

Amend CSHB 1038 as follows:

(1) Strike SECTION 2 of the bill and substitute the following:

SECTION 2. Section 401.003, Property Code, is amended to read as follows:

Sec. 401.003. DEFINITION OF BUILDER. (a) In this title, "builder" means any person [~~business entity or individual~~] who, for a fixed price, commission, fee, wage, or other compensation, sells, constructs, or supervises or manages the construction of:

(1) a new home;

(2) a material improvement to a home, other than an improvement solely to replace or repair a roof of an existing home; or

(3) an improvement to the interior of an existing home when the cost of the work exceeds \$10,000 [~~\$20,000~~].

(b) The term includes:

(1) an owner, officer, director, shareholder, partner, affiliate, subsidiary, or employee of the builder;

(2) a risk retention group governed by Article 21.54, Insurance Code, that insures all or any part of a builder's liability for the cost to repair a residential construction defect; and

(3) a third-party warranty company and its administrator.

(c) The term does not include any person [~~business entity or individual~~] who:

(1) has been issued a license by this state or an agency [~~or political subdivision~~] of this state to practice a trade or profession related to or affiliated with residential construction if the work being done by the entity or individual to the home is solely for the purpose for which the license was issued; or

(2) sells a new home and:

(A) does not construct or supervise or manage the construction of the home; and

(B) holds a license issued under Chapter 1101, Occupations Code, or is exempt from that chapter under Section

1101.005, Occupations Code.

(2) Strike SECTION 33 of the bill and substitute the following:

SECTION 33. Subchapter Z, Chapter 214, Local Government Code, is amended by adding Section 214.906 to read as follows:

Sec. 214.906. CERTIFICATE OF REGISTRATION NUMBER REQUIRED FOR RESIDENTIAL CONSTRUCTION PERMIT. A municipality may not issue a permit that authorizes the construction of a new single-family house or duplex or the improvement of an existing single-family house or duplex by a builder who is required to hold a certificate of registration issued by the Texas Residential Construction Commission unless the builder provides the builder's certificate of registration number to the municipality.

(3) Add the following appropriately numbered SECTIONS and renumber the SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Subchapter K, Chapter 53, Property Code, is amended by adding Section 53.2555 to read as follows:

Sec. 53.2555. CERTIFICATE OF REGISTRATION NUMBER. (a) A contractor who is required to register as a builder with the Texas Residential Construction Commission shall include, in a clear and conspicuous manner, the contractor's certificate of registration number on each residential construction contract.

(b) The failure of a contractor to comply with Subsection (a) makes void any mechanic's or materialman's lien by the contractor or a subcontractor.

SECTION \_\_\_\_\_. Section 401.002(7), Property Code, is amended to read as follows:

(7) "Homeowner" means an individual [~~a person~~] who owns a home and who contracts with a builder for the construction of a new home or an improvement to an existing home. The term includes an attorney-in-fact or legal representative of the individual or the individual's estate or a subrogee or assignee of the individual [~~a person who owns a home~~].