

Amend CSHB 1038 (Senate committee printing) as follows:

(1) In SECTION 25 of the bill amend Section 418.001, Property Code (page 8, lines 50-51), by striking "or" at the end of the existing Subsection (24); renumbering the existing Subsection (25) as Subsection (26); and adding a new Subsection (25) as follows:

(25) a repeated failure to comply with the requirements of Subtitle F; or

(2) Add the appropriately numbered SECTIONS and renumbering existing SECTIONS accordingly:

SECTION ____ . Title 16, Property Code, is amended by adding Subtitle F to read as follows:

SUBTITLE F. INSPECTION OF NEW RESIDENTIAL CONSTRUCTION

CHAPTER 446. RESIDENTIAL CONSTRUCTION IN UNINCORPORATED AREAS AND OTHER AREAS NOT SUBJECT TO MUNICIPAL INSPECTIONS

Sec. 446.001. APPLICABILITY OF CHAPTER. This chapter applies to residential construction described by Section 401.003(a)(1), (2) and (3) in an unincorporated area and to other areas not subject to municipal inspections.

Sec. 446.002. INSPECTION REQUIRED. (a) A builder shall have a new home or other improvement to which this chapter applies inspected by a fee inspector.

(b) For new construction subject to this chapter, there shall be a minimum of three inspections performed during the project to ensure code compliance, as applicable, at the following stages of construction:

(i) foundation, prior to the placement of concrete;

(ii) framing and mechanical systems prior to being covered with sheetrock or other interior wall covering; and

(iii) final inspection when the home is completed.

(c) For improvements other than new construction, the inspections described in Subsection (b) shall occur as necessary based upon the scope of work of the project.

(d) The builder shall be responsible for contracting with a fee inspector authorized by this chapter to perform the inspections required by this section.

(e) The commission may establish fees necessary to

administer this subtitle. Such fees may be included in the home registration fee required described in Section 426.003(c).

Sec. 446.003. ELECTRONIC REPORTING SYSTEM. (a) The commission shall establish an Internet based process to implement this subtitle. The process shall be password protected. Inspectors will use the Internet based process to report the satisfactory completion of the inspections required by Section 446.002 to the commission. Upon reporting of satisfactory completion of the inspections, the commission shall issue a certificate of completion which shall be forwarded to the homeowner within 30 days following the registration of a home, as required by Section 426.003.

(b) The commission shall allow for an alternative reporting system for persons who demonstrate to the commission an inability to comply with the electronic reporting requirements of Subsection (a).

Sec. 446.004. FEE INSPECTOR. A fee inspector must be either a licensed engineer, a registered architect, a professional inspector licensed by the Texas Real Estate Commission or a third party inspector qualified under Section 427.001(b). A builder may use the same or a different fee inspector for inspections required under this chapter.

Sec. 446.005. ELEMENTS OF INSPECTION. The commission by rule shall:

(1) establish the elements of the construction that must be inspected under this chapter in accordance with Section 446.002 to ensure compliance with the applicable code provisions as required by Section 430.001(d); and

(2) prescribe the form and the manner in which the results of the inspection will be reported in writing.

Sec. 446.006. CONSTRUCTION IN CERTAIN AREAS: ELIGIBILITY FOR CERTAIN WINDSTORM AND HAIL INSURANCE. (a) This section applies only to construction in an unincorporated area in which windstorm and hail insurance coverage is available under Chapter 2210, Insurance Code.

(b) In addition to an inspection required pursuant to Section 446.002, the builder must, if required by statute, obtain a

certificate of compliance for the structure in the manner provided under Section 2210.251, Insurance Code.

SECTION _____. On or before June 1, 2008, the Texas Residential Construction Commission shall adopt all rules necessary to implement Subtitle F, Title 16, Property Code, as added by this Act.

SECTION _____. Subtitle F, Title 16, Property Code, as added by this Act, applies only to construction commenced on or after September 1, 2008. For the purposes of Subtitle F, Title 16, Property Code, as added by this Act, construction commenced before September 1, 2008, is governed by the law in effect immediately before the effective date of this Act and the former law is continued in effect for such construction.