

Amend CSHB 730 (Senate committee printing) as follows:

(1) In Section 1.01 of the bill, in added Section 401.002, Property Code (page 2, between lines 12 and 13), insert the following subdivision at the appropriate place and renumber other subdivisions appropriately:

(16) "Warranty of habitability" means a builder's obligation to construct a home or home improvement that is in compliance with the limited statutory warranties and building and performance standards adopted by the commission under Section 430.001, and that is safe, sanitary, and fit for humans to inhabit.

(2) In Section 1.01 of the bill, in added Chapter 430, Property Code (page 15, between lines 42 and 43), insert the following section at the appropriate place and renumber other sections and any cross-references appropriately:

Sec. 430.002. WARRANTY OF HABITABILITY. (a) The construction of each new home or home improvement shall include the warranty of habitability.

(b) For a construction defect to be actionable as a breach of the warranty of habitability, the defect must have a direct adverse effect on the habitable areas of the home and must not have been discoverable by a reasonable prudent inspection or examination of the home or home improvement within the applicable warranty periods adopted by the commission under Section 430.001.

(3) In Section 1.01 of the bill, in added Section 430.005, Property Code (page 16, line 12), strike "adopted under this chapter" and substitute "adopted under this chapter or the warranty of habitability".

(4) In Section 1.01 of the bill, in added Section 430.007, Property Code (page 16, lines 35-40), strike Subsection (b) and substitute the following:

(b) A limitation of liability under this section is not effective unless the company providing the warranty:

(1) agrees to perform the builder's warranty obligations under this chapter that are covered by the warranty provided through the third-party warranty company; and

(2) actually pays for or corrects any construction defect covered by the warranty provided through the third-party

warranty company.

(5) In Section 1.01 of the bill, in added Section 430.008, Property Code (page 16, lines 59 and 60), strike "commission, but it may not reduce the limited statutory warranty and building and performance standards" and substitute "commission. A third-party warranty company may not reduce the limited statutory warranty and building and performance standards, except that a third-party warranty company shall not be required to provide a warranty of habitability".