

By: Ritter

H.B. No. 1038

Substitute the following for H.B. No. 1038:

By: Swinford

C.S.H.B. No. 1038

A BILL TO BE ENTITLED

AN ACT

relating to the operation of the Texas Residential Construction Commission; providing penalties.

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

SECTION 1. Section 41.007, Property Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) A contract described by Section 41.001(b)(3) must contain:

(1) the contractor's certificate of registration number from the Texas Residential Construction Commission if the contractor is required to register as a builder with the commission;

(2) the address and telephone number at which the owner may file a complaint with the Texas Residential Construction Commission about the conduct of the contractor if the contractor is required to register as a builder with the commission; and

(3) the following warning conspicuously printed, stamped, or typed in a size equal to at least 10-point bold type or computer equivalent, next to the owner's signature line on the contract:

"IMPORTANT NOTICE: You and your contractor are responsible for meeting the terms and conditions of this contract. If you sign this contract and you fail to meet the terms and conditions of this

1 contract, you may lose your legal ownership rights in your home.
2 KNOW YOUR RIGHTS AND DUTIES UNDER THE LAW."

3 (c) If a contract described by Section 41.001(b)(3)
4 contains a clause that requires the parties to submit a dispute
5 arising under the contract to binding arbitration, the owner must
6 acknowledge acceptance of the clause in writing by signing the
7 contract in a space provided for that purpose immediately adjacent
8 to the clause. The clause must be conspicuously printed or typed in
9 a size equal to at least 14-point bold type.

10 SECTION 2. Sections 401.003(a) and (c), Property Code, are
11 amended to read as follows:

12 (a) In this title, "builder" means any business entity or
13 other person that ~~[individual who]~~, for a fixed price, commission,
14 fee, wage, or other compensation, constructs or supervises or
15 manages the construction of:

16 (1) a new home;

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

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

22 (c) The term does not include any business entity or
23 individual who has been issued a license by this state or a state
24 ~~[an] agency [or political subdivision of this state]~~ to practice a
25 trade or profession related to or affiliated with residential
26 construction if the work being done by the entity or individual to
27 the home is solely for the purpose for which the license was issued.

SECTION 3. Section 401.005, Property Code, is amended by adding Subsection (c) to read as follows:

(c) An individual who builds a home or a material improvement to a home with the intent to sell the home immediately following completion of the building or remodeling and does not live in the home for at least one year following completion of the building or remodeling is liable as a builder under the warranty obligation created by this title for work completed by the individual.

SECTION 4. Chapter 401, Property Code, is amended by adding Section 401.007 to read as follows:

Sec. 401.007. INJUNCTION; APPEAL. (a) If the commission has reasonable cause to believe that a person is violating a statute to which this chapter applies, the commission, in addition to any other authorized action, may issue an order to cease and desist from the violation or an order to take affirmative action, or both, to enforce compliance. A person may appeal the order directly to district court in accordance with Chapter 2001, Government Code.

(b) Before issuing an order under this section, the commission shall set and give notice of a hearing before a hearings officer. The hearing is governed by Chapter 2001, Government Code. Based on the findings of fact, conclusions of law, and recommendations of the hearings officer, the commission by order may find whether a violation has occurred.

(c) The commission, after providing notice and an opportunity to appear for a hearing, may impose against a person who violates a cease and desist order an administrative penalty in an

1 amount not to exceed \$1,000 for each day of violation. In addition
2 to any other remedy provided by law, the commission may institute in
3 district court a suit for injunctive relief and to collect an
4 administrative penalty. A bond is not required of the commission
5 with respect to injunctive relief granted under this section. In
6 the action, the court may enter as proper an order awarding a
7 preliminary or final injunction.

8 (d) If a party seeks review of the order by the commission,
9 the party shall file a petition initiating judicial review not
10 later than the 30th day after the date of the issuance of the
11 decision.

12 SECTION 5. Section 406.004(b), Property Code, is amended to
13 read as follows:

14 (b) A person may not be a member of the commission and may
15 not be a commission employee employed in a "bona fide executive,
16 administrative, or professional capacity," as that phrase is used
17 for purposes of establishing an exemption to the overtime
18 provisions of the federal Fair Labor Standards Act of 1938 (29
19 U.S.C. Section 201 et seq.) and its subsequent amendments, if:

20 (1) the person is an officer, employee, or paid
21 consultant of a Texas trade association in the field of residential
22 construction; or

23 (2) the person's spouse is an officer, ~~[a]~~ manager, or
24 paid consultant of a Texas trade association in the field of
25 residential construction.

26 SECTION 6. Section 408.002, Property Code, is amended to
27 read as follows:

1 Sec. 408.002. FEES. (a) The commission shall adopt fees as
2 required by this title in amounts that are reasonable and necessary
3 to provide sufficient revenue to cover the costs of administering
4 this title.

5 (b) The commission may charge a late fee for late payment of
6 any fee due to the commission. The late fee may be any amount that
7 does not exceed the amount of the fee due.

8 (c) The commission may charge a reasonable fee for:

9 (1) a homeowner to submit a request for
10 state-sponsored inspection under Subtitle D;

11 (2) providing public information requested under
12 Chapter 552, Government Code, excluding information requested from
13 the commission under Section 409.001; or

14 (3) producing, mailing, and distributing special
15 printed materials and publications generated in bulk by the
16 commission for use and distribution by builders.

17 SECTION 7. Section 408.003, Property Code, is amended by
18 adding Subsection (c) to read as follows:

19 (c) The commission may procure and distribute to consumers
20 informational materials and promotional items that contain
21 commission contact details and outreach information.

22 SECTION 8. Chapter 408, Property Code, is amended by adding
23 Section 408.005 to read as follows:

24 Sec. 408.005. COLLECTION OF AMOUNTS DUE. The commission
25 may seek reimbursement of any amounts due to the commission and
26 restitution for any dishonored payment instrument presented for
27 payment to the commission.

SECTION 9. Section 409.003, Property Code, is amended by adding Subsections (d) and (e) to read as follows:

(d) The commission shall make available to the public information about each complaint that resulted in disciplinary action by the commission.

(e) The commission may not disclose the address of any individual home registered with the commission when making information available to the public under this title.

SECTION 10. Section 416.004, Property Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) The commission shall charge and collect:

(1) a filing fee for an application for an original certificate of registration that does not exceed \$500; ~~and~~

(2) a fee for renewal of a certificate of registration that does not exceed \$300; and

(3) a late fee that does not exceed the amount of the fee due if payment of a registration application or renewal fee due under this title is late.

(c) All fees paid to the commission under this section are nonrefundable.

SECTION 11. Section 416.008(d), Property Code, is amended to read as follows:

(d) The hearing officer may grant a motion for continuance of the hearing on the request of the commission or the applicant
~~[may be continued from time to time with the consent of the applicant].~~

SECTION 12. Section 416.011(d), Property Code, is amended to read as follows:

(d) The certification issued by the commission as a "Texas Star Builder" is valid for at most one year and renewable on a date to be determined at the commission's discretion [~~shall be for the same period of time as the builder's registration under this chapter~~].

SECTION 13. Chapter 416, Property Code, is amended by adding Section 416.012 to read as follows:

Sec. 416.012. REGISTRATION REQUIRED TO ENFORCE CONTRACT. A builder may not sue to enforce a residential construction contract with a homeowner or collect fees or damages under a contract with a homeowner unless the builder, at the time the builder entered into the contract and performed work under the contract for the homeowner, held a certificate of registration issued under this chapter.

SECTION 14. Section 417.003, Property Code, is amended to read as follows:

Sec. 417.003. FEES. (a) The commission shall charge and collect:

(1) a filing fee for an application for certification under this chapter that does not exceed \$100; [~~and~~]

(2) a fee for renewal of a certification under this chapter that does not exceed \$50; and

(3) a late fee that does not exceed the amount of the fee due if payment of a registration or application fee due under this title is late.

1 (b) All fees paid to the commission under this section are
2 nonrefundable.

3 SECTION 15. Sections 418.001 and 418.002, Property Code,
4 are amended to read as follows:

5 Sec. 418.001. GROUNDS FOR DISCIPLINARY ACTION. (a) A
6 person, including a builder, a person who is designated as a
7 builder's agent under Section 416.006, or a person who owns or
8 controls a majority ownership interest in the builder, is subject
9 to disciplinary action under this chapter for:

10 (1) fraud or deceit in obtaining a registration or
11 certification under this subtitle;

12 (2) misappropriation or misapplication of trust funds
13 in the practice of residential construction, including a violation
14 of Chapter 32, Penal Code, or Chapter 162, if found by a final
15 nonappealable court judgment;

16 (3) naming false consideration in a contract to sell a
17 new home or in a construction contract;

18 (4) discriminating on the basis of race, color,
19 religion, sex, national origin, or ancestry;

20 (5) publishing a false or misleading advertisement;

21 (6) failure to honor, within a reasonable time, a
22 check issued to the commission, or any other instrument of payment,
23 including a credit or debit card or electronic fund transfer, after
24 the commission has sent by certified mail a request for payment to
25 the person's last known business address, according to commission
26 records;

27 (7) failure to pay an administrative penalty assessed

1 by the commission under Chapter 419 or a fee due under Chapter 426;

2 (8) failure to pay ~~[nonpayment of]~~ a final
3 nonappealable judgment arising from a construction defect or other
4 transaction between the person and a homeowner;

5 (9) failure to register a home as required by Section
6 426.003;

7 (10) failure to remit the fee for registration of a
8 home under Section 426.003; ~~or~~

9 (11) failure to reimburse a homeowner the amount
10 ordered by the commission as provided by ~~in~~ Section 428.004(d);

11 (12) engaging in statutory or common law fraud or
12 misappropriation of funds, as determined by the commission after a
13 hearing under Section 418.003;

14 (13) failure to participate in the state-sponsored
15 inspection and dispute resolution process if required by this
16 title;

17 (14) failure to register as a builder as required
18 under Chapter 416;

19 (15) using or attempting to use a certificate of
20 registration that has expired or that has been revoked;

21 (16) falsely representing that the person holds a
22 certificate of registration issued under Chapter 416;

23 (17) acting as a builder using a name other than the
24 name listed on the person's certificate of registration;

25 (18) aiding, abetting, or conspiring with a person who
26 does not hold a certificate of registration to evade the provisions
27 of this title or rules adopted under this title, if found by a final

1 nonappealable court judgment;

2 (19) allowing the person's certificate of registration
3 to be used by another person;

4 (20) acting as an agent, partner, or associate of a
5 person who does not hold a certificate of registration with the
6 intent to evade the provisions of this title or rules adopted under
7 this title;

8 (21) a failure to reasonably perform on an accepted
9 offer to repair or a repeated failure to make an offer to repair
10 based on:

11 (A) the recommendation of a third-party
12 inspector under Section 428.004; or

13 (B) the final holding of an appeal under Chapter
14 429; or

15 (22) otherwise violating this title or a commission
16 rule adopted under this title.

17 (b) For the purposes of Subsection (a)(12), the commission
18 may not revoke a registration or certification or impose an
19 administrative penalty unless the determination of statutory or
20 common law fraud or misappropriation of funds has been made in a
21 final nonappealable judgment by a court.

22 Sec. 418.002. DISCIPLINARY POWERS OF COMMISSION. (a)
23 Except as provided by Subsection (b), on [On] a determination that a
24 ground for disciplinary action under Section 418.001 exists, the
25 commission may:

26 (1) revoke or suspend a registration or certification;

27 (2) probate the suspension of a registration or

1 certification; ~~[or]~~

2 (3) formally or informally reprimand a registered or
3 certified person; or

4 (4) impose an administrative penalty under Chapter
5 419.

6 (b) The commission may not revoke a registration or
7 certification unless the conduct that was the basis for the
8 revocation was committed during the 12 months preceding the date of
9 the revocation and involves four or more homes registered by the
10 builder or at least two percent of the homes registered by the
11 builder under Section 426.003, whichever is greater. This
12 subsection applies only to acts involving transactions between a
13 builder and a homeowner.

14 SECTION 16. Section 418.004, Property Code, is amended by
15 adding Subsection (c) to read as follows:

16 (c) An appeal to a district court of a final decision of the
17 commission under this section regarding a revocation or suspension
18 of a registration or certification is determined by a preponderance
19 of the evidence.

20 SECTION 17. Chapter 418, Property Code, is amended by
21 adding Section 418.005 to read as follows:

22 Sec. 418.005. JOINT AND SEVERAL LIABILITY OF BUILDER AND
23 AGENT. (a) The commission may simultaneously take administrative
24 action under this chapter against:

25 (1) a builder; and

26 (2) a person who:

27 (A) is designated as the builder's agent under

1 Section 416.006; or

2 (B) owns or controls a majority ownership
3 interest in the builder.

4 (b) A builder and a person who is designated as a builder's
5 agent under Section 416.006 or owns or controls a majority
6 ownership interest in the builder are jointly and severally liable
7 for any amounts due to the commission under this title.

8 SECTION 18. Section 419.001, Property Code, is amended to
9 read as follows:

10 Sec. 419.001. IMPOSITION OF ADMINISTRATIVE PENALTY. (a)
11 The [~~In a contested case involving disciplinary action, the~~]
12 commission may[, ~~as part of the commission's order,~~] impose an
13 administrative penalty on a [~~registered or certified~~] person who
14 violates this title or a rule adopted or order issued by the
15 commission under this title.

16 (b) To impose an administrative penalty for failure to
17 comply with statutory warranties or building and performance
18 standards, the commission must show at a hearing that the
19 violations were repeated or continuous.

20 SECTION 19. Section 419.002, Property Code, is amended by
21 amending Subsection (a) and adding Subsection (c) to read as
22 follows:

23 (a) Except as provided by Subsection (c), an [~~An~~]
24 administrative penalty imposed under this chapter may not exceed
25 \$10,000 [~~\$5,000~~] for each violation.

26 (c) A violation of Section 418.001(a)(2) or (12) is
27 punishable by a penalty not to exceed \$100,000.

SECTION 20. Section 426.003(b), Property Code, is amended to read as follows:

(b) A builder who enters into a transaction governed by this title, other than the transfer of title of a new home from the builder to the seller, shall register the home involved in the transaction with the commission. The registration must:

(1) include the information required by the commission by rule;

(2) be accompanied by the fee required by Subsection (c); and

(3) be delivered to the commission not later than the 15th day after the earlier of:

(A) the date of the substantial completion of the construction of the home or other residential construction project by ~~[agreement that describes the transaction between the homeowner and]~~ the builder; ~~[or]~~

(B) the date the home is occupied; or

(C) the date of issuance of a certificate of occupancy or a certificate of completion ~~[the commencement of the work on the home]~~.

SECTION 21. Section 426.004, Property Code, is amended by amending Subsection (c) and adding Subsection (d) to read as follows:

(c) If the transfer of the title of the home from the builder to the initial homeowner occurred before January 1, 2004, or if the contract for improvements or additions between the builder and homeowner was entered into before January 1, 2004, the commission

1 shall register the home and the builder [~~the person who submits a~~
2 ~~request involving the home~~] shall pay[, ~~in addition to the~~
3 ~~inspection expenses required by this section,~~] the registration fee
4 required by Section 426.003.

5 (d) The commission may reimburse an inspector for travel
6 expenses incurred to complete an inspection regardless of whether
7 the expenses exceed the amount collected under this section.

8 SECTION 22. Section 426.005, Property Code, is amended by
9 amending Subsection (a) and adding Subsection (f) to read as
10 follows:

11 (a) A homeowner or builder must comply with this subtitle
12 before initiating an action for damages or other relief arising
13 from an alleged construction defect.

14 (f) A homeowner is not required to comply with this subtitle
15 if, at the time of a homeowner's requests for an inspection:

16 (1) the builder is not registered; or

17 (2) the certificate of registration of the builder has
18 been revoked or is inactive.

19 SECTION 23. Section 426.007, Property Code, is amended to
20 read as follows:

21 Sec. 426.007. ADMISSIBILITY OF CERTAIN EVIDENCE. A person
22 who submits a request for state-sponsored inspection and dispute
23 resolution or responds to a request under Chapter 428 must disclose
24 in the request or response the name of any person who, before the
25 request is submitted, inspected the home on behalf of the requestor
26 or respondent in connection with the construction defect alleged in
27 the request or response. If a person's name is known to the

requestor or respondent at the time of the request or response and is not disclosed as required by this section, the requestor or respondent may not designate the person as a witness [~~an expert~~] or use materials prepared by that person in:

(1) the state-sponsored inspection and dispute resolution process arising out of the request; or

(2) any action arising out of the construction defect that is the subject of the request or response.

SECTION 24. Section 426.008, Property Code, is amended by adding Subsection (c) to read as follows:

(c) For the purposes of admissibility of a third-party inspector's recommendation or a ruling by a panel of state inspectors, the recommendation or ruling shall be considered a business record under Rule 902, Texas Rules of Evidence.

SECTION 25. Sections 427.001(b), (c), and (d), Property Code, are amended to read as follows:

(b) A third-party inspector who inspects an issue involving workmanship and materials must:

(1) have a minimum of three [~~five~~] years' experience in the residential construction industry; and

(2) be certified as a residential combination inspector by the International Code Council.

(c) A third-party inspector who inspects an issue involving a structural matter or involving workmanship, materials, and a structural matter must:

(1) be an approved structural engineer or approved architect; and

1 (2) have a minimum of five ~~[10]~~ years' experience in
2 residential construction.

3 (d) Each third-party inspector ~~[who inspects an issue~~
4 ~~involving a structural matter]~~ must receive, in accordance with
5 commission rules:

6 (1) initial training regarding the state-sponsored
7 inspection and dispute resolution process and this subtitle; and

8 (2) annual continuing education in the inspector's
9 area of practice.

10 SECTION 26. Chapter 427, Property Code, is amended by
11 adding Section 427.003 to read as follows:

12 Sec. 427.003. NO CIVIL LIABILITY. (a) A person who
13 performs services for the commission as a third-party inspector or
14 a state inspector who does not act with wanton and wilful disregard
15 for the rights, safety, or property of another is not liable for
16 civil damages for any act or omission within the course and scope of
17 carrying out the person's duties or functions as a third-party
18 inspector or state inspector.

19 (b) This section does not apply to an intentional act of
20 misconduct or gross negligence.

21 SECTION 27. Sections 428.001(d) and (g), Property Code, are
22 amended to read as follows:

23 (d) At the time a [A] person [who] submits a request under
24 this section, the person must send by certified mail, return
25 receipt requested, a copy of the request, including evidence
26 submitted with the request, to each other party involved in the
27 dispute.

1 (g) The commission by rule shall establish a standard form
2 for submitting a request under this section [~~and provide a means to~~
3 ~~submit a request electronically~~].

4 SECTION 28. Section 428.004, Property Code, is amended by
5 amending Subsection (a) and adding Subsections (e) and (f) to read
6 as follows:

7 (a) If the dispute involves workmanship and materials in the
8 home of a nonstructural matter, the third-party inspector shall
9 issue a recommendation not later than the 30th [~~15th~~] day after the
10 date the third-party inspector receives the appointment from the
11 commission.

12 (e) The commission may not require a builder to reimburse
13 fees or inspection expenses under this section if, before the
14 inspection, the builder offered to make repairs or have repairs
15 made substantially equivalent to those required by the findings of
16 the final report confirming the defect requiring repair.

17 (f) If, before or after the inspection, the builder has made
18 or offered to make repairs substantially equivalent to those
19 required by the findings of the final report confirming the defect,
20 the agency may not report the finding against the builder.

21 SECTION 29. Chapter 428, Property Code, is amended by
22 adding Section 428.006 to read as follows:

23 Sec. 428.006. RESPONSE TO REQUEST. (a) If a request for
24 state-sponsored inspection and dispute resolution is filed under
25 this section and accepted by the commission, a party to the dispute
26 who did not file the request may submit a written response to the
27 allegations specified in the request and present evidence in

1 support of the response not later than the 15th day after the date
2 the person received a copy of the request under Section 428.001(d).

3 (b) If the response alleges the existence of a construction
4 defect not alleged in the original request, the third-party
5 inspector shall inspect and issue a determination regarding that
6 defect and any other defect alleged in the response.

7 SECTION 30. Section 429.001(c), Property Code, is amended
8 to read as follows:

9 (c) The panel shall:

10 (1) review the recommendation for compliance with this
11 title as [~~without a hearing unless a hearing is otherwise~~] required
12 by rules adopted by the commission;

13 (2) approve, reject, or modify the recommendation of
14 the third-party inspector or remand the dispute for further action
15 by the third-party inspector; and

16 (3) issue written findings of fact and a ruling on the
17 appeal not later than the 30th day after the date the notice of
18 appeal is filed with the commission.

19 SECTION 31. Section 430.005, Property Code, is amended to
20 read as follows:

21 Sec. 430.005. ALTERNATIVE STANDARDS FOR CERTAIN
22 CONSTRUCTION. (a) For the purpose of this title, the only
23 statutory warranty and building and performance standards that
24 apply to residential construction in unincorporated areas of
25 counties that are considered economically distressed areas as
26 defined by Section 15.001(11) of the Water Code and located within
27 50 miles of an international border are the standards established

1 for colonia housing programs administered by the Texas Department
2 of Housing and Community Affairs, unless a county commissioners
3 court has adopted other building and performance standards
4 authorized by statute.

5 (b) This section does not exempt a builder in an area
6 described by Subsection (a) from the registration requirements
7 imposed by this title, including the requirements of Sections
8 416.001 and 426.003.

9 (c) An allegation of a postconstruction defect in a
10 construction project in an area described by Subsection (a) is
11 subject to the state-sponsored inspection and dispute resolution
12 process described by this subtitle.

13 SECTION 32. Section 430.006, Property Code, is amended to
14 read as follows:

15 Sec. 430.006. STATUTORY WARRANTIES EXCLUSIVE. The
16 warranties established under this chapter supersede all implied
17 warranties. The only warranties that exist for residential
18 construction or residential improvements are:

19 (1) warranties created by this chapter;

20 (2) warranties created ~~[or]~~ by other statutes
21 expressly referring to residential construction or residential
22 improvements;

23 (3) ~~[or]~~ any express, written warranty acknowledged
24 by the homeowner and the builder; and

25 (4) warranties that apply to an area described by
26 Section 430.005(a) as described by that section.

27 SECTION 33. Subchapter Z, Chapter 214, Local Government

Code, is amended by adding Section 214.906 to read as follows:

Sec. 214.906. VERIFICATION OF BUILDER REGISTRATION. A municipality may not issue a building permit to a builder, as defined by Section 401.003, Property Code, for construction described by Section 401.003(a), Property Code, unless the municipality has determined that the builder is registered with the Texas Residential Construction Commission under Chapter 416, Property Code.

SECTION 34. (a) The House Committee on State Affairs shall conduct an interim study regarding the feasibility of creating a fund designed to reimburse aggrieved persons who experience actual damages from a builder's actions in violation of Title 16, Property Code.

(b) The committee shall investigate:

(1) potential methods for payments into the fund, procedures for managing the fund, and methods for making claims to the fund; and

(2) similar funds created by other states and jurisdictions of the United States and the relative successes or failures of those funds.

(c) Not later than September 1, 2008, the committee shall submit to the speaker of the house of representatives and the members of the house of representatives:

(1) the results of the study; and

(2) any recommendations for statutory changes resulting from the findings of the study.

(d) This section expires October 1, 2008.

1 SECTION 35. (a) This Act applies only to the following that
2 are filed on or after the effective date of this Act:

3 (1) an application for a building permit or
4 certification as a builder or a Texas Star Builder; or

5 (2) a request for state-sponsored inspection and
6 dispute resolution.

7 (b) An application for a building permit or for
8 certification as a builder or a Texas Star Builder or a request for
9 state-sponsored inspection and dispute resolution that was filed
10 before the effective date of this Act is governed by the law as it
11 existed immediately before the effective date of this Act, and that
12 law is continued in effect for that purpose.

13 SECTION 36. Section 416.012, Property Code, as added by
14 this Act, applies only to work performed by a builder on or after
15 the effective date of this Act. Work performed by a builder before
16 that date is governed by the law in effect when the work is
17 performed, and the former law is continued in effect for that
18 purpose.

19 SECTION 37. The changes in law made by this Act by the
20 amendment of Section 418.001, Property Code, apply only to conduct
21 that occurs on or after the effective date of this Act. Conduct that
22 occurs before that date is governed by the law in effect when the
23 conduct occurs, and the former law is continued in effect for that
24 purpose.

25 SECTION 38. This Act takes effect September 1, 2007.