

By: Murr

H.B. No. 217

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the limitation on the amount of a subcontractor's lien  
3 for labor or materials.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Section 53.024, Property Code, is amended to  
6 read as follows:

7 Sec. 53.024. LIMITATION ON SUBCONTRACTOR'S LIEN. The  
8 amount of a lien claimed by a subcontractor may not exceed the  
9 lesser of:

10 (1) an amount equal to the proportion of the total  
11 subcontract price that the sum of the labor performed, materials  
12 furnished, materials specially fabricated, reasonable overhead  
13 costs incurred, and proportionate profit margin bears to the total  
14 subcontract price, [+] minus

15 [~~2~~] the sum of previous payments received by the  
16 claimant on the subcontract; or

17 (2) the contract price minus previous payments  
18 received by the original contractor and the claimant on the  
19 subcontract.

20 SECTION 2. The change in law made by this Act applies only  
21 to an original contract entered into on or after the effective date  
22 of this Act. An original contract entered into before the effective  
23 date of this Act is governed by the law in effect on the date the  
24 contract was entered into, and the former law is continued in effect

1 for that purpose.

2 SECTION 3. This Act takes effect September 1, 2023.