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Homeowners group succeeds against all odds in its campaign to abolish the TRCC

In this David v. Goliath story, a year-old non-profit group took on an army of high-powered lobbyists for the \$35 billion Texas home building industry and helped to kill a state agency.

AUSTIN, TX May 29, 2009 — To the surprise of political observers, Homeowners of Texas (HOT), a year-old non-profit homeowner advocacy organization, achieved a major political victory when the Texas Senate unanimously voted on May 23 to abolish the Texas Residential Construction Commission (TRCC). Homebuilder interests represented by the Texas Association of Builders (TAB) had conducted a far-reaching and expensive lobbying campaign to extend the life of the controversial state agency for six more years. But HOT, standing alone among consumer groups, fought to kill the TRCC against overwhelming odds and one of the most powerful lobbies in Texas.

The TRCC was created in 2003 with support from homebuilders and was required by law to undergo a Sunset review this year. The Sunset Advisory Commission Staff recommended the abolition of the TRCC in August 2008, but the Sunset Commission, which held public hearings in December, wanted to continue the agency. Despite heavy criticism from homeowners, political observers felt that the Sunset Commission and the powerful homebuilders' lobby would undoubtedly succeed in extending the life of the agency. After all, no state agency has been abolished in many years.

"This is a great day for Texas consumers," said John Cobarruvias of Homeowners Against Deficient Dwellings. "Much credit goes to the new consumer organization, Homeowners of Texas. They worked hard to convince lawmakers that, like a new home with a severely flawed foundation, the TRCC could not be repaired. HOT should be commended for their hard work on behalf of the consumers of Texas."

Consumers universally distrusted the TRCC, and numerous articles called it the *"Bob Perry Home Builder Protection Agency."* After the agency was established in 2003 under statutes written by Perry Homes' corporate counsel, John Krugh, Governor Rick Perry appointed Krugh as one of the first TRCC commissioners. Since then, Bob Perry has contributed more than \$21 million to political candidates and judges, including the nine Republican justices who make up the Texas Supreme Court, according to Andrew Wheat, research director for Texans for Public Justice.

"Abolish the agency" was the common theme of overwhelming public testimony and the strong recommendation of an August 2008 Texas Sunset Commission staff report, as well as a 2006 Texas Comptroller's report. But rather than abolish the agency, Rep. Ruth Jones McClendon (D-San Antonio) sponsored a Sunset bill (HB 2295) to modify it and extend it six more years. She said in her introductory remarks during House debate on May 6: *"This is not a bill that builders love."*

"Unfortunately," said HOT President Tom Archer, *"the Sunset bill lacked the reforms that McClendon described in her 5-page Texas Builder magazine interview (<http://tinyurl.com/onn2cc>). Instead, it was written by builder lobbyists and attorneys to 'look consumer-friendly' while continuing to protect home builders and their agency."*

"This 70-page bill was horribly deceptive, convoluted and misleading," Archer added. *"It would have made it impossible for homeowners to hold homebuilders legally accountable and would have established TRCC as a permanent agency designed to protect homebuilders instead of regulating them."*

According to Archer, the legislative abolition of this agency is a victory for the people of Texas. It represents the first step toward restoring a balanced and equitable approach that will protect the rights of Texas homeowners and improve the quality of all new homes built in Texas. (Call for an interview or visit our website for details).

CONTACT:

Tom Archer, President
Homeowners of Texas, Inc.
512-502-5349
www.HomeownersOfTexas.org

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