

By: Turner

H.B. No. 2928

Substitute the following for H.B. No. 2928:

By: Cole

C.S.H.B. No. 2928

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the payment or application of funds under construction
3 contracts.

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

5 SECTION 1. Section 28.003, Property Code, is amended by
6 adding Subsection (c) to read as follows:

7 (c) For purposes of this section, a good faith dispute does
8 not include a dispute relating to a contract, work order,
9 contractual arrangement, or any other agreement between the parties
10 that is not related to the contract for construction under which
11 payment is requested or required.

12 SECTION 2. Section 162.031, Property Code, is amended by
13 adding Subsection (a-1) to read as follows:

14 (a-1) A trustee who retains or otherwise diverts trust funds
15 due to a dispute, including an alleged default, arising under a
16 construction contract other than the contract in connection with
17 which the trust funds were received by or placed under the control
18 or direction of the trustee has misapplied the trust funds.

19 SECTION 3. The changes in law made by this Act apply only to
20 a contract that is entered into on or after the effective date of
21 this Act.

22 SECTION 4. This Act takes effect September 1, 2023.