



TRCC

The ideal candidate for a final sunset



PUBLIC OUTCRY – The people of Texas have stated loud and clear that they want the Texas Residential Construction Commission (TRCC) abolished. In hearings conducted by the Sunset Advisory Commission last September and before two House Committees in March, not one consumer testified in favor of retaining this agency. In fact, the public registered its preference for abolishing this agency before the Sunset Advisory Commission by a vote of 246 to 14.

FAIRNESS – The TRCC’s dispute resolution process is grossly unjust for homeowners as documented by a 12% complaint resolution rate for the past 5 years. Two state reports, the Strayhorn Report in 2006 and the Sunset Advisory Commission Staff Report in 2008, have recommended that it be abolished. The Sunset Staff Report concluded: “The TRCC was never meant to be a true regulatory agency with a clear mission of protecting the public.” The TRCC Sunset Bill, CSHB 2295, does NOT create a true regulatory agency.

MISLEADING – CSHB 2295 is 70 pages long and so horribly convoluted, confusing and vague that it is an invitation to litigation and abuse. It fails to provide regulatory oversight of either the homebuilding industry or the TRCC itself. It fails to ensure the competence of builders in Texas through REAL licensing designed to prevent unqualified persons from entering the field. It fails to require performance bonds to protect homeowners. And it fails to fulfill the stated promise of the bill’s author.

THE PROMISE – Rep. Ruth McClendon, the author of CSHB 2295, stated in the January/February 2009 issue of *Texas Builder* magazine: *“My predictions for the TRCC...would include an opportunity for mediation rather than arbitration, and a choice of whether to follow agency complaint and inspection procedures or to take the matter to court.”* Unfortunately this bill creates the illusion of homeowner access to voluntary mediation because the homeowner is ONLY entitled to mediation if the builder requests a third party inspection, which is rarely done. Sections 426.005 and 426.006 of the Texas Property Code still mandate TRCC compliance with TRCC third party inspection procedures.

CORRECTION – Rep. McClendon’s bill does not reflect her promise. That is why Homeowners of Texas (HOT) endorses HB 2243 as the vehicle to give Texas homeowners regulatory oversight of the \$35B Texas homebuilding industry and direct access to legal remedies. This alternative provides REAL licensing of Texas homebuilders by TDLR, an agency prepared to implement this legislation with 100 years of regulatory experience. Real licensing by TDLR will prevent unqualified persons from acting as builders, enhance the professionalism of the homebuilding industry, improve the quality of new homes built in Texas, and contribute to economic development.