

1-1 By: Farrar (Senate Sponsor - Ellis) H.B. No. 2936
1-2 (In the Senate - Received from the House May 14, 2007;
1-3 May 15, 2007, read first time and referred to Committee on Business
1-4 and Commerce; May 22, 2007, reported favorably by the following
1-5 vote: Yeas 6, Nays 0; May 22, 2007, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to exempting certain community development corporations
1-9 from the Texas Residential Construction Commission Act.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Section 401.003, Property Code, is amended by
1-12 adding Subsection (d) to read as follows:

1-13 (d) The term does not include a nonprofit business entity
1-14 that is exempt from taxation under Section 501(c)(3), Internal
1-15 Revenue Code, if:

1-16 (1) the construction or supervision or management of
1-17 the construction of the home, material improvement, or improvement
1-18 sold by the nonprofit business entity is performed by a builder
1-19 registered under this title;

1-20 (2) the builder contractually agrees to comply with
1-21 the provisions of this title;

1-22 (3) the builder is contractually liable to the
1-23 homeowner for the warranties and building and performance standards
1-24 of this title; and

1-25 (4) the nonprofit business entity does not participate
1-26 directly in the construction of the home, material improvement, or
1-27 improvement.

1-28 SECTION 2. (a) This Act applies only to the following that
1-29 are filed on or after the effective date of this Act:

1-30 (1) an application for a building permit or
1-31 registration or certification as a builder; or

1-32 (2) a request for state-sponsored inspection and
1-33 dispute resolution.

1-34 (b) An application for a building permit or for registration
1-35 or certification as a builder or a request for state-sponsored
1-36 inspection and dispute resolution that was filed before the
1-37 effective date of this Act is governed by the law as it existed
1-38 immediately before the effective date of this Act, and that law is
1-39 continued in effect for that purpose.

1-40 SECTION 3. This Act takes effect September 1, 2007.

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