

AN ACT

relating to choice of law and venue for certain construction contracts.

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

SECTION 1. The heading to Section 272.001, Business & Commerce Code, is amended to read as follows:

Sec. 272.001. CERTAIN ~~[VOIDABLE]~~ CONTRACT PROVISIONS VOID ~~[PROVISION]~~.

SECTION 2. Section 272.001, Business & Commerce Code, is amended by amending Subsection (b) and adding Subsection (c) to read as follows:

(b) If a construction contract or an agreement collateral to or affecting the construction contract contains a provision making the contract or agreement or any conflict arising under the contract or agreement subject to another state's law, litigation in the courts of another state, or arbitration in another state, that provision is void as against public policy ~~[voidable by a party obligated by the contract or agreement to perform the work that is the subject of the construction contract]~~.

(c) To the extent that a venue provision in a contract is void under Subsection (b), unless the parties stipulate to another venue after the dispute arises, an action arising out of the contract shall be brought only in this state in the county in which the property that is the subject of the litigation is located.

SECTION 3. Section 15.020(d), Civil Practice and Remedies Code, is amended to read as follows:

(d) This section does not apply to an action if:

(1) the agreement described by this section was unconscionable at the time that it was made;

(2) the agreement regarding venue is void [~~voidable~~] under Chapter 272, Business & Commerce Code; or

(3) venue is established under a statute of this state other than this title.

SECTION 4. The changes in law made by this Act apply only to a contract that is entered into or renewed on or after the effective date of this Act.

SECTION 5. This Act takes effect September 1, 2025.

H.B. No. 2960

President of the Senate

Speaker of the House

I certify that H.B. No. 2960 was passed by the House on April 29, 2025, by the following vote: Yeas 148, Nays 0, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2960 was passed by the Senate on May 19, 2025, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor