

TENNESSEE Home Builder

July/August 2004

Official Magazine of the Tennessee Home Builders Association

Congressman

JOHN J. "JIMMY" DUNCAN, JR.

INTERVIEW WITH THE CONGRESSMAN FROM THE SECOND DISTRICT
VIEWS ON LEGISLATION BEFORE CONGRESS

HBAT SUMMER MEETING PHOTOS

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Local Contact Information:

East Tennessee • bob_peck@waterfurnace.com

West Tennessee • dennis_beckett@waterfurnace.com

TENNESSEE HomeBuilder

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The Home Builder's Association of Tennessee (HBAT) is a not-for-profit trade association comprised of professional builders, developers and associated firms engaged directly or indirectly in home building, remodeling, and light commercial construction. We benefit our members through governmental representation, education, networking, information and other various member services. Our mission is to continue to be the recognized voice of our industry. Our goals are to:

- Ensure housing affordability
- Be the leading industry advocate on related governmental issues
- Continue to be responsive to the needs of our members and local associations
- Promote and enhance the image of our industry
- Educate our members and encourage excellence in construction
- Continue to strive to increase membership

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HBAT

9007 Overlook Blvd., Ste. 202
Brentwood, TN 37027
(615) 777-1700 Local
(888) 550-4228 Toll Free
(615) 777-1703 Fax
www.hbat.com

POSTMASTER

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HBAT

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PUBLISHER

J.M. Woods & Associates

EDITOR

Susan Ritter

ASSOCIATE EDITOR

Julie Wilkerson

ADVERTISING SALES

Mid-South Advertising
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DESIGN DIRECTOR

Donna Heninger
-InDesign 2.0
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AD SUBMISSIONS

May be sent to—
tnbuilder@charter.net or

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2004



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Membership/
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800-632-1115 ext. 101

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COMMITTEE VICE CHAIRS

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Executive Officers
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615-777-1700

Education/Programs
Kevin Clark
731-783-1455

HIPAC Trustees
Keith Grant
901-683-4422

Local Leadership
Neal Smith
865-429-5822

STAFF

Executive Vice President
Susan Ritter
sritter@hbat.com

Director of Member Services
Frank M. Harris
fmharris@hbat.com

Director of Communications
Julie Wilkerson
jwilkerson@hbat.com

Administrative Assistant
Joy Odjegba
jodjegba@hbat.com

PRESIDENT'S PERSPECTIVE

HBAT Summer Board of Directors Meeting 2004

Our recent Summer Board of Directors Meeting was very successful—we had the largest turn-out for this meeting ever with about 250-275 attendees. From meeting room to beach area, our days in Destin were fruitful as we went about doing the association's business—strengthening the home building industry by our collective efforts. I want to thank everyone who came and participated.

In case you missed it, I want to share with you some of the following highlights from this meeting:

2004 Legislative Goals Met

- Saved builder members \$5,000—\$10,000 for those wanting to increase their licensing limit from \$1 million to \$1.5 million.
- Killed attempted state-wide adequate facility tax enabling legislation.
- Saved members \$1,000 per house in Rutherford County for increased development tax fees—wanted to raise from \$1,500 to \$2,500.
- Saved members in Fayette County approximately \$2,000 to \$3,000 per house in adequate facilities taxes. Proposed \$1.00 per square foot adequate facilities tax.
- Prevented state mandate requiring new home warranties.
- Protected integrity of licensed contractors by making impersonation of a licensed contractor a felony.
- Prevented all attempts to modify growth plan (Public Chapter 1101—urban growth boundaries). Opened door to include HBAT in future discussions.
- Permits the ability to use pool funds for

several construction projects pursuant to written agreement between all parties.

• **BUILDERExpress**, powered by *Voter-VOICE*, will be an effective tool in keeping HBAT members informed of legislative updates via e-mail. Through this communications tool, you will know when to contact your legislator on immediate issues affecting the homebuilding industry. Give your e-mail address to your Executive Officer to get on the service. Special thanks to 84 Lumber for their assistance in helping fund this valuable tool.

Membership

We have 4,858 members statewide. Our membership goal for 2004 is 5,000 members. Remember to “Do business with a member” and ask others in the business to join the association.

HIPAC

We are well on our way to reaching our two-year cycle goal of \$100,000; \$52,000 has been disbursed so far.

National Congressional Visits

Met with 8 out of 11 Tennessee Congressional members, including Senators Bill Frist and Lamar Alexander.

NAHB Legislative Update on our

Four Top Issues

Government Sponsored Enterprises (GSE) Regulatory Reform—Not Passed; Home Ownership Tax Credit (HOTC)—Not Passed; Association Health Plans (AHP)—Not Passed; FHA Zero Down Payment Mortgage Insurance Program—Not Passed.



HBAT President Charles Morgan

***"Do business
with a member..."***

Sponsorships

Our sponsorships are at an all-time high of \$97,000—\$7,000 more than our \$90,000 goal.

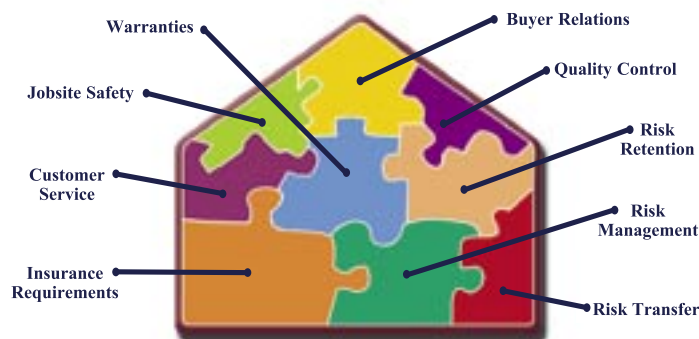
HBAT Reserve Fund

Building Fund—\$10,342; Long-Term Reserves—\$134,519; Short-Term Reserves—\$25,733; Scholarship Fund—\$1,905; Issues Fund—\$11,000.

***Let's continue on
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EXECUTIVE OFFICER *Outlook*

It Takes a Work Crew...HBAT Staff Blends Personalities and Skills

It takes a work crew to build a house. Much like the crafts men and women who specialize in electrical, plumbing or carpentry, the Home Builders Association of Tennessee staff is uniquely prepared for the work they do.



Photo by Harry Butler

Frank M. Harris,
Director of Member Services

Frank M. Harris is HBAT's director of member services. His 10 years with the Tennessee Public Service Commission

(PSC) working on regulatory issues and interacting with the state legislature on statewide utility and legislative issues brings specialized knowledge and experience to the HBAT.

During his tenure at the PSC, Frank worked on issues affecting telecommunications, natural gas, trucking, electricity and water utilities and often assisted residential consumers and commercial businesses regarding utility matters.

Prior to joining the HBAT team, Frank worked for SAFECO Investments Corporation as a pension sales manager where he managed a ten-state territory in the Southeast working with businesses supporting their retirement planning and services. Frank holds securities licenses from the National Association of Securities Dealers and is licensed by the State of Tennessee.

"I've enjoyed renewing some old acquaintances, as well as being able to have the opportunity to get involved in an area of our economy that has such a strong influence on the prosperity of our country," Frank said in regard to his work with the association.

Frank is a native Tennessean, born in Columbia and living most of his life in Nashville. He has also lived in Memphis and Knoxville, giving him a broad perspective of the state.

Frank holds a bachelor's degree in marketing from the University of Tennessee, Knoxville. He has served on the Arthritis Foundation's Board of Directors and actively supports the American Cancer Society, Nashville Chapter. Frank also has been involved in a number of Habitat for Humanity projects.

In his spare time, Frank likes to read biographies and work outdoors. He and his lovely wife, Teresa, live in Franklin, Tennessee. ♦

Julie Wilkerson, director of communications, is our newest team member.



Photo by Harry Butler

Julie Wilkerson,
Communications Director

She is responsible for developing and writing promotional materials, writing press releases, working with media, and editing

the bi-monthly *Tennessee HomeBuilder*. She will also assist with meeting planning for the association's three annual meetings and managing the web site.

Julie has more than 10 years experience in public relations and event planning.

Before coming to HBAT, Julie was a meeting planner for the Nashville-based

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United Methodist Publishing House, where she promoted and implemented national training events for DISCIPLE Bible study.

As director of public information for Dyersburg State Community College several years ago, Julie led the college to its highest enrollment generated up until that time.

She holds a bachelor's degree from Lambuth University, in Jackson, Tennessee. She also has taken graduate classes in journalism and public relations from the University of Memphis, in Memphis, Tennessee, and graduate-level coursework in human development counseling from Vanderbilt University, in Nashville. She holds Tennessee licenses in life and health insurance.

Interested in beauty, she likes gardening, decorating and being with friends. She is fascinated by architecture and home design, as well as landscaping.

Renovation and architectural preservation is an interest she learned from her mother, Joyce C. Rybolt, who was involved in limited partnerships that protected and preserved historical buildings like the Hard Rock Café Gift Shop (once known as the Silver Dollar Saloon) and Southern Turf in downtown Nashville, Tenn.

Julie's thoughts are often overseas these days. Her son, U.S. Army Specialist Andrew "Drew" B. Wilkerson of the 173rd Airborne, was deployed to Iraq last year where he and his unit experienced heavy gunfire and casualties. Currently in Italy, Drew will either be deployed again or sent stateside for additional training as a ranger.

In September she participated in her first Habitat for Humanity house in Nashville. She worked on two Neighborhood Housing Opportunity houses in Memphis several years ago. In 1989 she was a participant in a Volunteers in Mission project that sent her to Jamaica where she and others in her 14-member team worked on the near-completion of an addition to a 100-year-old church.

"I'm looking forward to working with Susan, my colleagues, and the members of the Home Builders Association of Tennessee," Julie said. "My father was a builder when I was a child and I come from six generations of builders, so working for the Home Builders Association of

Tennessee is like coming home—there's sawdust in my blood." ♦



Photo by Harry Butler

Joy Odjegba,
Administrative Assistant

While some people only dream of making things better for others, Joy is working to make it happen. Fond of children and concerned about their welfare, Joy is passionate about working for change that helps high-risk adolescents.

A graduate student at Middle Tennessee State University (MTSU), Joy is completing a master's degree in human sciences with a concentration in child development and family services. It should take her two years to complete the program.

"I've worked with children as a YMCA childcare counselor," she said. "YMCA childcare incorporates arts and crafts, homework help, recreation and sports, field trips, literacy initiatives and character development into the childcare experience," she said.

During her free time, Joy volunteers for Prevent Child Abuse of Tennessee and Big Brothers and Big Sisters.

She completed her bachelor's degree in business administration from MTSU before coming to HBAT in August, 2002. To support herself during that time, Joy was an assistant manager for The Limited. It was in this retail environment that she discovered her love for people.

"I enjoy working for HBAT," she said, "because I get to meet such great people at the meetings. Our members are very sweet, which makes my job truly enjoyable," she said. "It has been such an awesome journey to have had the opportunity to meet and get acquainted with the many members who attend our board meetings," she added. ♦

Susan Ritter is the executive vice president of the Home Builders Association of

There is no sweeter smile than the one you'll receive from Joy Odjegba, HBAT's administrative assistant.

While

Tennessee. Susan joined the association on August 14, 2000.

Susan's building industry career began while working for Michigan Consolidated Gas Company (MichCon) in Detroit. There, responsible for new residential construction for MichCon, she worked with home builders and developers providing gas service to new developments.



Photo by Harry Butler

Susan Ritter
HBAT Executive VP

As a marketing representative for MichCon, she became active in the local home builders

association and served on the local and state board of directors, on the local and state associates council, and was selected as the 1989 Associate Member of the Year.

A graduate of Wayne State University (we won't say when), Susan joined SMART HOUSE, L.P., in 1990, and was ultimately appointed as vice president of Industry Relations and Marketing. SMART HOUSE was a subsidiary of the National Association of Home Builders (NAHB) and located just outside of Washington, D.C. Her responsibilities included directing the market introduction of the SMART HOUSE concept through local and state HBAs. The SMART HOUSE organization then moved its headquarters to Raleigh, N.C.

Susan has been involved with NAHB in a number of ways, most importantly through membership. She firmly believes membership is the lifeblood of the association. Susan is so committed that she served on the national membership committee for three years and was appointed to the position of co-chair of the National Membership Committee for the year 2000.

"Tennessee's beautiful mountains and lovely weather have convinced me that this is where I want to stay. My favorite things to do are play golf (badly), work in the yard, or glide across Percy Priest Lake

—Continued on page 26

CONGRESSMAN

JOHN J. "JIMMY" DUNCAN, JR.

AN INTERVIEW WITH THE CONGRESSMAN FROM THE SECOND DISTRICT



Photo from Congressman Duncan's Office

Having been the son of a long-term Congressman, how has your perspective of the job changed since you have taken that office?

I was fortunate that I had a pretty good idea what the job entailed when I took office. There are a lot of unknown demands when your job is to serve as a public servant. There are a lot of emails

and letters and personal contacts to write and answer, besides developing and passing legislation in Congress.

One of the things that hasn't changed is something my father told me a long time ago, "*Remember who you are serving—the people of the Second District. They are depending on you to represent them the best way you know how.*"

When my father first came to Congress, there was an awful lot of work, but the federal government was much, much smaller then. His words about remembering who I serve helps me focus on the really important issues.

What do you see as areas of most importance facing Tennesseans today?

Most Tennesseans are concerned about national issues besides those close to home—the war in Iraq, the economy and taxes, the threat of terrorism, and so on.

One of the greatest concerns today is the rising cost of medical care. I've heard some say that their medical payments have gone up 15, 18, 23 percent every year. That coupled with inflation makes it hard on many Tennesseans. It's a complex issue to solve.

Another issue closer to home is the challenges of growth. In middle east Tennessee, where I'm from, we've experienced tremendous growth. While growth is good for the economy, it also means we have tremendous challenges in regard to handling that growth—developing highways, providing housing and planning community amenities like sewers and schools.

The term "workforce housing" is a phrase that we hear quite often. What role do you think Congress should play in providing this affordable housing for our country's average working person?

Well, housing in this country would be much more affordable if the government would just get totally out of the way at the local, state and federal levels and let home builders do what they do best. It's all sorts of governmental rules, regulations and red tape and restrictions that have driven up the cost of housing that

made housing unaffordable for some people. In spite of all the governmental interference, we do a better job of housing our people than any other country on the face of this earth and that's primarily thanks to the great home building industry that we have in this nation today.

With your position on the House Committee on Resources, you have a good perspective on the total energy situation in the United States. How do you see the increasing cost of energy affecting the long-term cost of housing in our country?

We have environmental extremists who oppose those who drill for any oil, dig for any coal, cut any trees, or produce any natural gas. In fact, the last administration, as one of their last acts in office locked up 213 trillion cubic feet of natural gas and so the price of natural gas in homes and factories has just exploded in the last couple of years or so. I think it's gone up over 700 percent in some places.

We need to tell young people, for instance, that there are billions more trees now than there were 100-150 years ago.

Bill Brysons' book *A Walk in the Woods: Rediscovering America on the Appalachian Trail* said that in 1850 New England was 30 percent forestland and 70 percent farmland. Today, New England is almost 70 percent forestland.

Our own state of Tennessee has gone up from 36 percent forestland in 1950 to about half in forestland today.

Yet if I went to any school in this country and asked the children there, "Are there more trees today than there were 50 or 150 years ago?" They would all say that there are a lot fewer trees now—even though we know that's not true.

We need to keep the production of energy at a level that will help bring down the cost of housing. Then, if we keep allowing energy production to go way, way up in cost, then obviously the price of housing is going to continue to go up as well.

For the past several years, we have supported the concept of providing Association Health Plans with a preemption to allow them to comply with federal regulations because we

believe such a plan would help level the playing field for small businesses when it comes to cost and coverage. Can you share with us your thoughts on Association Health Plan legislation, and any ideas you may have about how we can fix the health insurance crisis, which is currently negatively affecting so many small businesses and employees?

A man who was the administrator of the Park West Hospital in West Knoxville told me years ago, "If you can get the government out of the medical business, then medical costs would come down 50 percent overnight, and another 50 percent over the next six months, so that medical costs then would end up being only about 25 percent of where they are."

I would go further and say that if you could get the government and the insurance companies out of the business, so that we paid for healthcare the same way we pay for food and everything else, then medical costs would be a tiny fraction of what they currently are. Healthcare is the only thing we pay for through a third-party payer system. Even having said that, I know it wouldn't be realistic, or possible, to get the government out of the healthcare system. So, what can we do?

I think the only hope is to try things like Association Health Plans and medical savings accounts. Those really are the two biggest hopes I have to keep the whole system from just collapsing, as far as our healthcare system goes. We have tremendous problems there in rising premiums and costs.

I think the Association Health Plan legislation is one of the most important healthcare legislation that we have passed in this Congress in recent years.

I voted for it twice. I believe that it would really be better if we went to a total free-market system in healthcare, but we aren't going to do that. So the only hopes are the medical savings accounts and the Association Health Plans.

What are your views on legislation before Congress on the creation of a homeownership tax credit?

The average person today pays roughly 40 percent of his or her income in taxes



Congressman Duncan speaks to the President after a State of the Union address

Get to Know: Congressman Duncan

They say that the circumstances in which one is born affects a person for the duration of his life. For United States Congressman John J. "Jimmy" Duncan Jr., this is especially true. Son of former Congressman John Duncan Sr. and wife, Lois Swisher, the Congressman followed his father's footsteps into public office.

Born July 21, 1947, in Lebanon, Tennessee, the Duncan family eventually moved to Knoxville. Like many children in the fifties, Congressman Duncan attended public schools.

He earned his bachelor's degree in journalism from the University of Tennessee in 1969, then earned a law degree from the George Washington University National Law Center in Washington, D.C., in 1973.

In 1970, the Congressman enlisted in the Army National Guard and rose to the rank of captain before completing his service in 1987.

Returning to Knoxville soon after his graduation from law school, Congressman Duncan started a private law practice with Zane Daniel in 1973.

The Knoxville attorney was appointed by Gov. Lamar Alexander, also of East Tennessee, to a state trial judgeship in 1981. He served in that capacity until 1988, when he was elected to Congress for the Second US Congressional District—an area covering McMinn, Monroe, Loudon, Knox, Blount and part of Sevier counties.

Congressman Duncan currently serves as Chairman of the House Committee on Transportation and Infrastructure's Water Resources and Environment Subcommittee.

—Continued on page 19

103RD GENERAL ASSEMBLY

You Are Not Alone

As I lobby your issues before the Tennessee General Assembly, I find that most of the Home Builders Association's issues involve more than one profession. When I find one that touches various professions, it gives me an opportunity to put together what is sometimes called an alliance, coalition, caucus, interest group, or cartel. Call it what you will, but it is teamwork any way you look at it. I was always a better football player than a golfer because I perform better being part of a team rather than a lone wolf.

On many home builder issues, the obvious coalition members involve the Associated General Contractors, Associated Builders and Contractors, Tennessee Road Builders Association and Tennessee Association of Realtors. There are, however, associations out there that you may not have thought of to help you achieve your legislative goals. Those on that list include, but are not limited to:

- Tennessee Restaurant Association – Workers' Compensation
- Tennessee Chamber of Commerce and Industry – Taxes
- Tennessee Road Builders Association – Worker's Compensation
- Tennessee Forestry Association – Property Rights
- Tennessee Farm Bureau – Property Rights
- Nashville Federation of Independent Business – Taxes and Employment Issues

- Tennessee Hotel and Lodging Association – Worker's Compensation
- Tennessee Bankers Association – Land Title and Development Issues

Many times during a legislative session I am called into a meeting of lobbyists and am asked what the home builders' position is on a particular issue. One year I even worked with the Tennessee Malt Beverage Association (the beer wholesalers) to fight legislation that would allow cities and counties to revoke any permit issued. Legislation was introduced specifically to address some beer permit violations of some bars. The bill, however, was drafted so broadly that it



Legislative Report by Jay West
Director of Governmental Affairs
Bone McAllester Norton PLLC
615.238.6360; 615.238.6301^{Fax}
jwest@bonelaw.com

"...HBAT is not out there alone, adrift in a vast sea of legislation. You have more friends than you know..."

also included building permits. It was an unintended consequence of the sponsor of the legislation; nevertheless, it was a grave concern of the HBAT. The bill did not pass in any form, but it is an illustration of how we must constantly be on our toes and not be plagued by unintended consequences.

The 104th General Assembly will convene January 2005 to introduce more than 2,000 pieces of legislation, resolutions and proclamations. The HBAT will again

become part of various groups and causes which are either organized and powerful, or hastily put together to address a last-minute amendment which would hurt the way you do business every day.

I can assure you that the HBAT is not out there alone, adrift in a vast sea of legislation. You have more friends than you know—in various walks of life and professions—ready on a moment's notice to jump in and join the fight! ♦

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Ocoee Region BA

Phillip Daniel
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Congressman Duncan and Senator Frist meet with President Bush on Air Force One.

Congressman Duncan, cont. from page 13

of all types—federal, state, local, sales, property, income, gas and excise. The average family today has one spouse who works to support the family and the other spouse works to support the government.

I would be in favor of anything to lower people's taxes.

In your role on the House Subcommittee on National Security, Emerging Threats and International Relations, what do you see as the way Tennesseans can best prepare themselves to deal with the apparent threats that we face daily?

Well, I have a little different reaction to this than most people. A quote from former Virginia Gov. James Gilmore, who headed up the federal commission studying the threat of terrorism, pretty much sums it up. He wrote in a letter to the President at the conclusion of their hearings and their study of this issue: "There will never be a 100 percent guarantee of security for our people, the economy and our society. We must resist the urge to seek total security. It is not achievable and drains our attention from those things that can be accomplished."

We need to take the threat of terrorism seriously, but we also need to realize that we have a better chance of being struck by lightning than by being killed by a terrorist. We need to not go ridiculously overboard—we need to continue on with our lives as normally as possible.

As someone who served for many years in the National Guard, what do you see as the best way for this country and we as small business owners to support those who have been called away from their jobs to serve our country?

I would say elect more people to office who will not get the United States involved in every religious, ethnic and political dispute around the world.

I believe strongly in national defense, but I also don't believe that you should go to war unless you are absolutely forced into it and it is the absolute last resort. In that way we will stay out of some of these disputes in the Middle East and other places around the world—we wouldn't have to send as many people in the National Guard to other countries. And, that is the best way to help small business owners who are willing to help

"Congressman Jimmy Duncan is one of the few members of Congress who recognizes the home building industry as one of the last free enterprises left in this country. Home builders put homes on the market with no guarantee that they will sell. Jobs related to home building can't be outsourced to another country. Congressman Duncan recognizes the home building industry as an important force in America's economy." —Earl Sharpe, member of the HBA of Knoxville

BUILDERS MUTUAL TO RETURN \$2.5 MILLION

by Darcy Dye, Builders Mutual Insurance Co.



Raleigh, N.C.—Builders Mutual Insurance Company Board of Directors announced a \$2.5 million surplus distribution to eligible workers' compensation policyholders in May.

Of the 20 years Builders Mutual has been in existence, a surplus has been returned a record 17 of 19 eligible years. To be eligible for a return, workers' compensation policyholders must have favorable loss experience.

According to Vice President and Chief Marketing Officer Mike Gerber, a company that can return a surplus to its insureds is definitely a reflection on

policyholders and their vigilant efforts to maintain safer, injury-free workplaces. By focusing on safety education through our risk management department, as well as the company's efforts to keep expenses down, Builders Mutual can continue to keep claims (and premiums to policyholders) down.

The largest writers of workers compensation insurance in North Carolina according to A.M. Best Company, Builders Mutual has a Best's Rating of A (excellent).

Builders Mutual has more than 14,000 policyholders concentrated in the mid-

southeast and employs nearly 160 out of its Raleigh home office.

Endorsements include the North Carolina Home Builders Association (NCHBA) and Home Builders Association of Tennessee (HBAT).

(Editor's Note: For more information, contact Darcy Dye at Builders Mutual Insurance Co. of Raleigh, N.C., at (919) 919-845-1976, ext. 329. This May 18, 2004 news release was reprinted with permission.)



the country but don't want to continually lose key employees.

How have you managed to maintain such a good attendance record for votes in Congress with the great amount of time you spend in your district serving your constituents?

Well, part of that is luck and good health. I've just tried to make it a high priority to be here for votes. In addition, we have the best aviation system in the world, and that has helped as well. But, I feel very lucky to have my job and I feel that I should try to cast every vote I possibly can.

With such a hectic public schedule, how do you and your family like to spend your time when you are able to get away?

The most difficult part of this job is trying to balance its responsibilities—the demands and requests—with spending time with my wife and children. So far, I think we've done that pretty well. I'm very proud of my children and the way they have turned out. Obviously,

I've missed a lot of things that involved them.

But, I've tried not to miss important things—like baseball games and such. I've tried to have them visit up here in Washington as often as possible and work at part-time jobs up here over the summer. My youngest son is now doing an internship this summer at the Air Transport Association. So, we just try to work around my schedule. Balancing work with family time is the most difficult part of the job.

Thank you, Congressman.

I want to thank you for allowing me to do this interview. I appreciate all that the home builders do—not only for our local communities, but for this nation. They provide jobs. They provide us with the great housing that we have in this country. And I just don't think that the people of this nation, especially those in government, appreciate them nearly as much as they should. Thank you.

Duncan, continued from page 13

He also holds seats on the House Committee on Resources, which retains jurisdiction over national parks and natural resources, and the House Committee on Government Reform.

According to his official bio, Congressman Duncan is perhaps best known for his "efforts to cut government waste, reduce taxes, and limit bureaucratic red tape,"—according to reports from ABC News, CBS News, The Wall Street Journal, CNN, and U.S. News and World Report.

Recognized as one of five of "the most fiscally conservative members of both the House and Senate" by the National Taxpayers Union, the Congressman has the distinction of being among only a few members of Congress to receive the Citizens Against Government Waste Super Hero Award.

Remembering that he was elected to "serve the people of the Second Congressional District," Congressman Duncan maintains offices in Knoxville, Maryville, and Athens in order to keep close to his constituents. Much of his time is spent among these Tennessee offices. He has an additional office in Washington, D.C.

He attends hundreds of public events in order to be among the people he serves and holds numerous town hall meetings. Still, he maintains one of the best attendance records in the entire Congress—another sign of his desire to serve those who elected him.

Because of his support of the home building industry, Congressmen Duncan was awarded the prestigious "Housing Hero Award" in 2003 from the Home Builders Association of Tennessee. This award recognizes those individuals who have made a significant and lasting contribution in the support of the building industry and the Home Builders Association of Tennessee.

Congressman Duncan is a resident of Knoxville and is an Elder at Eastminster Presbyterian Church, where he and his wife, the former Lynn Hawkins of Sewanee, Tennessee, are members. They have four children—Tara, Whitney, John, and Zane. The Duncans also have two grandchildren—Beau and Emma.

(Editor's Note: Special thanks to Matt Lehigh, communications director/legislative assistant to Congressman John J. Duncan, Jr. For more information on Congressman Duncan, please go to www.house.gov/duncan/contact.html.) ♦

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HBAT SUMMER BOARD

SERIOUS BUSINESS IN A TROPICAL PLAYGROUND



HBAT's registration table sets the mood for this year's Summer Board of Directors Meeting.



Lynn and HBAT President Charles Morgan, Phil Chamberlain, Trina Getske of Countrywide and Laura Hollis enjoy the indoor activities almost as much as the outdoor activities!



HBAT members are serious about the home building industry!



Some attendees keep coming back to HBAT's Summer Board of Directors Meeting!



Mike and Pat Shaddix, Ronnie Tickle, Vicki Almond, and Christina Tickle enjoy each other's company.



Richard Dillon, Bill and Brenda Sharp, and Linda Dillon enjoyed the social events.



OF DIRECTORS MEETING

FUN IN THE SUN—DESTIN 2004



Even in the Sunshine State HBAT attendees focused on business—occasionally!



Networking was serious business in this tropical playground.



HBAT President Charles Morgan thanks this year's sponsors.



Laura Hollis, Jerry Farley, Doug Collins and Donna Rumpler of Countrywide enjoy the Welcome Reception, sponsored by Fannie Mae.



Tonya Esquibel and HBAT President Charles Morgan welcomed everyone to the Pool Party, sponsored by CTX Mortgage of Brentwood, 2-10 Home Buyers Warranty and Home Buyers Warranty Insurance Services.



Volleyball competition gets intense.

LOCAL HAPPENINGS

Summer Board of Directors Meeting: *Fun in the Sun and Then Some!*



This year's HBA Summer Board of Directors Meeting, held in Destin, Fla., offered opportunities in networking with other builders and suppliers, as well as a time to share your voice in your Home Builders Association of Tennessee.

More than 250 attendees and their families made their way to the Sunshine state for the annual gathering, scheduled June 27-30, at the beautiful Hilton Sandestin Beach Golf Resort and Spa. Attendees came from all over Tennessee as every grand division was well represented.

Networking opportunities were abundant as people gathered around the beach, the pool, and the conference rooms to carry on the association's business. Several sponsors provided delicious meals while attendees participated in meetings. There were additional goodies stashed in this year's goody bag—an igloo hard-sided six-pack cooler.

Highlights from this year's Meeting included the Beach Party Blast, where talented crooners sang karaoke, dancers shook their groove thing and a special rendition of "The Prayer" was offered up in honor of President Charles Morgan.

Jim Wahlbrink, from the Raleigh-Wake County Home Builders Association, and Julaine Harris, from Fannie Mae, provided fascinating educational programs.

The Volleyball competition was fierce with East Tennessee toppling Middle and West Tennessee rivals.

The pool party became a Caribbean paradise with "Steel and Ivory" transporting us musically to islands far away as the male duet sang, accompanied by steel drum and keyboards.

Children involved in the Treasure Hunt won prizes for securing everything from whistles to menus to a Floridian flag. Sandcastle builders received accolades for their creative sculptures, while some

sun worshippers took a break and lay under a beach chair and umbrella.

It was a time when memories, as well as motions, were made. Some highlights from the Board Meeting included:

- Four area vice presidents are now to be elected by the Board of Directors. Area vice presidents interviewed for election at the Fall Board Meeting were: Ed Zarb of Northeast, Larry Phillips of Southeast, Davis Lamb of Middle Tennessee, and Phil Chamberlain of West Tennessee.
- Life Directors must have 10 out of 14 years attendance in order to qualify.
- Nominees for Life Director may have credit for two years of service as alternate director provided they attended the required number of Board meetings during such service.
- VoterVOICE, a nationally recognized leader in internet-based political action programming will be used to contact our membership when there are important issues before our state and federal legislative bodies.
- The selection criteria for Tennessee Associates Council candidates was finalized and approved.
- Memphis HBA was granted \$2500 towards their lawsuit.
- HBATSIT is offering \$500 toward reimbursable travel expenses to one representative from each local association who attends the NAHB Membership Conference in Memphis, Oct. 23-24, at The Peabody.
- Special thanks to 2-10 Home Buyers Warranty, CTX Mortgage of Brentwood, HBA Self Insured Trust, and Countrywide Home Loans for their additional sponsorship of this Meeting.

Please refer to HBA President Charles Morgan's column "President's Perspective" for additional highlights.

Watch for information regarding the Fall Board of Directors Meeting, held Nov. 11-13, at the Cool Springs Marriott. ♦

Home Builders Association of TN Self-Insured Trust Makes a Membership Offer a Local Can't Refuse

The Home Builders Association of Tennessee Self-Insured Trust (HBATSIT) feels so strongly about the benefits of attending the upcoming NAHB Conference on Membership, that they are offering \$500 towards reimbursable travel expenses to every local that sends one representative to this valuable program.

"We are extremely thrilled to welcome the NAHB Conference on Membership to Tennessee this October 23-24, at The Peabody Hotel, in Memphis," exclaims Susan Ritter, HBA EVP.

"Membership is the lifeblood of every association and all locals will benefit from the vast array of topics that focus entirely on membership recruitment and retention."

Some of the hot topics presented by nationally recognized experts will be:

- Strategies to help your association gain new members
- How to increase member involvement
- Proven retention techniques

There will also be interactive roundtables on specific membership issues where you can exchange ideas, not to mention the incredible networking opportunities. What better way to help your association grow in 2005 and beyond?

Go to www.nahb.org/education or call 1-800-368-5242, ext. 8338 to make your reservations now!

*The \$500 fee should cover hotel room and applicable taxes at the world-famous Peabody Hotel for two nights and the \$125 early bird training fee. ♦

LOCAL HAPPENINGS

Reese Smith III

Elected Chairman of Board of Licensing Contractors



Congratulations to Reese Smith III, newly elected chairman of the Board of Licensing Contractors. Reese, who has served on the Board for a number of years, is president of Haury Smith Contractors in Nashville, Tenn., and was featured in "Membership Pays" in the May/June issue of *Tennessee HomeBuilder*. He replaces Neil Tuttle, whose term ended after serving 14 years on the Board.

Rutherford County HBA

Holds Parade of Homes

A new paid attendance record was set by this year's Parade of Homes in Rutherford County, held June 18-20 and 25-27, with more than 2,000 admission tickets sold.

The Cavalry Banking "Homes Today" 2004 was also the most spectacular presentation of exciting new homes in history. Most parade homes were sold to attendees during or immediately after the show.

The annual Preview Party also set attendance records, and was the first such party for which the Rutherford County Home Builders Association charged admission. More than 400 area community leaders bought tickets to the black-tie optional party, and participated in a silent auction to benefit the Murfreesboro Symphony Orchestra.

HBA of Middle Tennessee

Holds Parade of Homes

Home Builders Association of Middle Tennessee (HBAMT) held its Parade of Homes, in Hendersonville, June 12 -27, sponsored by American Security Bank and Trust. Houses started at \$650,000 with square footage close to 6,000 square feet. Some of the new industry trends that were premiered included home appliance technology, in-home theater systems and several unique backyard oases.

"The Home Builders Association of Middle Tennessee presents the Parade of Homes annually to showcase the new home building industry's finest work. The building and design teams for the spring Parade kept this wonderful tradition by presenting cutting edge home building ideas and products as well as the latest in appliances, light fixtures, accessories and



President George W. Bush, along with Senate Majority Leader Bill Frist, speaks at a Nashville fundraiser.



President Charles Morgan with President George W. Bush at a recent Nashville fundraiser.

furniture," Anne McKnight, parade chairman, said.

For more information on the HBAMT Parade of Homes, call (615) 377-1055, ext. 94 or visit www.hbamt.net. ♦



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IRS UPDATE: Form 1099-MISC Used to Report

Payments Made to Independent Contractors

If a business makes payments totaling \$600 or more a year to an independent contractor, the payments must be reported to the Internal Revenue Service using Form 1099-MISC, Miscellaneous Income.

An independent contractor is someone who is paid to perform work at a business, but is not considered to be an employee. Several factors must be considered to properly determine whether a worker is an employee or an independent contractor. For more information on worker classification, refer to Publication 15-A, Employers Supplemental Tax Guide.

To properly complete Form 1099-MISC, businesses will need the social security number (SSN), employer identification number (EIN), or individual taxpayer identification number (ITIN) of an independent contractor, plus their name and complete address.

Businesses should always ask an independent contractor to complete Form W-9, Request for Taxpayer Identification Number and Certification, before he or she begins work. If a business does not obtain an SSN, EIN or ITIN before paying the contractor, income taxes must be withheld from the payment.

This is called "backup withholding." The rules require that 28 percent of the payment be withheld and sent to the IRS. Businesses that fail to collect and pay to IRS backup withholding payments may be assessed penalties.

Important Reasons for Filing Form 1099-MISC

If there is any failure to file a correct Form 1099-MISC or to provide a copy to a payee, and the failure is due to intentional disregard, you may be subject to a penalty of up to 10 percent of the amount that should have been reported on each form, with no maximum penalty.

By filing Form 1099-MISC, businesses taking a tax deduction for amounts paid to independent contractors will have a record to help substantiate the deduction.

How and When to File Form 1099-MISC

Form 1099-MISC may be filed electronically, magnetically or by paper. Use of the Filing Information Return Electronically (FIRE) system is the most cost-effective method and is easier than filing on paper. Businesses filing more than 250 Form 1099-MISC (or any other information returns) are required to file electronically or magnetically. To file Form 1099-MISC electronically, complete and submit Form 4419, Application for Filing Information Returns Magnetically/Electronically, at least 30 days before its due date.

Form 1099-MISC Due Dates

- Furnish a Copy to the recipient by January 31, 2005
- File Copy A with the IRS by February 28, 2005
- Businesses that file electronically, the due date to file Copy A with the IRS is extended to March 31, 2005

Where to Go to Learn More

For Information on how to complete or obtain forms, instructions and publications: www.irs.gov

Find more help for Construction Business owners: <http://www.irs.gov/businesses/small/industries/content/0,,id=99329,00.html>

Obtain more information on filing returns electronically by calling 1-866-455-7438.

For other tax information related to business returns or accounts, call 1-800-829-4933.

The IRS Resource Available for Small Businesses

The 2004 Small Business Resource Guide CD ROM, Pub 3207, Catalog Number 26757M, is now available. This year the guide has a new look, enhanced navigation features, and "drop-down" menus to view topics. Also, a list of topics is provided on the CD cover. Order by calling the IRS Help Desk Phone Number at 1- 800-876-1715.



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LOCAL LIMELIGHT

Memphis HBA Celebrates 60th Anniversary

by Jessica Little, MAHBA

What began as a small homebuilders association in 1944 has since grown into one of the largest homebuilders associations in the state of Tennessee, representing more than 25,000 Mid-Southerners.

Recognized as the local voice of the housing industry in the Memphis area, the Memphis Area Home Builders Association (MAHBA) represents approximately 1,000 companies in the Mid-South building industry—making it the second largest employer in the city after FedEx.

In addition to serving as a forum for members' education, advocacy, networking and benefits, MAHBA serves as a valuable resource for the consumer. The association can provide a list of builders, suppliers, tradespeople and contractors to consumers who need advice on building, remodeling and other home-related issues.

MAHBA also produces several annual events, like the Vesta Home Show tour of homes and the Vesta Home Expo trade show, that spotlights MAHBA members and the Mid-South home building industry.

As a MAHBA member, you are held to a higher standard of quality and professionalism, said Mark Billingsley, executive director of the MAHBA. Our association is extremely proud that we have stood the test of time, shaping the Mid-South home building industry and the standards within it for 60 years.

"Our 60th anniversary is a big deal to us," notes Bruce Upchurch, MAHBA president and owner of Bruce Upchurch Homes, "and we want to let everyone know about all the work MAHBA has done for the Mid-South."

Upchurch says that for the last 60 years MAHBA has not wavered in its commitment to building a better community.

Over the years the association has built a new dining hall for the Boys & Girls Club of Greater Memphis and also transformed an old railroad boxcar into low-income housing for the Memphis-based Metropolitan Inter-faith Association (MIFA).

In 2002, MAHBA built a four-bedroom home for Habitat for Humanity with all of the material and labor donated by the association's membership.

In 2003, MAHBA collected nearly \$10,000 for the family of slain Shelby County Sheriff's Deputy George Selby Jr.

More than \$23,500 was donated to the Junior League of Memphis and the Hope House.

The Fayette County Home Builders and Developers Chapter of MAHBA established and then raised close to \$200,000 for the Fayette County Education Foundation in 2003.

MAHBA is the umbrella organization for smaller related groups such as the Fayette County Home Builders and Developers Chapter, the Developers Council, the Builders Issues and Education Committee, and the Registered Builder and Registered Remodelor programs.

For more information on MAHBA, please call (901) 756-4500. And, congratulations on 60 years! ♦

EO Outlook, cont. from page 11

on my boat. Although I have no children, I have two cocker spaniels and a cat that basically run my life."

"I have spent my life longing for a career where I felt my contributions make a difference. Working in this industry, committed to providing housing, has made me realize that I do make a difference."

As you can see, your HBAT staff is dedicated and committed to the mission and goals of the HBAT. ♦

A Word from Bobby Rayburn, NAHB President *Please Take the Time to Help Us Solve the GLI Crisis*

FELLOW BUILDERS, IT'S TIME FOR ACTION.

It's time for us to fill out our general liability insurance (GLI) surveys and send in our consent letters. It's time for each of us to do our part to help solve the home building industry's GLI crisis.

Recent surveys show that GLI is our members' number one concern. It's easy to see why. GLI premiums have risen 10-fold in some areas. Many policies have so many exclusions that the coverage is ineffective. And in some states, it's almost impossible to get any GLI coverage at all.

NAHB members have made it clear that they want the federation to do something to solve this GLI problem. In response, NAHB has entered into a strategic partnership with Marsh, the insurance and consulting firm, to gather loss information about the residential construction industry, to analyze that data to better understand the industry's risk management needs and to use that analysis to develop new, cost-effective GLI products.

Last month NAHB and Marsh sent an eight-page mail piece to 55,000 builder, remodeler and trade contractor members. The mailer included a survey, a model consent letter giving insurance carriers permission to share a builder's loss information with Marsh, and information about NAHB's GLI initiative. If you didn't receive the mailing, you can find the survey, model consent letter and other information at www.nahb.org/gli. ♦

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MEMBERSHIP PAYS

Jim Fischer
HBAMT



Jim Fischer, HBAMT

If you could use only one word to describe Jim Fischer, it would have to be “energized.” With 47 years of home building experience, this home builder does not sit still easily.

His career began in the real estate business. A startling success from the beginning, Jim sold 80 of the 250 homes built by Caines & Gregory the first 13 months he was in real estate. No one could believe his undeniable gift for selling homes.

Recognizing that home building could be a potentially lucrative business, Jim went into business for himself in 1960. He also joined the Home Builders Association of Middle Tennessee (HBAMT) that year.

“It just made good business sense—I wanted to learn the business, so I figured association work would be the best place to learn,” he said.

To this day, he’s built more than 600 houses and 1500 apartment units—some FHA and some FHA low-income. And Jim is still building. Five and a half years ago, he partnered with Jim Ford to work on projects in the Nashboro Village

area—a project he hopes to finish in the next year or so.

“Membership Pays” because there is no better place to learn the home building business than through other home builders.

Jim knows involvement in his local HBA has helped his home building business thrive. He said that the HBA has helped the community recognize home builders as reputable businessmen and women—a benefit he found helpful when applying for business loans.

“If they know you are a home builder, they (like-minded professionals like bankers), respect you... To me, it’s just one of the perks you get from being involved with the HBA on a local, state and national level,” he said.

“Membership Pays” because being involved with a state and locally recognized organization validates your credibility as a home builder.

Not too long ago, home builders with college degrees were uncommon. “We are getting a lot higher quality people these days—people like James and Denzel Carbine—college-educated home builders,” he said. In a real sense, each home builder affects the reputation of the industry—another reason to work together through an association like the HBAMT.

Jim has received his share of recognition and awards. HBAMT named him “Man of the Decade” and HBAT inducted him into the prestigious Home Builders Association of Tennessee Building Industry of Tennessee Hall of Fame, in 1994.

Since 1984, he’s held every office from secretary to treasurer to vice president to president in the National Home Builders Association (NAHB).

In 1987, Jim was elected president of the NAHB. He was also named to the National Hall of Fame for NAHB. His tenure with the NAHB lent insight into the value of being part of this national organization.

“Membership Pays” because being involved with a nationally recognized organization like the NAHB protects the home building industry and the people who work in it.

“I know that the NAHB is lobbying for our industry all the time—so much goes on there that the average person doesn’t know about. When I was president, we’d get bills killed that were bad for our industry before people even knew about them—work that helped our industry and our members,” he said.

Jim’s a believer in recruiting new members. With 411 or so spikes to his credit, he’s been a big influence on many home builders. In fact, he’s been elected president of HBAMT three times—in 1975, 1984 and 1992.

He’s also been president of the Home Builders Association of Tennessee (HBAT) twice—1978 and 1996, as well as secretary/treasurer and vice president.

About 30 years ago, the home building industry was in jeopardy. Double-digit interest rates made home building speculative. A lot of potential home owners couldn’t afford to purchase. And, some builders lost their businesses.

But Jim was prepared for the financial drought. Taking advice from a friend he met through his relationship with the association, he decided to diversify. That’s how The Standard Candy Company came into being—perhaps best known for its Goo Goo Clusters—a gooey milk chocolate, marshmallow, caramel and peanut concoction that is absolutely delicious.

From 1974-95, Jim owned Standard Candy. This investment provided some insulation from the high interest rates that affected the home building industry. Jim continued in the home building industry with the profits he made from Standard Candy.

Ultimately, The Standard Candy Company was sold. Still, the experience was an enriching one—so much so that Jim

—Continued on page 29

BUILDER^{EXPRESS}

Membership Pays, cont. from page 28

still keeps his hand in a variety of endeavors like his restaurant at Four Corners Marina called Admiral Jim's.

"Membership Pays" because knowledge and networking with others in your field of livelihood are important tools for financial survival.

"I've learned many things while I've been a member of the Home Builders Association. You learn by talking and networking with other builders...If you (younger members) will get involved, I know you will benefit from what you learn and the people you will meet."

"Membership Pays!"



At the Summer Board of Directors Meeting, your HBAT Board voted to implement a legislative grassroots political program that we call **BUILDERExpress**. Powered by **VoterVOICE**, a nationally recognized leader in internet-based political action programming, HBAT will be using this system to contact our membership when there are issues before our state and federal legislative bodies where we think an immediate contact from our members will make a difference in the outcome.

We are currently in the process of working with each of the local associations to gather current e-mail addresses and fax numbers which will be the basis for the initial contact between **VoterVOICE** and the membership.

Once we have this information, **VoterVOICE** will be sending out an e-mail or fax asking you to provide certain information that will allow them to match you with your state Senators and Representatives along with your Congressional representatives.

BUILDERExpress will enable our membership to be proactive in the critical area of interacting with our state legislature.

A special "Thank You" to **84 Lumber**, one of HBAT's Double Diamond sponsors, for stepping up to assist with multi-year funding of this program.

Please make sure your local EO has your current e-mail address and fax number.



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Future HBAT Meetings

2004 Fall Meeting November 11-13, 2004 Franklin Marriott, Cool Springs Franklin, TN
2005 Spring Meeting March 6-9, 2005 Hilton Suites Downtown Nashville, TN
2005 Summer Meeting July 3-6, 2005 Hilton Sandestin Beach Golf Resort & Spa Destin, FL

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