

## **State Association Fighting Proposed Changes to the Michigan Residential Code**

*It has been nearly nine years since our state has updated the codes builders use. By law, the state is supposed to update these rules no less frequently than once every six years. Given the delays and confusion about what might be imposed, Michigan Builder Magazine sat down with HBA of Michigan CEO, Bob Filka, to find out more about the process, timeline and eventual changes he sees coming to the rules that govern how homes are built in our state. The following is an excerpt from our interview with him:*

***Question: Many of our readers don't know how codes are changed in our state. Can you briefly explain?***

**Answer:** Our state law, like many states, says that our process starts by considering the adoption of model codes approved by an entity called the International Code Council (ICC). That law also gives the Director of the Michigan Department of Licensing and Regulatory Affairs (LARA) the authority to amend those model codes in any way he or she sees fit. For the past two or three decades, the state has always amended these "model codes" to balance cost increases with improved safety and energy efficiency changes and to adapt the code to our state's unique geography and climate.

***Question: So, is that amendment process underway?***

**Answer:** Yes and no. The state has held a so-called public hearing on March 21<sup>st</sup> to take public comment on their proposed move to the 2021 International Residential Code (IRC) – the most recent residential model code developed by the ICC. But this has been a one-way process unlike anything we've ever seen in our state. Interested parties can offer proposed changes or comment on what the state is proposing, but there is no interaction with those state employees who will ultimately make a recommendation on what the Director of LARA should adopt. LARA used to use an advisory panel (made up of building officials, architects, engineers, fire fighters, builders, union representatives, etc.) to weigh proposed changes to the model code they were considering. They held a true public hearing where individuals proposing changes could have a dialogue with the advisory panel. That panel would then make a recommendation to the director on what should be adopted. Prior to leaving office, Governor Snyder got rid of this panel as part of a regulatory reform effort. We believe he threw out the baby with the bathwater and that this panel should be reinstated.

***Question: Will that panel be reinstated anytime soon?***

**Answer:** Short answer is no. The Governor could reinstate this panel via executive order but she has not done so. There is also bi-partisan legislation to reinstate this panel permanently. But that bill, even if acted on this year, won't impact the current code adoption process. We are going to have to live with their current process for this code adoption cycle.

***Question: What are the major changes being proposed under the new model code the state is saying should be adopted?***

**Answer:** The adoption of the 2021 IRC the state is proposing would require new residential homes (and most renovated homes) to have fire suppression systems (i.e., sprinklers), arc fault circuit interrupters in all rooms, 2 X 6 wall framing, R-60 insulation in ceilings, inch-thick insulation on the outside/exterior walls of a home and redundant interior insulation on duct work among other costly items.

***Question: How much cost will these changes, if enforced, add to the cost of a typical home in our state?***

**Answer:** Conservatively, using the state's own smaller than average home size in estimating cost increases, if not amended the code changes being proposed will add more than \$20,000 in costs for newly constructed residential homes. I believe the state's analysis used a 1,400 square foot ranch. If you look at the size of typical homes being built today though, these costs could double or even triple depending on where a home is being built. Sprinkler systems for homes in rural markets alone, that aren't on public water systems, could add tens of thousands in extra costs. Separate wells and even holding tanks might be necessary for sprinkler systems in those locations. So, while some will say sprinklers only cost \$2.50 to \$3.50 a square foot to install, that doesn't take into account other costs—including wells, extra piping, regular maintenance and water damage that can result from these systems. Virtually every state in the union has consistently rejected and removed sprinkler requirements from their codes. Michigan should too!

***Question: Has HBAM offered proposed amendments to the model code the state is promulgating?***

**Answer:** Yes. We've proposed an alternative to the energy efficiency provisions they are proposing (to provide more flexibility at a lower cost with comparable energy savings). We have also proposed removing the new sprinkler and AFCI requirements. We've submitted a ton of research and data showing that sprinklers and AFCI's don't provide additional fire safety and would actually push more people into older substandard housing by pricing more people out of being able to afford new homes.

***Question: What if the state rejects HBAM's proposed changes and moves forward with all these changes?***

**Answer:** I want to be very clear on this. We have several legal challenges if that happens and will, if necessary, pursue those fully. There is state law that requires energy efficiency code changes to have a simple seven-year payback or better for the homeowner (i.e., savings on utility bills exceed cost of changes). The state has not proven their proposed changes meet this requirement. Having said that, and absent an injunction to halt the state's enforcement of such, there is a very high likelihood that these costly changes will go into effect. Builders need to be prepared for that.

***Question: What can our readers do to help fight these proposed changes at this point?***

**Answer:** Well, our members have sent more than 1,100 messages in response to our calls-to-action and when and if we ask for more of that, we need folks to respond. Beyond that, and quite simply, we also need their help to recruit more HBA members. Our voice is stronger with more of our industry being part of the HBA family. Too many in the industry think being part of the HBA won't matter. That's not true. There is strength in numbers and we have fewer than 5,000 members across the state, even though there are some 50,000 licensed builders and contractors in Michigan. Your readers could also contribute to our legal action fund, as we do anticipate that litigation will be necessary to stop or modify the state's proposed changes. *They can do so by scanning the QR code on page X.*

***Question: Lastly, what do you see at the timeline for any new proposed changes going into effect and is there anything else you'd like to add?***

**Answer:** Assuming we are unable to slow down the changes or get a court to put an injunction in place on all or part of them, I don't see enforcement of a new MRC at the local level until early next year. I'd also like to point out that we have a great team of advocates on this issue. We have retained former HBAM staffer and code guru, Lee Schwartz, for this process. We also have the research and support capabilities of our national association behind us, as well as our corporate counsel, Melissa Hagen. Stay tuned, the fight is just getting started.