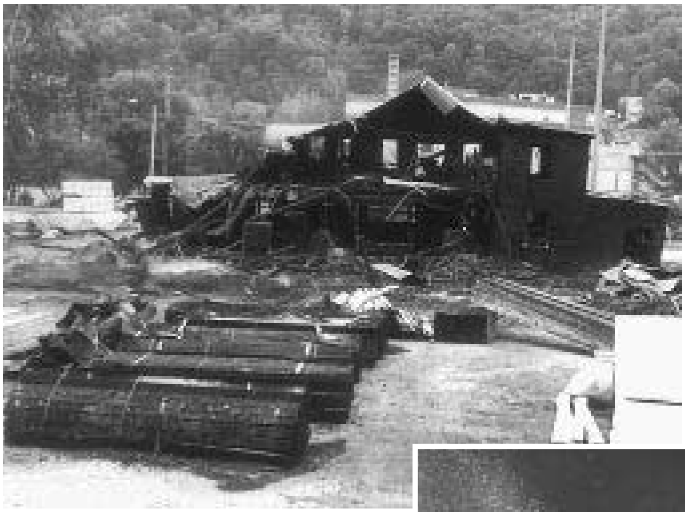
When the going gets tough, the tough grab their cell phones. At least that's what Jim Filipski, president of Little Falls Lumber of upstate New York, did last fall when his lumberyard was hit not once but twice by arsonists. First in September and then in October, Filipski, who took over the 48-year-old company from his father a few years ago, arrived at the lumberyard to find much of the place — and millions of dollars' worth of doors and windows, millwork, and other building materials — consumed by flame. Though the fires destroyed many of the business's main buildings (including its retail storefront) and almost half of its warehouse space and inventory, Filipski and his employees managed to continue serving their large clientele of upstate New York contractors.

"It was quite a show," says Filipski. "I don't think I'd want to do this twice. Or rather, three times." The first fire, in early September, destroyed a 15,000-square-foot door and window warehouse — a bad loss, but one the company worked around fairly easily by getting special deliveries of most of the lost inventory within four days. Five weeks later, it happened again, on a larger scale. Says Filipski, "When I arrived to see our office, showroom, hardware store, and three adjoining warehouses burning down, my first thought was to throw in the towel. I was in shock. Then I thought of all my dad had put into the place, and I thought of my three kids and how they might want to run it someday, and I looked at all the employees who had already worked so hard to recover from the first fire, and I said, 'Well, recovery time.'"

The first thing Filipski did was to send the drivers out with their loads, for the arsonist had missed the delivery trucks that had been loaded the previous night. Then, with the buildings still burning, he and others on the management and sales staffs pulled into one of the standing warehouses and began running the business with their car phones. They ordered new phones to take and make calls and new computers to track inventory and keep billing and payments on time. They consolidated space in the remaining warehouses and quickly restocked the most essential products they'd lost in the fire. With an inspired workforce, some late hours, and a lot of hustle, Filipski found that "we could process most deliveries as efficiently as we could before the fire. It was amazing. The hardest part, really, was convincing everyone we were still here — that we could still deliver the goods and pay the bills."

Through it all, Filipski kept all his workers working full-time.

Filipski still has a "a terrible mess" to clean up. "Beyond belief," he says. "It'll cost hundreds of thousands of dollars" to sort the refuse and dispose of it properly. Yet he's glad he made the decision to go on. After operating through the winter out of a couple of construction trailers, the company broke ground on new facilities in March and hopes to return to normal retail operations in early summer.



Though the Little Falls Lumber lumberyard in upstate New York lost almost half its inventory last fall to arsonists, the company managed to serve its customers almost without a break.

In the meantime, says Filipski, "Credit our employees. They never flinched. They wanted to get to work and solve the problem. They made the decision to keep going an easy one."

Little Falls Lumber is located along the New York State Thruway in Little Falls, N.Y., and Syracuse, N.Y.; 800/833-8686 in New York, or 315/823-2470. ■

Legislative Roundup

Island Builders Association, says, "Our major issue continues to be trying to make the wetlands law consistent with the application from the Department of Environmental Management. The law has been patched together over the last 20 years, and it's got all kinds of inconsistencies, both within the law and, from time to time, within the permit process, so builders never know what to expect or how to proceed. We want to get it updated and made more predictable and practical."

Maine. Licensing of contractors is the prime issue for the Maine HBA this year, according to HBA executive Kendall Buck. The legislature is considering a bill that would require all Maine contractors to be licensed; Buck says the HBA is trying to either defeat the bill or get it to include a call for the creation or adoption of a statewide building code, so that all builders would be held to a similar standard.

Vermont. The Vermont HBA is addressing old issues — changes to Act 250, the state's main growth-control law, and the establishment of a statewide energy code — as well as newer, more off-beat items such as archeological review and alternative septic systems.

In Connecticut, a nail driven into one side of a wall might be taxed while a nail driven into the other side of the wall isn't

With popular support for Act 250 running strong, the HBA's ambitions for Act 250 reform are limited to small, discrete steps, such as restricting the late entry of parties to Act 250 disputes. On other fronts, the HBA is supporting the resubmission of last year's failed bill calling for a statewide minimum energy code (see New England Update, 10/96 and 11/96); hoping to speed the review of archeological sites builders stumble on and to reduce the cost to builders of investigating those sites (the builder presently bears the total expense); and pressing the state to approve more alternative septic systems in addition to the sand filtration system it approved last summer.

New Hampshire. The Granite State's HBA is having what the organization's Randy Kidwell calls "a quiet year, for which we give thanks." Kidwell says the HBA opposes a couple of bills that would complicate the assessment of property taxes on newly built homes and is supporting a workers comp bill that would make activities done on employees' free time — a softball catch during lunch for example — exempt from workers comp coverage. "Nothing earth-shaking," says Kidwell. "But that's all right. We don't need that every year." ■

CO Alert,

not pilot lights.

If you must use non-sealed-combustion appliances, as in a remodel, install them outside the house "envelope." An isolated mechanical room sealed off from the main house works well.

Likewise, garages are best kept detached or, failing that, well-sealed from the house. (For attached garages, followed the new proposed ASHRAE Standard 62, "Ventilation for Acceptable Indoor Air Quality," which calls for positive closing hinges on all doors between the house and garage and complete air-sealing of any partitions between the two.)

Ventilate the house. Ideally, every home should have a mechanical ventilation system to ensure a regular exchange of air. This will help dilute any CO that enters the house. Simple, energy-efficient bath fans (see "Simple Whole-House Ventilation," 8/95) can provide such ventilation inexpensively.

Finally, install an audible CO detector. These inexpensive battery-operated or hard-wired devices can save your client's life (see "Carbon Monoxide Detectors," 10/96).

Contractors are on the front line of protection from CO poisoning. And as Wayne Kondor's death sadly attests, not even the most savvy and experienced contractors are immune from dangerous mistakes. As the houses we build grow tighter, it behooves us to make carbon monoxide safety as much an everyday concern as fire safety is. ■

Richard Faesy is program director of Energy-Rated Homes of Vermont, a home-energy rating organization based in Burlington.

N.H. Timber Frame Co. Wins National Kudos

Yankee Barn Homes of Grantham, New Hampshire, must be doing something right. The company has won prizes and recognition for two homes it built in the last year using reclaimed, antique timbers over 100 years old, and has garnered several dozen pages of trade and consumer magazine coverage. One home won a "National Model Home Design" contest sponsored by *Building Systems Magazine* and was featured in a 20-page story in *Home* magazine, as well as the February 1997 issue of the related publication *Best-Selling Home Plans*. Another home, built in Lyme, N.H., was the cover story of the February issue of *Country Living Magazine*. Both homes were also part of local home tours last summer. ■

Yankee Barn Homes' post-and-beam houses use reclaimed antique timbers in new custom designs.

Are You Insured?

Policy add-ons help small home-based contractors

If you run your company out of your home and depend on a bare-bones business insurance policy or a homeowner's policy, or both, to protect your business property and legal backside, you may have dangerous holes in your coverage.

Fortunately, the rise in home-based businesses — up 38% since 1990 alone — has spurred the insurance industry to offer better, cheaper coverage for such businesses, including construction companies. In many cases, you can get a good policy for about the price of a good circular saw.

The most common insurance mistake home-based business owners make, say insurance experts, is assuming their homeowner's policy covers their business needs — their home office furniture, equipment, and records, and liability for any clients, subs, or delivery people who visit. Until recently, you had to purchase a separate business owner's policy to cover such property and liability needs for a home office. That option still exists, and can sometimes be the most sensible solution. Montpelier, Vt., insurance agent Dennis Ricker says one of his most popular coverages for contractors is a comprehensive "Contractor's Package" that costs from $300 to $700 for a one- to three-person company and provides extensive general business liability and business property losses, "no matter where the loss occurs."

Increasingly, however, insurers are offering similar coverage as optional extensions of their homeowners' plans, often at lower rates. ITT Hartford Group, for instance, offers a "Home Business Insurance" add-on to its homeowner policy that protects against accidental damage or theft of business property both in and out of the office (the laptop, the tools, etc.); insures other people's property placed in your care for business reasons (that compressor you borrowed from your framing sub); provides $1 million in liability for business-related lawsuits; and compensates for the loss of valuable papers and records, including accounts receivable. None of these would be covered under a standard homeowner's policy, but they can be added to an ITT Hartford general homeowners' policy for between $150 and $300. Other companies offer similar products.

Experts suggest that if you buy a homeowner policy rider, or "endorsement," make sure it covers all the main areas most good business policies cover:

- All likely losses to both your property and property in your care
- Full replacement cost for home-office equipment, tools, and materials (don't forget software)
- Compensation for loss of records, including accounts receivable
- Liability for injuries to clients, visitors, subs, or others visiting your home office or at the job site. Some policies also cover lost income due to certain types of claims.

If you go with separate policies, don't get caught in the middle. "Sometimes," says Ricker, "you can get caught in a squabble between insurers if you have business and homeowner policies with different companies. All other things being equal, it's a good idea to buy both policies from the same company so this doesn't happen. Just make sure you're getting good policies." ■

Short Cuts

Brief items from around the region

School takes Vo-Tech to new level

Pinkerton Academy (which is actually Derry, N.H.'s public high school) takes its construction trades program quite a bit further than the standard "bang-a-few-nails" vo-tech course. Under direction of advisory committees drawn from the building trades and professions, the school's Construction Trades Program has built six single-family homes over the last eight years, including a four-bedroom colonial recently completed and sold in an area community. The students take on everything from planning to landscaping, with different programs within the larger Construction Trades Program handling different tasks. There are construction technology students, electrical technology students, and climate control students to do the construction, electrical, and hvac duties; horticultural students to do the landscaping; and office technology and accounting students to manage the project and count the beans. The program recently became chartered as a student chapter of the Southern N.H. Home Builders Association, and at least one recent graduate, Heath Haynes, has taken a job with one of the state's leading small construction firms, David Howes Construction of Windham.

To serve as an advisor or inquire about hiring graduates, contact program director Bill Wood at 603/437-5211.

NAHB says R&R spending to rise

The National Association of Home Builders expects repair and remodeling activity to increase again this year, continuing the remodeling industry's steady, modest growth. In 1996, homeowners spent $118.6 billion on repairs and remodeling, up 6% from 1995. This year the NAHB expects homeowners to spend another 6% to $125.3 billion. The driving forces: low interest rates, which make home equity borrowing cheap and also fuel general health in the home building and sales industry; a generally healthy economy and high levels of consumer confidence; and the growing number of baby boomers in the 45- to 54-year-old age group that typically spends the most on repair and remodeling.

N.E. lumber prices stay high

Though down from the record levels of late 1996, lumber prices stayed high in New England this winter, with composite framing lumber running around $450 per thousand board feet, and 2x4s running in the low 400s — both figures more than $100 more per thousand than a year previous. Industry observers cited continued tight supply from out West, import quotas on Canadian lumber, and (to a lesser degree) concerns about possible supply constraints in the wake of Maine's failed clearcut-ban referendum last fall. With most of these factors firmly in place and the economy looking steady, most expect lumber prices to stay high for some time to come. ■