

AN ACT

relating to exempting certain community development corporations from the Texas Residential Construction Commission Act.

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

SECTION 1. Section 401.003, Property Code, is amended by adding Subsection (d) to read as follows:

(d) The term does not include a nonprofit business entity that is exempt from taxation under Section 501(c)(3), Internal Revenue Code, if:

(1) the construction or supervision or management of the construction of the home, material improvement, or improvement sold by the nonprofit business entity is performed by a builder registered under this title;

(2) the builder contractually agrees to comply with the provisions of this title;

(3) the builder is contractually liable to the homeowner for the warranties and building and performance standards of this title; and

(4) the nonprofit business entity does not participate directly in the construction of the home, material improvement, or improvement.

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

(1) an application for a building permit or

1 registration or certification as a builder; or

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

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

10 SECTION 3. This Act takes effect September 1, 2007.

President of the Senate

Speaker of the House

I certify that H.B. No. 2936 was passed by the House on May 11, 2007, by the following vote: Yeas 138, Nays 0, 3 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2936 was passed by the Senate on May 23, 2007, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor