

By: Farrar

H.B. No. 2936

A BILL TO BE ENTITLED

AN ACT

1  
2 relating to exempting certain community development corporations  
3 from the Texas Residential Construction Commission Act.

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

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

7 (d) The term does not include a non-profit business entity  
8 that is exempted from taxation pursuant to Internal Revenue Code  
9 section 501(c)3 provided that:

10 (1) the actual improvement to residential real  
11 property sold to a homeowner by such non-profit business entity is  
12 performed by a builder registered under this title;

13 (2) the registered builder contractually agrees to  
14 comply with the provisions of this title for the improvement to  
15 residential real property sold to a homeowner by such non-profit  
16 business entity;

17 (3) the registered builder is liable contractually to  
18 the homeowner for the warranties and building and performance  
19 standards of the improvement to residential real property sold to  
20 the homeowner by such non-profit business entity, and

21 (3) the non-profit business entity does not  
22 participate, supervise or manage the construction of the  
23 improvement to residential real property as described by section  
24 401.003(a)(1) through section 410.003(a)(3) of this section.

1           SECTION 2. This Act applies only to a contract for sale or  
2 construction of, or improvement to a home, executed on or after the  
3 effective date of this Act. A contract for sale or construction of,  
4 or improvement to a home, executed before the effective date of this  
5 Act is covered by the law in effect at the time the contract for  
6 sale, construction, or improvement is executed, and the former law  
7 is continued in effect for that purpose.

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