



On Commission:

September 25, 2008

Sun Never Sets On Politicians Taking Homebuilder Money

- \$4 Million Says Reports of Builder Agency’s Demise Exaggerated
- Big Bucks Back Bogus Bureaucracy

The Texas Residential Construction Commission (TRCC) is undergoing a state Sunset Commission review to determine if it merits the tax dollars it consumes. Consumer and homeowner groups support the Sunset staff’s recent recommendation to scrap the agency because it adds insults to the injuries of those who buy lemon homes.

The recommendation to abolish the “fundamentally flawed” TRCC¹ now goes to the lawmaker-controlled Sunset Advisory Commission, which will offer its own advice on the matter to the very legislature that huddled with homebuilders to create this lemon agency in 2003. Lawmakers at this week’s Sunset Commission hearing did not welcome calls for TRCC’s abolition.²

It will be difficult for the legislature and the state’s top officials to view this sunset objectively. Apart from working with the homebuilding industry to create the TRCC five years ago, these officials have taken almost \$4 million from the industry in the past three years.

The 10 lawmakers on the Sunset Advisory Commission took a total of \$223,050 from homebuilders in this period.³ Lieutenant Governor

David Dewhurst and House Speaker Tom Craddick, who appointed the eight Republicans and two Democrats to the Sunset Commission, took a total of \$600,382 from homebuilders in that period.⁴ The builders gave another \$649,218 to Governor Rick Perry, who wields veto power.

The *Houston Chronicle’s* Clay Robison recently reported that the 10 lawmakers now sitting on the Sunset Commission have taken a staggering \$446,000 from Houston homebuilder Bob Perry over their legislative careers.⁵ In the past three years, Bob Perry has given almost \$2.9 million to the governor, lieutenant governor and Texas lawmakers. This head of Houston-based Perry Homes accounts for 72 percent of the \$4 million tracked in this report.

Homebuilder Contributions To Texas Lawmakers And Top Officials, June 2005 Through June 2008

Office	Homebuilder Contributions	Amount From Bob Perry	Bob Perry’s Share of Homebuilder Total
House	\$1,972,357	\$1,531,000	78%
Senate	\$832,623	\$574,500	69%
Gov. Rick Perry	\$649,218	\$361,799	56%
Lt. Gov. David Dewhurst	\$537,882	\$410,000	76%
TOTALS:	\$3,992,080	\$2,877,299	72%

In a 2006 study analyzing the crossover between Governor Perry's campaign contributors and political appointees, TPJ found that the appointee with the most employer-related gubernatorial contributions was Perry Homes Corporate Counsel John Krugh.⁶ After Krugh helped draft legislation to create the TRCC, Governor Perry appointed him to a TRCC seat that Krugh still occupies. Houston Democratic Rep. Garnet Coleman was referring to this appointment when he told the *Austin American-Statesman*, "In Texas you can buy your own state agency, then regulate yourself."⁷



John Krugh

The industry's influence is extensive. Just six lawmakers did not appear to receive homebuilder contributions during the period studied. These Democrats were: Sen. Leticia Van De Putte and Rep. David Leibowitz of San Antonio, Reps. Dan Barrett and Lon Burnam of Fort Worth, Rep. Jessica Farrar of Houston and Rep. Barbara Mallory Caraway of Dallas.⁸

Homebuilder Contributions To Members of the Sunset Advisory Commission

Builder Total	Sunset Recipient	Party	Dist.	B. Perry Total	B. Perry Share of Builder Money
\$59,200	Sen. Glenn Hegar	R	18	\$45,000	76%
\$49,000	Sen. Bob Deuell	R	2	\$40,000	82%
\$26,000	Sen. Kim Brimer	R	10	\$12,500	48%
\$24,750	Sen. Craig Estes	R	30	\$12,500	51%
\$18,500	Rep. Linda Harper- Brown	R	105	\$13,500	73%
\$14,250	Rep. Dan Flynn	R	2	\$8,000	56%
\$9,000	Sen. Juan Hinojosa	D	20	\$2,500	28%
\$6,350	Rep. Carl Isett	R	84	\$0	0%
\$11,500	Rep. Ruth McClendon	D	120	\$6,000	52%
\$4,500	Rep. Lois Kolkhorst	R	13	\$1,000	22%
\$223,050 TOTALS				\$141,000	63%

Top Homebuilder Contributors

Amount	Contributor	Company	City
\$2,877,299	Bob & Doyleene Perry	Perry Homes	Houston
\$700,973	TX Assn. of Builders PAC	TX Assn. of Builders	Austin
\$112,500	Bobby & Phyllis Ray	Hovnanian Enterprises	Plano
\$76,500	John Speer	Royce Homes	Houston
\$24,578	John Robert Ray	Goodman Family of Builders	Plano
\$11,000	David Weekley	David Weekley Homes	Houston
\$10,212	Bob Bowling	Tropicana Homes	El Paso
\$8,500	Gr. San Antonio Builders Assn.	Gr. San Antonio Builders Assn.	San Antonio
\$8,000	Dori E. Mattson	DMW Construction, Inc.	McGregor
\$7,575	Robert L. Bowling	Tropicana Homes	El Paso
\$7,000	Stephen E. Conaway	Conaway Homes	Whitehouse
\$6,710	Temple Area Builders Assn.	Same	Temple
\$6,000	Ronald Costa	Zia Homes	El Paso
\$5,450	Lee Hughes	Maverick Homes	Fort Worth
\$5,125	Gregory Bowling	Tropicana Homes	El Paso

Top Recipients of Homebuilder Contributions

Homebuilder Total	Recipient	Party	Dist.	B. Perry Total	B. Perry Share of Builder Money
\$649,218	Gov. Rick Perry	R	NA	\$361,799	56%
\$537,882	Lt. Gov. David Dewhurst	R	NA	\$410,000	76%
\$106,000	Rep. Phil King	R	61	\$97,500	92%
\$99,500	Sen. 'Mike' Jackson	R	11	\$92,500	93%
\$86,550	Rep. Sylvester Turner	D	139	\$86,000	99%
\$71,900	Rep. Aaron Pena	D	40	\$70,000	97%
\$71,750	Rep. Jim Murphy	R	133	\$66,000	92%
\$69,500	Sen. Mario Gallegos	D	6	\$66,000	95%
\$65,750	Rep. Kino Flores	D	36	\$62,000	94%
\$65,400	Sen. Dan Patrick	R	7	\$55,000	84%
\$62,500	Speaker Tom Craddick	R	82	\$20,000	32%
\$59,200	Sen. Glenn Hegar	R	18	\$45,000	76%
\$58,550	Rep. Corbin Van Arsdale	R	130	\$52,000	89%
\$51,250	Rep. Kirk England	R	106	\$47,500	93%
\$50,450	Rep. Eddie Lucio III	D	38	\$50,000	99%
\$50,050	Rep. Betty Brown	R	4	\$47,500	95%
\$49,000	Sen. Bob Deuell	R	2	\$40,000	82%
\$48,500	Sen. John Whitmire	D	15	\$45,000	93%
\$46,961	Sen. Troy Fraser	R	24	\$30,000	64%
\$45,250	Rep. Tony Goolsby	R	102	\$42,000	93%
\$44,800	Rep. John Davis	R	129	\$42,500	95%
\$44,250	Rep. Dawwna Dukes	D	46	\$40,000	90%
\$44,100	Rep. Charles Anderson	R	56	\$42,000	95%
\$43,925	Rep. Patrick Rose	D	45	\$37,500	85%
\$43,750	Sen. Tommy Williams	R	4	\$27,500	63%
\$41,453	Rep. Kevin Bailey	D	140	\$37,000	89%
\$32,750	Rep. Mike Hamilton	R	19	\$30,000	92%
\$32,500	Sen. Eddie Lucio, Jr.	D	27	\$30,000	92%
\$32,500	Sen. Florence Shapiro	R	8	\$7,500	23%
\$32,300	Rep. Dwayne Bohac	R	138	\$26,000	80%
\$30,500	Rep. John Zerwas	R	28	\$26,000	85%
\$30,350	Sen. Robert Nichols	R	3	\$20,000	66%
\$30,350	Rep. Bill Zedler	R	96	\$30,000	99%
\$29,750	Rep. Patricia Harless	R	126	\$25,000	84%
\$29,000	Sen. John Carona	R	16	\$17,500	60%
\$28,522	Rep. Larry Phillips	R	62	\$27,000	95%
\$28,516	Rep. Jerry Madden	R	67	\$25,000	88%
\$26,531	Rep. David Swinford	R	87	\$12,000	45%
\$26,000	Sen. Kim Brimer	R	10	\$12,500	48%
\$25,200	Rep. Joe Crabb	R	127	\$22,500	89%
\$25,000	Rep. Susan King	R	71	\$25,000	100%
\$24,750	Sen. Craig Estes	R	30	\$12,500	51%
\$24,500	Sen. Rodney Ellis	D	13	\$22,500	92%
\$24,250	Sen. Kyle Janek	R	17	\$15,000	62%
\$23,950	Rep. Ana Hernandez	D	143	\$23,500	98%
\$23,000	Sen. Kip Averitt	R	22	\$5,000	22%
\$22,100	Rep. Jim Pitts	R	10	\$15,000	68%
\$21,750	Rep. Charlie Geren	R	99	\$0	0%
\$21,250	Rep. Nathan Macias	R	73	\$20,000	94%
\$21,000	Rep. Beverly Woolley	R	136	\$17,000	81%

Notes

¹ "Texas Residential Construction Commission Sunset Hearing Material," Texas Sunset Commission, September 2008. http://www.sunset.state.tx.us/81streports/trcc/trcc_hm.pdf

² "Sunset Commission Questions Whether Abolishing TRCC Is the Right Solution," *Quorum Report*, September 23, 2008.

³ Some lawmakers joined the Sunset Advisory Commission recently. Dewhurst tapped Senators Hegar and Hinojosa for the panel in January 2008. Craddick appointed Representatives Isett and Harper-Brown in October 2007.

⁴ Apart from lawmakers, there are two so-called "public" members of the Sunset Commission. Lieutenant Governor David Dewhurst appointed retired Compass Bank executive Charles McMahan to the commission. Speaker Craddick appointed Ike Sugg, head of Abilene's Bar None Hunt Co.

⁵ "A Builder, A Commission, A Lot of Cash," *Houston Chronicle*, August 24, 2008.

⁶ "Governor Perry's Patronage," Texans for Public Justice, April 10, 2006. http://www.tpj.org/page_view.jsp?pageid=979&pubid=744

⁷ "Unassuming home builder getting more notoriety for latest donation than for record amounts in 2002," *Austin American-Statesman*, August 28, 2004.

⁸ Judgment calls are involved in distinguishing some contributors whose primary interest is hammer-and-nail homebuilding from residential developers who job-out more of these building functions. Some of the six lawmakers took money from contributors who skate this line. Van de Putte, for example, received \$250 from Henry Cisneros, the head of CityView, which forms joint ventures with homebuilders to build housing. TPJ coded CityView as a residential developer but has no problem with those who prefer to characterize it as a homebuilder. The same is true for the head of Houston's William Carl & Co., who gave Jessica Farrar \$500. TPJ codes mobile homes separately from homes built on-site and did not count mobile-home money here (Van de Putte and Farrar took money from the Texas Manufactured Housing Association PAC). During the 2006 cycle, when Bob Perry accounted for 61 percent of the money raised by the PAC of HillCo Partners lobby firm, that PAC gave \$3,556 to Van de Putte and \$1,000 to Burnam. So far in the 2008 cycle, Bob Perry has supplied 36 percent of the money raised by HillCo's PAC. This cycle HillCo's PAC has given \$3,827 to Farrar, \$1,500 to Burnam and \$1,000 to Mallory Caraway. Classified as lobby money, HillCo PAC contributions were not counted in this study.