

the

# Cutting Edge



Volume 14, Issue 1

March 2023

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## PRESIDENT'S MESSAGE

By Kevin Schmitz, K & J Construction and Design, LLC

Hello MSHBA members,  
As we enter 2023, I want to note that MSHBA is celebrating 25 years! My number one goal this year for the Association is retention of current members, adding some new members, and having some of you attend a meeting. New faces and ideas are what help us be a better association. We have a meeting planned on March 14. We are hosting **SHOP TALK 2023**

and have some great speakers.

We really appreciate the members that we have and want to continue the success we've had. A big Thank You to those that renewed in January and February and are celebrating anniversaries with MSHBA.

- Advanced Custom Geothermal LLC—16
- Atkins Building Group - 1
- Birschbach Builders LLC - 10

- Envoy Mortgage—2
- Great Midwest Bank - 17
- Green Hammer Construction LLC—1
- Meggers Plumbing LLC—10
- Valley Cabinet Inc.—12
- Vande Hey Brantmeier Automotive Group—8
- Wrightway Home Improvements—6
- Zander Press Inc—16

I ask for your continued support and please renew your membership when it comes due.

If you know of a high school senior, remind her/him of our scholarship opportunity. They can pick up an application at their school guidance office or contact Tena.

As I already mentioned, **Shop Talk 2023** will be held on March 14<sup>th</sup>! Shop Talk, our March GM meeting, will be held at the Altona Supper Club in New Holstein. We have a nice line-up of speakers. There will be a little something for everyone. See the flyer on page 3 for details.

See you on the 14<sup>th</sup>!

Kevin

## CALENDAR OF EVENTS:

- March 14 MSHBA BOD/GM Meeting  
Altona Supper Club, New Holstein  
5:30 pm BOD Meeting  
6:30 pm GM Meeting  
Event: **SHOP TALK 2023**  
Speakers:  
Will Madson, Kevin & Julie Schmitz, Doug Schoen & Brian Witkowski

**JOIN US FOR  
SHOP TALK  
2023**

**6:30 PM | MARCH 14  
ALTONA SUPPER CLUB  
TOPICS: BUILDING MATERIALS  
2023, IBS TRENDS, SOLAR  
ENERGY SOLUTIONS & WI UDC**

Mid-Shores  
Home Builders  
Association, Inc.

## MSHBA Membership



### 2023 MSHBA OFFICERS

**President: Kevin Schmitz**  
K & J Construction and Design LLC  
920-849-8811

**President-Elect: Matt Lefebvre**  
Wrightway Home Improvements  
920-923-0721

**Treasurer: Julie Schmitz**  
K & J Construction and Design LLC  
920-849-8811

**Secretary: Denise Bangart**  
Envoy Mortgage  
920-522-4345

**Past-President: Ted Birschbach**  
Birschbach Builders LLC  
920-238-9253

### 2023 DIRECTORS

**Tommy Heiberger**  
Christel & Heiberger Builders, Inc.  
920-898-2820

**Jerry Mallmann**  
Chilton Furniture  
920-849-9023

**Dave Amel**  
Premier Properties Realty, LLC  
920-980-4477

**Gail Forster**  
Precision Floors & Decor  
920-400-1123

**WBA Directors**  
**Dan Schneider**

**NAHB Delegate**  
**Kevin Schmitz**

**NAHB Alternate Delegate**  
**Tommy Heiberger**



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## MEMBERSHIP... the Ultimate Building Resource

### THANK YOU FOR RENEWING YOUR MEMBERSHIP!

Advanced Custom Geothermal LLC  
Atkins Building Group  
Birschbach Builders LLC  
Envoy Mortgage  
Great Midwest Bank  
Green Hammer Construction LLC  
Meggers Plumbing LLC  
Valley Cabinet Inc.  
Vande Hey Brantmeier Automotive Group  
Wrightway Home Improvements  
Zander Press Inc -

### Mid-Shores HBA offers a 3-Pay Dues Payment Program...

MSHBA offers an option to pay your dues in three consecutive monthly payments of \$150.00. Your membership will take into effect on your final payment. A 3-Pay Dues payment contract will be included with your renewal statement.

## Mid-Shores HBA & WBA Scholarship Opportunities

Mid-Shores Home Builders Association, Inc. (MSHBA) would like to invite graduating students to apply for our annual MSHBA scholarship award. We will again be offering a \$500 scholarship to area high school students in the Calumet area continuing their education in the trades. Contact Tena or your high school guidance department for an application.

The deadline to enter is April 28.

In addition, the WBA is offering education scholarships. Applications and program information can be found at [www.wisbuild.org/wb-foundation](http://www.wisbuild.org/wb-foundation).

## MARCH BOD MEETING

**March 14 at 6:30 am**

**Altona Supper Club, New Holstein**

## Wisconsin Builders Foundation Launches New, 4-Credit Continuing Education Course for Dwelling Contractor Qualifiers

In partnership with On3 Field Learning, the Wisconsin Builders Foundation has launched a newly created 4-credit online course that will satisfy the new continuing education requirements for Dwelling Contractor Qualifiers. Due to a recent law change, anyone renewing their DCQ credential will be required four of the 12 required credits in subject matter that includes construction laws and codes and contracts, liability, and risk management.

To register for the course, members or non-members can simply click the red "Register" button below. Members of record can access this course free of charge by entering the promo code provided on [this page](#) at checkout; note: WBA member login will be required to access this page. The course is available to non-members for \$55.00. Your DCQ number will also be required at the time of registration.

### Directions:

1. Click the Red Register Button Below
2. Complete the required information and payment on checkout page (reminder to members of record to enter the **promo code** for free registration)
3. You will receive a confirmation that you have been registered. At this time, please watch your inbox - and spam folder - for an email from On3. Note: it may take up to 48 hours if registering on the weekend.
4. Follow the instructions in the email and complete the online learning (from smart phone, tablet, web browser, etc.) with 30 days
5. After you have passed the course with a 70%, WBF will receive confirmation of your exam from On3 and will submit your credits to DSPS!

**REGISTER**

# JOIN US FOR SHOP TALK 2023

## When

**March 14, 2023**

**6:30 PM | Buffet Dinner**

## Where

**Altona Supper Club**

**2306 Calumet Drive, New Holstein**

## TOPICS



- \* **SOLAR ENERGY SOLUTIONS** Let's talk solar renewable energy and why its use is increasing in the area. —Featuring Will Madson, Endries Solar & Electric LLC
- \* **IBS, THE NEXT BIG IDEA** Find out about the newest products and launches presented at the 2023 International Building Show —Featuring MSHBA Members Kevin & Julie Schmitz, K & J Construction and Design LLC
- \* **UDC UPDATE** Get answers to your questions regarding Wisconsin building codes and ordinances —Featuring Brian Witkowski, Witkowski Inspection Agency LLC
- \* **BUILDING MATERIALS 2023** Find out what you can expect in 2023 and what Kasper Building Supply is doing to help builders. —Featuring Doug Schoen, Kasper Building Supply

## RSVP

**HARTWIGS1@CHARTER.NET**

**TEXT OR CALL 920-539-9014**

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**Celebrating 25 Years! 1998-2023**



**Kwik  
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# Hey, WBA!

  
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**Questions? Contact Brayton Duin**  
**608-793-4708 or [bduin@kwiktrip.com](mailto:bduin@kwiktrip.com)**



### **Governor Evers Set to Introduce State Budget**

Governor Tony Evers is set to announce his third state budget as governor on Tuesday, February 14. Once the state budget is released, the legislature's budget committee, the Joint Committee on Finance will then be briefed on the various parts of the budget by non-partisan staff members from the Wisconsin Fiscal Bureau.

After the Joint Committee on Finance is briefed on the budget bill, they will then begin to take votes to make changes to Governor Evers' proposal and eventually will pass a budget out of the joint committee that would need to be passed by both houses prior to being reviewed by Evers.

It is still unclear if the Joint Committee on Finance will work with Governor Evers and democrat members of the committee on major provisions of the budget prior to approval or if they will "go it alone" and send him a budget with little input, which was the process that was used during the first two budgets of Evers first term as governor.

### **Both Sides Talking about Housing Issues**

In the lead up to his formal budget announcement, the Evers' administration has slowly been releasing various policy initiatives prior to the release of his state budget. From a plan to send more aid to

local municipalities, a middle class tax cut, and a \$100 million program to help rehab existing homes.

WBA has been talking with democrats and republicans about using some of the surplus dollars the state has accumulated to establish separate loan programs that could be used as a lower cost fund to pay for housing infrastructure and another to fund loans for home improvements.

Both political parties have different approaches on municipal aids, taxes reform, and housing initiatives but if you support any of these policy matters you have to be encouraged that both sides are talking about these issues and want to address them in the state budget.

### **Final WOTUS Rule a Blow to Housing Affordability, NAHB Tells Congress**

With the nation in the midst of a housing affordability crisis and an economy confronting high inflation, the National Association of Home Builders (NAHB) told Congress today that the Biden administration's decision to push through a far-reaching waters of the United States (WOTUS) rule will needlessly raise housing costs, add unnecessary regulatory burdens to small businesses and harm economic growth while doing little to protect America's waterways.

Testifying before the House Transporta-

tion and Infrastructure Committee's Subcommittee on Water Resources and Environment, NAHB Chairman Alicia Huey, a custom home builder and developer from Birmingham, Ala., said "the new WOTUS rule is so extreme that the federal government will have the authority to regulate certain roadside ditches, isolated ponds and channels that may only flow after heavy rainfall."

The nation's home builders are strong stewards of the environment and believe that common-sense best management practices and understandable regulations are the best path to achieving the goals of the Clean Water Act and maintaining housing affordability.

"Unfortunately, the final rule fails to provide the clarity and certainty the home building industry seeks," said Huey. "This rule will increase federal regulatory power over private property and lead to increased litigation, permit requirements and lengthy delays for any business trying to comply. Equally important, these changes will not significantly improve water quality because much of the rule improperly encompasses water features already regulated at the state level."

The final rule's regulatory definition for WOTUS includes the problematic significant nexus test to establish federal jurisdiction over minor waterbodies such as isolated wetlands, human-made ditches or features that contain water only in response to rainfall events. The test's results are determined by a federal regulator who decides whether a specific feature, along with similarly situated waters in the region, has material influence on the chemical, physical or biological integrity of a traditional navigable water.

Consequently, when developers and home builders acquire property, it will be nearly impossible for them to know the jurisdictional status of certain features without having federal regulators perform significant nexus tests on each re-

requested jurisdictional determination.

This results in further regulatory delays and increased costs for new single-family and multifamily housing at a time when housing affordability is at a more than 10-year low. Ultimately, it is prospective home buyers who will bear the brunt of this ill-conceived rule.

“Builders and developers, already grappling with the housing downturn, cannot depend upon the future home buying public to absorb the many costs associated with overregulation,” said Huey.

“This final rule only adds to the head-

winds that our industry faces.”

Finally, this regulatory morass is made worse since this new regulation could be overturned within a few weeks or shortly after it is implemented because the Supreme Court has heard arguments in *Sackett v. EPA*. The *Sackett* case is squarely focused on the legality of the significant nexus test.

“The administration has already declared a housing affordability crisis,” said Huey. “So our message to policymakers is twofold: If the administration is truly inter-

ested in knocking down barriers to affordable housing, it will direct the EPA and U.S. Army Corps of Engineers to keep from implementing this rule until the Supreme Court issues its ruling in the *Sackett* case. Second, because this rule is fatally flawed, Congress should direct the agencies to implement a durable and practical definition of WOTUS that will truly protect our nation’s water resources without infringing on states’ rights and triggering additional expensive, time-consuming permitting and regulatory requirements.”

## Initial Guidance for Allocation of Environmental Justice Bonus Tax Credits

Godfrey & Kahn SC, February 27, 2023

The Department of Treasury and IRS released their initial guidance (Notice 2023-17) establishing the program to allocate the “environmental justice solar and wind capacity limitation” for purposes of the investment tax credit under the Internal Revenue Code (IRC) Section 48(e). This program provides valuable bonus credits in addition to the investment tax credit generally available for solar and wind projects and can include the energy storage installed in connection with eligible solar and wind projects.

Unlike the other bonus credits applicable to energy communities or applicable to projects that meet domestic content requirements, these environmental justice bonus credits are subject to an application and allocation process under this newly established program. Moreover, the overall amount of credits that can be awarded is generally limited to 1,800 megawatts (MW) direct current (DC) for each of 2023 and 2024.

For 2023, the program will allocate the 1,800 MW DC pool among four categories of projects as follows:

Category	Required Facility Location	Potential Bonus Credit	Allocation (megawatts)
Category 1	Low-Income Community	10%	700 MW
Category 2	On Indian Land	10%	200 MW
Category 3	Qualified Low-Income Residential Building Project	20%	200 MW
Category 4	Qualified Low-Income Economic Benefit Project	20%	700 MW

To qualify for any category, the solar or wind facility must have a maximum net output of less than 5 MW AC and cannot have been placed into service before receiving the allocation.

If selected applications for any category exceed the allocation limit for that category, the program may use a lottery or other process among those participants.

In the event one of the four categories has unused MW capacity for 2023, that excess capacity may be reallocated among the other categories to maximize the 2023 allocation.

To further the program goals, the program will incorporate additional criteria in determining how to allocate the bonus credits reserved for each facility category among eligible applicants. These criteria, which will be detailed further in forthcoming guidance, may include a focus on facilities that are:

- owned or developed by community-based organizations and mission-driven entities
- have an impact on encouraging new market participants



- provide substantial benefits to low-income communities and individuals marginalized from economic opportunities, and
  - have a higher degree of commercial readiness.
- Applications will be accepted in a phased approach with 60-day application windows, with facilities in Categories 3 and 4 being accepted first, and facilities in Categories 1 and 2 being accepted later. More guidance on this phased approach is to follow.

The Department of Energy (DOE) will administer the program and review applications. DOE will then make recommendations to the IRS regarding selection of applications. IRS is expected to make the final determination for approving these bonus credits.

Further guidance on this program is expected to follow before the application process opens.

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