

HBADE 2024 Legislative Report



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From January to June 30 this year, our association was hard at work tracking nearly 100 pieces of legislation with potential impacts to our industry. Our government relations team worked tirelessly to provide bill analyses and suggested revisions, and attended meetings with elected officials or hearings at Legislative Hall to provide our expertise and/or to take a public position.

We are proud to say that, despite a challenging and arduous session that saw many bills introduced with potentially devastating impacts to our industry, because of our efforts many bills did not make it out of session and not one bill was passed without our input significantly improving the original drafted content. Additionally, we were able to support some bills intended to bring affordable housing and housing affordability to the forefront of more conversations as we move into this election cycle and into the 2025 legislative session.

Please read on for a recap of just a handful of bills with which our association engaged this session:

BILLS THAT PASSED WITH OUR SUPPORT

The association was pleased to see legislation introduced that would support the production of affordable and workforce housing.

SB 22:

- This bill would create new state incentives to help spur workforce housing development.
- Delaware Workforce Housing Program would offer grants of up to 20% of the construction costs for qualified housing projects largely centered in and around high-density population areas.
- The bill is being reviewed by the Governor's office.

SB 25:

- This bill would lower the cost of building new affordable housing projects statewide by fully exempting low-to-moderate-income dwelling units from the state's 2% improvement tax.
- The bill is being reviewed by the Governor's office.

SB 244:

- This bill would authorize any county that collects a lodging tax to allocate some or all of the proceeds for workforce and affordable housing programs within that respective county. Currently, New Castle and Sussex counties collect a lodging tax with limitations on how those funds can be spent.
- The bill is being reviewed by the Governor's office.

SB 246:

- This bill would create a dedicated revolving loan fund to help support the home repair programs that DSHA operates.
- Using seed money from the General Fund and gifts or bequests from private residents, the Housing Repair and Modification Fund would support eligible repairs that help protect the health of struggling families and help them stay in their homes longer.
- The bill is being reviewed by the Governor's office.

HB 442:

- This bill recognizes the need for increased housing supply to combat the lack of affordability currently dominating the market. It creates a task force with a diverse membership that will set a path toward policy initiatives in 2025.
- HBADE garnered a spot as a voting member on the task force and will chair the subcommittee focused on construction.

BILLS THAT WE OPPOSED AND WERE SUCCESSFULLY AMENDED

Our association's engagement with these bills, their sponsors, and other stakeholders led to necessary amendments to the content originally proposed.

SB 289:

- In its original form, the bill would have allowed municipalities and counties to go above and beyond the state's energy code.
- HBADE worked with the sponsor and stakeholders to amend the bill to require that the same level of stakeholder engagement that occurs on the state level must also occur at the local level and include a specific timeline. This will provide that the building experts have a seat at the table should a municipality want to make changes to their local code.
- The bill passed both chambers and is being reviewed by the Governor's office.

SB 290:

- This bill would have created a state nontidal wetlands program and regulated tens of thousands of acres of land not currently regulated.
- HBADE engaged the prime sponsor and immediately began participating in stakeholder meetings with environmental advocacy organizations. Significant progress and negotiations were made but the bill stalled due to the fiscal note and the session ending.
- The stakeholder group, including the association as a core member, has begun meeting again and we anticipate a substitute bill to be drafted and filed in January.

HB 297:

- This bill would have significantly increased the amount of bonding/credit needed by the developer to complete road work within developments. The bill stemmed from neighborhoods in the Milford area not having top coat for years.
- HBADE testified in opposition at the committee hearing where the bill's sponsor promised to work with stakeholders. When the bill appeared on an agenda, our lobbyists quickly worked with leadership to get it removed. The sponsor then worked with the association to amend the bill.
- The bill has passed both chambers and is being reviewed by the Governor's office.

BILLS THAT WE OPPOSED AND WERE NOT PASSED

Our association's engagement with these bills, their sponsors, and other stakeholders helped ensure they stalled out or did not pass.

SB 255:

- This bill would have created significant liability for prime contractors specific to the contractor registry and wage theft that occurs between sub-contractors not directly contracted with the prime contractor.
- HBADE immediately expressed concerns to the bill sponsor and other elected officials, and formed a stakeholder group to organize opposition.
- The bill did not move forward and a working group is anticipated in the offseason.

HB 246:

- This bill would have created minimum riparian buffer requirements throughout the state.
- HBADE met with the sponsor to review concerns and walk through all of the work that had already been done in Sussex County.
- The bill did not move forward.

HB 427:

- This bill would have regulated home improvement contracts and included language that limited the amount a contractor could require as a deposit, and set strict timelines for when projects had to begin.
- While HBADE fully supports holding bad contractors accountable, the potential impact to the good actors was significant. After numerous calls with the sponsors and proposals back and forth, the association remained in opposition.
- The bill was heard in committee where it remained for the duration of the legislative session.

