

Construction Execs Can Benefit From Stronger Ties to State Legislators

There is a common theme to virtually every region in Texas: regulations, restrictions, and paperwork thwart entry-level businesses and muddy the waters for existing ones, writes Flynn.

By Rep. Dan Flynn, R-Van

The construction industry in Texas is one of the only true industries where “Joe/Jane Builder” can succeed on their own with just tools, intellect, creativity and skills. Texas prides itself on keeping the industry open and free so that builders and all in the construction industry can succeed and prosper. The specific sort of free market and prosperous economic climate that the construction industry enjoys, however, doesn’t come easy. Government contains two opposing schools of thought: the group that prefers to regulate and the group who prefers to defend entrepreneurs and businesses from overregulation. The looming threat of “regulation creep” is always around the corner and can bring about stormy times to the good climate in which business exists in Texas. Conversely, policies exist and arise that boost the free market and encourage competition. A legislator needs to understand and know the issues that affect your industry - and to hear it from the educated and experienced voices of the folks who make the construction business work in Texas.

How can construction executives benefit from stronger ties to state legislators? By sharing knowledge and offering insight as a construction industry insider to the people who form policy, that policy in turn will benefit you as an executive and your business as a whole. Damaging regulations can be halted and positive steps in the right direction for your business can be taken by the Legislature.

There is a common theme to most regions in Texas: regulations, restrictions and paperwork thwart entry-level businesses and muddy the waters for existing ones. Overregulation imposes significant barriers to the construction business. Taking the time to communicate with the Legislature is key in helping to avoid such overregulation and its costly results.

Specifically, in Texas, home builders were entirely unregulated until 2003. While this provided an open marketplace, it left builders vulnerable to frivolous law suits and predatory trial attorneys. In 2003 a member with close ties to the construction industry created a state agency to provide a framework of regulation for residential homebuilders – and an alternative dispute resolution tract to help consumers and builders settle disagreements without costly and often unnecessary bouts in court. The Texas Residential Construction Commission was by no means perfect and faced close scrutiny in the years to follow amidst allegations that it did nothing for consumers. There was, and still is, a movement to add provisions to the agency’s statute that could go beyond consumer protection and punish builders before an offense is committed. At such

times, it is crucial for legislators to have close ties to your industry. They need an experienced construction executive to run proposed policies by and to ensure damaging regulations are not imposed but helpful ones adopted.



Contact Texas State Representative Dan Flynn (R-Van) at 512-463-0880 or DanFromVan@aol.com.

Often it is seen as a simple fix to grant government the tools to require licensing, increase education requirements and raise fees on those wishing to join the industry. These steps are justified by claims that they add legitimacy to the business and keep bad actors off the playing field. All too often, with the best intentions, these provisions can be molded in a way that keeps entrepreneurs out of the construction industry and negatively impacts existing companies struggling to quickly operate under new laws. However, when developed by a legislator who can work side-by-side with you as a construction expert, licensing and education policies can bring about positive changes, increase the livelihood of a free market and protect consumers. Without a relationship with the citizen-consumer and you, the citizen-executive, a balanced regulatory scheme will fail to come to fruition, and neither side will flourish.

Get to know your specific state representative, as well as his or her staff. Learn which members of the Legislature are also in the construction industry. Introduce yourself to the chair of committees that hear bills affecting construction. These people are all public servants and will welcome your input and utilize your expertise as they make choices on rules and regulations that can benefit or hinder the construction industry in Texas.

Taking the time to strengthen ties with the members of the Texas Legislature will benefit you in many ways while helping the legislators. The interaction between government and citizens is what makes democracy work and makes Texas such a great place in which to live and do business.