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## *Hey Builders ... Let's Fill Your 2018 Hopper With New Homes To Build ... Sound Good?*

And yes, it can be that easy. How? Sign up for the Fall Parade of Homes. You are guaranteed to have the most foot traffic you've had in a while if you haven't participated in the Parade of Homes lately. If you have, then you know this is true. You can fill your hopper for 2018 and even beyond.

The statement "power in numbers" has never been more true than the Parade of Homes marketing. There is simply no other way than forking over tens of thousands of dollars for marketing to get the visibility and potential home buyers in your

homes. All it costs you is your entry fee and you can reap the rewards of being in the Medina County Fall Parade of Homes. We even offer lower rates if you have multiple homes you want to enter into the event.

Our Associate members have been showing their support in a super big way over the past few years. Why?



Because it's paying off for them as well ... That speaks volumes as far as the success of the event and how it's panning out.

In this issue of Building Blocks, you will see a page devoted to Builder and to Associate members. We encourage you to give this event serious consideration as this is part of your benefit to being a member of this association. We've repeatedly heard from consumers, other associations and other association members that our Parade of Homes is one of the best in Northeast Ohio - the best promoted, the best attended, with the best presentation. So ... give it a try! We're here to help you succeed. ■

### In This Issue ...

*Fall Parade of Homes Info –  
For Builders & Associates*

*Continuing Education - On Buyer  
Desires – Make it work for you!*

*Legislative News & OHBA on  
the Mid-Year Mark*

*CareWorksComp Updates*

*Ohio BWC's New Method for  
Determining Successorship*





Kenneth Cleveland	1,062.5*
Calvin Smith, Life Dir.	594.5
John Sumodi	183
Andy Leach	121
Bob Knight	94
Russ Sturgess	29
Doug Leohr	26
Mark Zollinger	24
Ed Belair	7
Greg Thomas	4.5
Mike Hudak	3.5
Dave LeHotan	3
Todd Scott	2.5
Ted Curran	2
Todd Folden	1.5
Rex Gasser	1
Jeremy Krahe	1
Sean Smith	1

Above list has been updated via the most current NAHB Spike Club Roster Report

\*Current Life Spike status

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## Continuing Education: *On Buyer Desires*

Taken, in part, from **Builder Magazine**,  
article by Robyn Griggs Lawrence

**Forget the hard sell.** To enhance product sales, successful builders inform and educate home buyers throughout the selection process with creative tactics such as design studios, technology walls, and digital apps.

Get to know your customers so that you can up-service what they need instead of upselling something they don't. This is more in line with their best interests and involves treating every customer as an individual, not 'another' home buyer.

Here's what the most important rooms are for home buyers:

- 34% living room
- 34% kitchen
- 16% bedroom

*(based on a 2017 Napoleon Hot Spots Design Research survey).*

### Top Upgrades

Kitchens, bathrooms and bedrooms will always be hot buttons for home buyers personalizing their homes. It's important for builders to stay on top of trending products so they can 'upserve' their home buyers.

*(On Buyer Desires -  
Continued on page 16)*

**NOTE: FAX LINE**  
Due to inactivity, we have  
disconnected our fax line. Please  
call or email the HBA.

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# From the Executive Director

Members and Friends:

It was good to see so many of our members, and builders as well, supporting your Association at our recent Golf Outing. I would like to thank our sponsors who make these events possible and highly successful. Specifically, thank you to: **Long Drive Sponsor - Columbia Gas, Division of NiSource Corp., Box Lunch Sponsor - Progressive Poured Walls, Water Sponsor - Kingdom Title Solutions, and Par Level Sponsors - All Construction Services, Alpha Insulation & Gutters, Fidelity National Title, ID Creative Group Ltd., Landmark Homes Inc., Lodi Lumber Company, Mason Structural Steel, Paramount Plumbing Inc. and Third Federal Savings & Loan.**

I would like to encourage ALL builder members to consider being in the upcoming Fall Parade of Homes. There is NO better way to promote your building business in Medina County. The visibility is unparalleled. Past Parade builders repeatedly reap the rewards of participating in this event so unless you have more business than you know what to do with, you should be part of this event. Make your membership work for you.

We have experienced unprecedented participation from Associate members. They've figured it out ... putting their time and resources into our Association is reaping rewards for them. Increased contacts, increased business and sales, and a win/win for everyone - builders included. I encourage all of you to participate. That's how we all succeed!

Respectfully,

Dave LeHotan  
Volunteer Executive Director



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Doug Leohr

Katie Williams

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Government Affairs

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## LOTS AND ACREAGE

### BATH TOWNSHIP – Revere Schools

**45 Ira Rd:** Build your dream home. Large 2.28 acre heavily wooded lot w/matured trees. Located near the Cuyahoga Valley National Park. Reverse LSD. **\$175,000.**

**4875 Stonehedge:** 3+ acres. Lake front property. Well & septic. **\$250,000. Mike Stoerkel 330-701-4426.**

### BRUNSWICK

**1499 S. Carpenter Rd.:** 6+ acres. Proposed commercial. Prime acreage at 303 & I-71 intersection. **\$1,200,000. Mike Stoerkel 330-701-4426.**

### EAST CANTON

**The Quarry:** Beautiful, award-winning golf course & community with east access to Akron, Cleveland & Pittsburgh. 10 lots available. Underground utilities, water & sewer. **\$29,900. Mike Stoerkel 330-701-4426.**

### CHAGRIN FALLS – Kenston LSD

**S/L 30 Hawksmoor Way:** 2.7 acres, 329x429, dead-end street. Wooded, waterview, private sewer & well. **\$119,900. Gary Stouffer 330-835-4900.**

### COPLEY

**N. Plainview Dr:** 6.8 acres. Public water, septic. **\$79,000. Mike Stoerkel 330-701-4426.**

**V/L S. Medina Line Rd:** Highland Schools. 2.77 acres, well & septic. **Mike Stoerkel 330-701-4426.**

**4520 Medina Rd:** 2.21 acres across from AGMC Wellness Center - Office/Professional. **\$322,000.**

**V/L Medina Road – COMMERCIAL – 95x288 – Corner of N. Hametown & Rt. 18. \$150,000.**

### CUYAHOGA FALLS

**520 W. Steels Corners Rd:** **\$295,000. Gary Stouffer 330-835-4900.**

### FAIRLAWN – Copley/Fairlawn Schools

**V/L 93 & 94 Ghent Rd:** 9.8 acres. Open, rolling, lake, public water, sewer. **\$1,300,000. Gary Stouffer 330-835-4900.**

### GRANGER – Highland Schools

*Western Reserve Homestead: Restrictions – 2200 sq.ft. min. Ranch / 2500 sq.ft. 2-story.*

**S/L 7 Windfall Rd.** 2 acres, flat lot. Well/septic. South of Granger Rd. Minutes from 71/271. **\$69,900.**

**S/L 9 Granger Rd.** 2.85 acres, flat lot. Highland LSD. Well/septic. South of Granger Rd. Minutes from 71/271. **\$39,900. Gary Stouffer 330-835-4900.**

**Millers Meadow: 1 lot remaining** with scenic view. 5 acres with bank barn. Bring your builder. Public water with tap-in paid. Minutes from 71/271/77. **\$145,000. Gary Stouffer 330-835-4900.**

### KENT

**Lincoln Commons:** 2 lots remain - 482 Marigold Lane & 486 Marigold Lane. Cul-de-sac in unique urban renewal community surrounded by amenities & walking distance to University/Downtown Kent. Public water/sewer. No HOA. Bring your own builder. 1200 sq.ft. for ranch, 1600 sq.ft. for 2-story. **\$37,500 each. Gary Stouffer 330-835-4900 and Ryan Shaffer 330-329-6904.**

### LAKE MILTON

**V/L Ellsworth Rd:** 5 acres. Level, wooded, septic, well. **\$46,900. Ryan Shaffer 330-329-6904.**

### MEDINA

**4201 Maidstone Lane Fox Meadow Country Club:** City water, sewer. .5 acres. Bring your own builder. **\$65,000. Mike Stoerkel 330-701-4426.**

**V/L 222 Maidstone Lane – Fox Meadow Country Club:** .5 acres. **\$65,000.**

**V/L 226 Maidstone Lane – Fox Meadow Country Club:** .5 acres. **\$65,000.**

**6464 Aberdeen Lane – Fox Meadow Country Club:** .5 acres. **\$72,000. Mike Stoerkel 330-701-4426.**

### MONTVILLE

**Maplewood Farm Development** offers 7 beautiful lots, 2+ acres each, Medina Schools and septic approved starting at **\$39,000. Tom Boggs 330-322-7500 or Gary Stouffer 330-835-4900.**

### PALMYRA TWP

**V/L Jones Rd:** 5 acres. Level, wooded, septic, well. **\$39,500. Ryan Shaffer 330-329-6904.**

### RICHFIELD – Revere Schools

**Glencairn Forest:** Lots ranging from **\$75,000 to \$255,000.** Breathtaking views. Scenic waterfalls, babbling brooks, lakes, stunning homes. Water/sewer, tennis courts, playground. Easy access to 77 & 271. **Laura Horning Duryea 330-606-7131 and Gary Stouffer 330-835-4900.**

### SHARON TWP – Highland Schools

**Sharon Twp Harps Mill Phase 3: S/L 48 Harps Mill \$90,000; S/L 53 Harps Mill \$80,000; S/L 55 Harps Mill \$105,000; S/L 56 Harps Mill \$115,000.** 12 lots available from 2 to 2.8 acres. Well/septic. Highland Schools. **Gary Stouffer 330-835-4900.**

**1508 Medina Rd.:** 3.25 acres. Commercial land. Zoned C2. **\$299,500. Gary Stouffer 330-835-4900.**

**Sharon Twp Beach Rd:** Highland School District. Approx. 35 acres available, split up in many variations. Owner financing available. **Gary Stouffer 330-835-4900.**

**Sharon Hts Development:** 2+ acre private lots featuring lake, wooded lots, & rolling hills to create your own dramatic backdrop. Many w/walkout potential. Minutes from 71/76. Bring your own builder. Well/septic. 6 lots left. Starting at **\$62,650. Ryan Shaffer 330-329-6904 or Gary Stouffer 330-835-4900.**

### SHARON TWP – 2 NEW DEVELOPMENTS

**Bonnie Glen – 33 beautiful lots** available in Bonnie Glen Development. Lots range from 2 to over 4 acres in size. Each lot has something special from ravines, woods or open landscape. Prices starting at **\$140's/lot.** Spectacular development to build your dream home. **Gary Stouffer 330-835-4900.**

**Hidden Lakes of Sharon – 18 beautiful lots** available ranging in size from 2 acres to 3.8 acres in new Hidden Lakes of Sharon development adjacent to Crooked Stick Drive with woods, ponds, and cul-de-sacs. Highland Local Schools and conveniently located to major highways and Montrose shopping. Lots available starting from **\$129,000** and up. **Gary Stouffer 330-835-4900.**

### SPRINGFIELD / SUFFIELD

**V/L Portage Line Rd:** Approx. 183 acres. 6,592' frontage on 3 roads. Summit & Portage County. Mineral rights transfer. **\$2,275,000. Gary Stouffer 330-835-4900.**

### WADSWORTH

**8270 Wilhite Dr:** 3.9 acres. Wooded, well & septic. Wadsworth Schools. **\$80,000. Mike Stoerkel 330-701-4426.**

**599 Brentwood Way S/L 17:** Highland LSD. 2.84 acres on cul-de-sac, well, septic. **\$185,000. Gary Stouffer 330-835-4900.**

### UNIONTOWN – Green Schools

**Green Ridge Estates:** 122x165 corner lot. Public water/sewer. **\$38,500. Gary Stouffer 330-835-4900.**



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# Legislative

NEWS



## LEGISLATIVE WRAP-UP

After passing out the conference committee report and sending HB 49 to the Governor early in July, the House returned the following week with votes to override several provisions vetoed in HB 49 by Governor Kasich. The House voted to override a total of 11 vetoes, including nine that deal with Medicaid. The Senate anticipates its return over the summer months to also take up

potential veto overrides. Its calendar has not yet been set. While the House wrapped up the Budget bill (HB 49), it also acted on several other items of interest further detailed below.

### HB 213 – REAL ESTATE APPRAISERS (Dever, J.)

To change the definition of “appraisal” for purposes of the Real Estate Appraiser Licensing Law, to make changes to certain procedures and the exceptions to licensure under that law, to regulate appraisal management companies, and to declare an emergency.

During sponsor testimony, Rep. Jonathan Dever (R-Cincinnati) explained the bill would bring Ohio into compliance with federal law regarding appraisal management companies (AMC), referencing minimum standards under Dodd Frank. According to both the sponsor and stakeholders pushing the bill, language is required for Ohio lenders to continue to be able to use AMCs to facilitate Federally Related Transactions in our state. HB 213 passed

the House 82-8 and has been referred to the Senate Government Accountability and Oversight committee.

### HB 199 – MORTGAGE LENDING (Blessing, L.)

To create the Ohio Residential Mortgage Lending Act for the purpose of regulating all non-depository lending secured by residential real estate and to limit the application of the current Mortgage Loan Law to unsecured loans and loans secured by other than residential real estate.

As explained by the sponsor and proponent testimony given by the Ohio Mortgage Bankers Association, the bill responds to confusion arising from examiners’ interpretations of the current law. The proposal specifies that all mortgage loans - both first and second liens - secured by residential real estate would fall under a single section (ORC 1322) of the law, rather than a different section (ORC 1321)


*(Legislative News - cont'd on page 9)*

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## *OHBA at the Mid-Year Mark*

We recently concluded our summer meeting of the board of trustees. As usual, the meeting produced what we normally find; a committed leadership team, interest in learning about the many items with which we are involved, fellowship, and a glimpse at to what the future may hold.

As you know, we are a part of the NAHB federation. We are committed to act in an advocacy role, on your behalf, encouraging affordable housing opportunities before the state government. Along with our national and local partners we are energized to act on your behalf in a variety of ways.

OHBA is your advocate before state government. We have been leading that role for more than sixty years. Our achievements have been significant yielding billions of dollars benefitting the industry and the public in increased affordable housing opportunities.

Our market is the state of Ohio. Builders and associates from across Ohio participate in our effort to serve all. While the market is making gradual effort in striving to reach starts activity from past years, our commitment is as strong as when record levels of activity occurred and Ohio was an economic leader.

Give thanks for this level of commitment to your leaders who so unselfishly give of themselves to assure a strong and effective OHBA working for you. Despite a soft economy the members are still at the forefront of keeping the association strong and effective. This commitment extends into the future so to provide a strong foundation for a viable industry effort for the years to come.



that would cover loans secured by non-real estate collateral and unsecured loans. The bill would have mortgage bankers and mortgage brokers secure licenses under ORC 1322, eliminating a mortgage banker exemption and giving the Division of Financial Institutions authority over all mortgage bankers and mortgage brokers. HB 199 passed the House 67-17 and has been referred to the Senate Insurance and Financial Institutions Committee.

### **HB 69 – TIF DISTRICTS (Cupp, B.)**

To require reimbursement of certain township fire and emergency medical service levy revenue forgone because of the creation of a municipal tax increment financing district.

HB 69 amends existing Tax Incremental Financing Law to add township fire, emergency medical and ambulance levies to the list of special- purpose levies. HB 69 gives townships the choice of collecting the reimbursement, waiving it, or negotiating a partial reimbursement of the money the levy would have raised but for the TIF. The bill only applies prospectively and to TIFs created by municipal corporations where townships provide the fire, emergency, or rescue

*(Legislative News -  
Continued on page 16)*

## **You Should Be Using These**

Don't forget – the HBA has the professional business tools you need for home sales. We have the MCHBA Home Construction & Limited Warranty Agreement packages available at the office for only \$35 each. Be sure to use this tool for your own protection and peace of mind. It's packaged in a handy professional presentation folder for your homebuyers' use and convenience!



## *2017 Dates To Remember*

**October 7-22, 2017**

**Dates for Fall Parade of  
Homes – Watch for more info  
& be sure to participate!**

# Member News

## Renewed Associates

ID Creative Group Ltd. – Medina / Valley City  
 Kingdom Title Solutions – Medina  
 MacGregor & Broemsen CPAs – Akron  
 Medina Glass Company – Medina  
 Stouffer Realty Inc. – Fairlawn  
 Sturgill's Drywall Inc. – Lagrange  
 Wolff Bros. Supply Inc. – Medina

*Know someone interested in joining the Medina County HBA? Doing business with companies that aren't members? They should be! Call Sharon Brock and she will mail a member packet (330.725.2371).*

## Renewed Builders

Carrington Homes, Inc. – Hinckley  
 Dwight Yoder Builders – Uniontown

## Dropped Members

C & D Cement Contractors Inc. – Medina



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## Thank you **Ken Cleveland** For Continuing to **Make a Difference** on Behalf of the **MCHBA!**

Ken Cleveland continues to make generous donations to the Medina County Home Builders Association.

Ken is a charter member of our association and one of the founding fathers which helped create the Medina County HBA back in 1973 - 42 years ago. Ken Cleveland is our top spike member and has shown unending support for our association and all it stands for. Without his support over the years, the organization may not have survived - for which we are grateful!

We congratulate Ken Cleveland for his continued support of our Association and sincerely thank him for his generous donations. This helps to continue the momentum of growth of our organization and helps us make a difference in our community. ■



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**“Change is inevitable. Progress is optional.”**

~ *Tony Robbins*

As our businesses and enterprises age, it is important that they change in a progressive way. The processes we have in place can always benefit from a relevant and thoughtful review, even though ultimately the goals may stay the same. Let us talk with you about what your goals and processes are for your risk management program; as 2018 CareWorksComp alternative rating program invitations and renewals are being sent now through the end of summer, this is an ideal time to do so!

***Upcoming dates and deadlines:***

August 15, 2017 - is the due date for the policy year 2016 payroll true-up report! This report must be on file with BWC by that date, or your participation in discount and rating programs may be in jeopardy. (Please see attached article for detailed instructions).

***Mergers and Acquisitions:***

A reminder as we are embarking on a new workers' comp policy year...If you are planning on buying or selling your business, please let us know so that we can project what this action might mean for you, and any groups that you may be a part of, for alternative rating purposes. The BWC recently changed their method for determining successorship, see attachment for details.

***Ohio Legislative Update on Motor Vehicle Claims:***

There is new legislation which changes how motor vehicle accidents (MVAs) affect employers if a third party is at fault. Beginning with dates of injury on July 1, 2017 and after, certain MVA claims may qualify to be charged off to the BWC Surplus Fund and not to the employer's risk experience. If you believe you have a claim where this is the case, an AC-28 (Request to Charge the Surplus Fund for Non-At-Fault Motor Vehicle Accident) must be filed with the BWC, and the BWC Administrator will subsequently make a determination within 180 days of receiving the request. Your CareWorksComp Claims Examiner will help manage this new process. A summary of this legislation is attached to this email for your reference.

***OSHA Electronic Filing Update:***

RiskControl360°, our safety division, has confirmed that the electronic filing requirement of completed 2016 300A forms to OSHA has now been extended from July 1, 2017 to December 1, 2017. This will provide the new administration an opportunity to review these new reporting requirements before they are implemented and allow those affected additional time to familiarize themselves with the electronic reporting system. This new system will not be available until August 1. This 5-month delay would be effective on the date of publication of a final rule in the Federal Register. Please contact Jim Wirth at jim.wirth@careworkscomp.com or 614.827.0370 with any questions.

***“Third Billion Back” Rebate:***

The BWC will begin distribution of these checks to eligible employers on July 10, 2017! Eligible employers must have had billed premium for the 2015 policy year (7/1/15 – 6/30/16) and be current on policy requirements. If there is an outstanding BWC balance, including a current premium installment, the rebate will be applied to that first and any remainder will be sent to you. The BWC has these tips for receiving the rebate:

- Your check will arrive in a white envelope labeled “IMPORTANT DOCUMENTS ENCLOSED”.
- Your current mailing address and federal tax identification number on file with BWC must be correct in order to mail the rebate. You may verify this information through employer demographics on BWC website, [www.bwc.ohio.gov](http://www.bwc.ohio.gov).
- Most rebate recipients will receive Internal Revenue Service (IRS) 1099 tax documents. BWC will send 1099 forms no later than Jan. 31, 2018.
- If you participated in a group retro program in the 2015 policy year, your rebate will be distributed after the group retro refund is returned, which will be this fall.



***BWC Future Dating:***

BWC is pleased to announce that the process for Future Dating payments is now available for customers

*(CareWorksComp – Cont'd on page 15)*



# It Takes Teamwork

## to Hold a Successful Parade!

### And, quite honestly, we need your participation!

1) You work with builders; 2) the recent Financial Forecast predicts an outstanding construction year, and 3) fellow builder members building and selling homes helps you and your business prosper – you can't afford not to participate. In fact, the last three years of Parades yielded **over \$28 million** collectively in home sales for its builders and we expect this trend to continue to grow.

What's in it for you? **Great visibility** ... here's the lowdown:

- Your business name and logo on the MCHBA website as a supporter of the event
- Your logo on the MCHBA website links to your website
- Your name listed in all press releases submitted to the print media
- Your logo on the map/model handout (printed and online)
- Listed in Building Blocks as a Parade sponsor for 3+ months
- Free 1/6 page ad in 3 issues of Building Blocks (size upgrade available)

#### PARADE DETAILS

**DATES:** Sat., Oct. 7th – Sun., Oct. 22nd

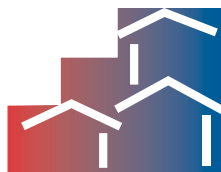
**HOURS:** Sat & Sun ONLY 12-5 pm,  
closed Mon-Fri

**SPONSORSHIP:** \$500 – You are a part of everything listed. Want to do more? Contact the HBA directly.

#### *Planned Media Promotion / Advertising:*

Virtual tour / tab / map online (each model has its own page & links); Advance Ohio (targeted online marketing); The Plain Dealer (print advertising); Sun News (editorial, online and print advertising); The Post (editorial and print advertising); Beacon Journal (editorial, online and print advertising); Cleveland.com (online advertising); Homes.Ohio.com & potentially more (dependent on budget)

**Participation Deadline:** August 31, 2017



**MEDINA COUNTY**  
Home Builders Association

Call 330.725.2371 today or email Sharon Brock at [sharonb@medinacountyhba.com](mailto:sharonb@medinacountyhba.com). Don't miss this opportunity!





## Bureau of Workers' Compensation

through our website. Effective June 30 employers now have the option to schedule payments for their premium installments to ensure they maintain active coverage and the True-up reconciliation. The first day the offering was available 650 payments for almost \$2.0 million were scheduled for payment to BWC on July 3, 2017. The attachment contains general information about the service offering.

Important Notes about future dating:

- ACH transactions ONLY
- NO credit card payments
- Employer selects payment date
- Lessens the potential to miss a payment
- Payment may be blocked by employer's bank
- Bank may require an authorization code from BWC, it is the Employer's responsibility to provide to their bank with the BWC Debit blocker code: #3311334187

If an employer wants to schedule more than one installment payment they will do that through the Accounts Receivable screen by making multiple payments and choosing different dates for each one. They must make ACH payments for all of them. Credit card payments cannot be future dated.

BWC employees cannot future date any payments in the Accounts Receivable screen. ■



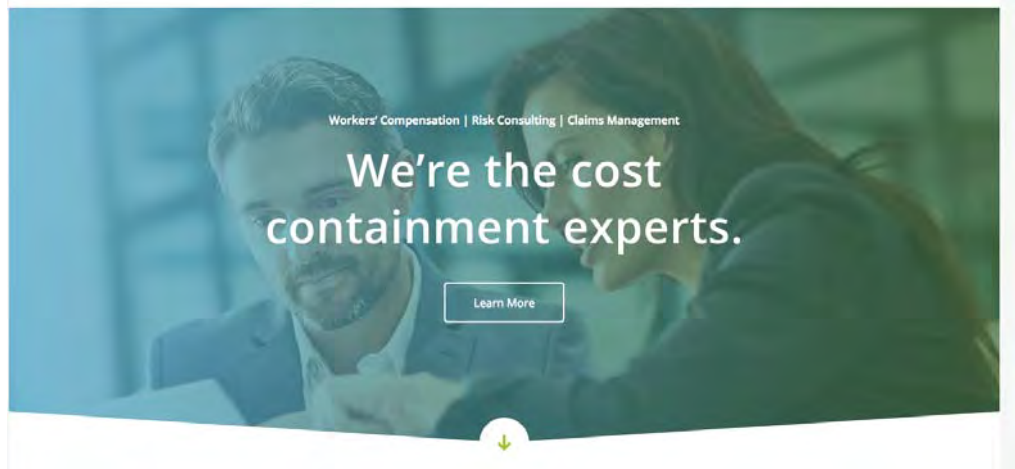
**UPDATE!** The payroll True-up period for private employers begins July 1, 2017. Payroll true-up reports are due to BWC no later than Aug. 15, 2017.

At the end of each private employer policy period (July), it is necessary to reconcile estimated payroll with actual payroll. This is called the True-up. This report can be completed online at: <http://ow.ly/4mWUlm> or over the phone by calling 1-800-644-6292.

This payroll True-up process is part of prospective billing, and as a result, Ohio businesses are required to reconcile their actual payroll annually for the prior policy year and also reconcile any differences in premium paid. According to BWC, the True-up allows more accurate premium calculation. Even if actual payroll for the year matches the original BWC estimate or a business had zero payroll, the True-up report must be completed.

The quickest and easiest way to True-up is online with a BWC e-account. If you do not have a BWC e-account you can create one by signing on to: <https://www.bwc.ohio.gov/SelfSvcAccountAdmin/newacc.asp>.

You can also complete the True-up through the BWC call center however wait times may be extremely high, as a result BWC encourages the use of their online reporting system.



### IMPORTANT NOTE:

Again, **August 15, 2017** is the due date for your True-up report to be completed with BWC. This is a critical deadline, as the BWC has indicated that if a business does not complete the True-up timely, they may not be eligible for current, and future alternative rating and premium discount programs such as Group Rating and Group Retrospective Rating. Once more, reports must be submitted either online at (<http://ow.ly/4mWUlm>) or by phone at 800.644.6292.

Below are a couple of youtube video links that you may find helpful in the process:

<https://youtu.be/dmYEtUGLEnQ>

<https://youtu.be/YMaslG0eq-M>

services. HB 69 passed out of the House, and has been referred to the Senate Ways and Means Committee. HB 69 will likely be heard when the legislature returns in the fall.

### INTEREST IN LEGISLATION TO PROVIDE TAX RELIEF

Rep. Derek Merrin recently reached out to OHBA to further discuss possible legislation to provide some tax relief to land to be developed for residential use. In concept, the bill would prohibit reassessment of land being development for residential use until some to be determined triggering event. The potential to reduce risk for developers and encourage the development of affordable housing peaked Merrin's interest in pursuing the topic. OHBA will continue its discussions with the Representative as he moves ahead.

### TIF LEGISLATION MOVES TO THE SENATE

HB 69 TIF DISTRICTS (Cupp, B.) To require reimbursement of certain township fire and emergency medical service levy revenue forgone because of the creation of a municipal tax increment financing district.

HB 69 amends existing Tax Incremental Financing Law to add township fire, emergency medical and ambulance levies to the list of special- purpose levies. HB 69 gives townships the choice of collecting the reimbursement, waiving it, or negotiating a partial reimbursement of the money the levy would have raised but for the TIF. The bill only applies prospectively and to TIFs created by municipal corporations where townships provide the fire, emergency, or rescue services. HB 69 passed out of the House, and has been referred to the Senate Ways and Means Committee. HB 69 will likely be heard when the legislature returns in the fall. OHBA is gathering more information on the potential impact of HB 69 before it is heard again.

### OHBA MEETS WITH SPONSOR OF SB 115 TO REGULATE RESIDENTIAL ROOFING INDUSTRY

OHBA has scheduled a meeting with Senator Kevin Bacon, the sponsor of SB 115. The bill received sponsor testimony before summer recess and would establish certification for roofing, siding and gutter work with uniform documentation standards for storm repair contracts and require any contract greater than \$750 to be in writing. According to the sponsor, the written contract would be required to include: an itemized explanation of the job being done and the materials being used; a description of all individuals performing work; a description of the insurance coverage obtained by the roofing contractor; an approximate cost of the repairs; and a provision allowing for payment by cash, check or credit card. The bill comes out of a national push by the insurance industry.

### HOME INSPECTOR LICENSING

OHBA will attend an interested party meeting for HB 211, a bill introduced by Rep. Jim Hughes to require licensing of home inspectors. Before summer recess, the house committee heard both sponsor and proponent testimony and will likely hold more hearings when it returns in the fall. OHBA has had discussions with the sponsor to ensure the role and authority of a home inspector is not expanded. OHBA will bring up some concerns with the reference of a particular national standard in the bill, as well, as discussions continue. Feel free to contact OHBA with any questions. ■



**Gourmet kitchens ...** home buyers are willing to set aside several thousand dollars for countertop upgrades (granite has become standard for many builders).

**Owners entries ...** having drop zones that provide space for keys, electronics, and become a central command post for automated systems (like The Jetsons).

**Outdoor Rooms ...** heated, covered outdoor rooms with cooking, dining and living areas, fans and fireplaces are becoming the "I deserve it" upgrade. Consumers are now preferring homes that accommodate outdoor living.

**More windows ...** no more dark houses. Home buyers want natural light and to 'blur' the lines between indoors and outdoors.

**Smarter lighting ...** more money is being spent on lighting than ever before ... upgraded fixtures, dimmable lighting, more recessed lighting, smart integrated lightings systems ... with LED bulbs.

**More Flooring Options ...** almost 100%, hardwood and tile flooring rule. Bigger plank widths, broader color options, and even large format tiles. Laminates have gone to hardwood appearing and even exotics. Heated flooring for bathrooms.

**More than two-thirds of home buyers are willing to trade square footage for high-quality products and features ...** and this is increasing all the time, especially with baby boomers.

Builders - don't upsell ... upserve your customers - understand what their wants and needs are and come up with solutions and products that meet those needs. Taking this type of approach will increase your sales and enhance your reputation as a builder that cares and is on top of his/her game. ■



# BWC's New Method for Determining Successorship



## What is successorship?

"Successorship" or "successors in interest" are terms that describe the takeover of one employer's business by another, generally resulting from a change in ownership due to a purchase, acquisition or merger. For workers' compensation purposes, it requires the continuation or transfer of experience and liability from the predecessor (seller) to the successor (buyer). If BWC determines the relationship between the predecessor and successor is a continuation of the business or operations, BWC combines the predecessor policy into the successor policy.

## The significance of determining successorship

Continuation of experience from the predecessor policy to the successor policy is an essential element in developing the appropriate premium rate for the successor policy. The prior experience of the predecessor is a valid indicator or predictor of the expected future performance of the successor. Although there may be a change in ownership, if the operation of the predecessor remains relatively the same with the same or similar degree of hazard, it is appropriate to transfer the experience to the new owner and successor policy.

## BWC's historical practice for determining successorship

Historically, BWC has used several factors when determining if a successorship exists for workers' compensation purposes. Such factors include but are not limited to:

- Retention of employees;
- Same or similar pursuit of industry;
- Same location of the predecessor;
- Goodwill of the predecessor;
- Retention of client or customer base and servicing of warranties.

All play a vital role in the determination process. However, some factors may weigh more heavily than others depending on the particular circumstances of the purchase. There are no set-in-stone criteria or checklists that BWC used in the determination process. This lack of a definitive, objective process had triggered complaints from BWC's customers, interested parties and other stakeholders. Complaints largely concerned uncertainty, inconsistency and disputes regarding the appropriateness of the successorship determination and the ensuing transfer of experience and liability to the purchasing entity.

## What is new?

Beginning Jan. 1, 2016, BWC implemented a new process, using the successor methodology developed by the National Council on Compensation Insurance (NCCI). The primary intent of the new method for determining successorship is to provide an unambiguous and predictable means for determining the continued use of experience and transfer of liability whenever an entity undergoes any type of ownership change. Stated simply, the NCCI approach is that in the case of purchases, acquisitions and mergers, experience will transfer from the predecessor policy into the successor policy the vast majority of the time, unless three specific conditions have been met. Those three conditions require: (1) a material change in ownership and the new owner must change the business so substantially that (2) the governing classification and (3) the process and hazard of the operation change.

*Continued on next page*

BWC will also consider a fourth condition in determining whether an exception to the NCCI practice is considered. The additional condition concerns the time between the predecessor ceasing operations and the purchase effective date. When that time period is significant, BWC believes that past experience is not necessarily a useful indicator of future performance, even for businesses that would not otherwise be excepted from an experience transfer under the NCCI criteria. In summary, BWC will use four factors listed in the following four items to determine if a successorship does not exist. BWC may grant the exception if the conditions of paragraph 1 are met. The standard NCCI criteria for establishing an exception to successorship are listed in paragraphs 2 through 4.

- 
- 1.** The time (days/months) between the predecessors ceasing all operations and ceasing as an active entity, and the effective date of the purchase. The predecessor must prove closure date.
    - a.** If the period is greater than six months, a successorship does not exist. BWC will not transfer experience or liability from the predecessor to the successor policy.
    - b.** If the period is less than six months, BWC considers the relationship between the seller and buyer a successorship unless the buyer satisfies the conditions in item 2 through 4.
    - c.** If there is a family relationship or other connection between the predecessor and successor, BWC may apply coverage initiation regardless of the timeframe between closing of the business and the date of the sale.
- 
- 2.** Is there a material change in ownership? To meet the material change in ownership requirement, there must be an outright sale (no association between seller and buyer).
    - a.** In the case of a continuation in ownership, such as a change in partnership, the owner's interest must have been less than 1/3 ownership before the change or less than 1/2 ownership after the change to meet this requirement.
    - b.** If there is a family relationship or other connection between the predecessor and successor, BWC does not consider the sale of the entity to be a material change in ownership.
- 
- 3.** Is there a change in governing classification? To meet the change in governing classification, there must be a change in operations significant enough to require a reclassification of the governing class code.
- 
- 4.** Is there a change in process and hazard? To meet the change in process and hazard requirement, there must be a total change in operations or industrial pursuit – or a totally new way of performing the work, providing the service, handling the material, etc. – that dramatically changes the degree of hazard under the successor policy. This may require an evaluation by BWC's underwriting department, a site visit by BWC's audit department or a consultation with BWC's Division of Safety & Hygiene.
    - a.** It is possible to meet the "change in governing classification" requirement and not meet the change in process and hazard. This could occur if BWC applies a new manual classification to the predecessor's operations due to changes implemented by the successor (see No. 3 above). However, if the successor uses the same processes, machinery, equipment, tools, etc., then basically the same degree of hazard exists.
    - b.** The successor must provide documentation to support a substantial modification in process and hazard.

*Continued on next page*





## How will this apply to bankruptcy and receivership?

### Bankruptcy

1. When an employer enters into bankruptcy to reorganize and continues to operate, BWC will issue a new policy with the status debtor in possession (DIP).
  - a) The experience from the original policy will transfer to the DIP policy to develop their rate. However, the liabilities will remain with the original policy.
  - b) If the employer emerges from the bankruptcy and continues in business, BWC will update the policy to remove the DIP status; the employer retains the experience.
2. When an employer enters into bankruptcy and sells the business, there is no transfer of experience or liabilities to the buyer.

### Receivership

When a receiver is responsible to liquidate the assets of the entity, court appointed or not, BWC considers this a third-party intermediary; no liabilities or experience transfers to the succeeding employer, unless that employer is the same as, a family member of or is connected to the owner whose assets were liquidated by receiver

### Implementation date

BWC's underwriting department will use this new method for determining successorship for all purchases, mergers and acquisitions it reviews on or after Jan. 1, 2016.

### Notification to the employer

Upon notification or discovery of a potential successorship, BWC's policy underwriting unit will research the relationship and all factors associated with the potential successorship. Once the unit makes the decision to process the combining of policies (successorship) or consider it not to be a successor relationship, BWC will send a letter to the buyer.

### Obtaining employer and policy information on a potential seller

The NCCI criteria make it clear there is a strong possibility that the experience and liability of the predecessor will transfer to the successor when a purchase, acquisition or merger occurs. To facilitate a buyer's awareness, BWC developed the *Request for Business Transfer Information (AC-4)* to allow potential buyers to obtain employer-related data associated with the seller's policy. The potential seller must sign the AC-4, granting BWC the right to release employer-related policy data to the potential buyer. BWC strongly encourages any entity that is considering the purchase of another entity to use this form to help discover any issues with the seller's policy prior to purchase.

# To Be Or Not To be ...



# in the Parade of Homes?

## Or Maybe Ask Yourself ... Why Shouldn't You Be?

If you plan to build and sell homes now and in the coming years in Medina County, you can't afford to miss this outstanding opportunity to get maximum buyer visibility. Here's why ...

- 1) Most builder members *are not in a financial position* to invest similar marketing dollars for only their company;
- 2) Last 3 years' Parades yielded *over \$28 million collectively* in gross sales for participating builders (sale of models and to-be built homes);
- 3) Our Financial Forecast *predicted an outstanding year for residential construction* so don't miss this opportunity; and
- 4) You won't find *a better marketing value* for promoting new home construction in Medina County. Put your membership to work and commit.

### PARADE DETAILS

- DATES:** Sat., Oct. 7<sup>th</sup> – Sun., Oct. 22<sup>nd</sup>
- HOURS:** Sat & Sun ONLY 12-5 pm,  
closed Mon-Fri
- INVESTMENT:** \$1,500 per model, discounted price of \$1,200 per model for multiple homes from same builder (*credit cards accepted*)

### Planned Media Promotion / Advertising:

- Virtual tour / tab / map online (*each model has its own page & links*)
- Advance Ohio (*targeted online marketing*)
- The Plain Dealer (*print advertising*)
- Sun News (*editorial, online and print advertising*)
- The Post (*editorial and print advertising*)
- Beacon Journal (*editorial, online and print advertising*)
- Cleveland.com (*online advertising*)
- Homes.Ohio.com & potentially more (*media mix dependent on budget*)

### Participation Deadline:

**August 31, 2017** (*fees, forms, floorplans & photos due*)

For more info or to get your Parade Entry Form,  
contact Sharon at the HBA office – 330-725-2371.



**MEDINA  
COUNTY**  
Home Builders  
Association