

By: Darby

H.B. No. 3400

A BILL TO BE ENTITLED

AN ACT

relating to certain construction liens under the Texas Residential
Construction Commission Act.

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

SECTION 1. Section 420.002, Property Code, is amended to
read as follows:

Sec. 420.002. REQUIRED CONTRACT PROVISIONS. (a) In a
contract for the construction of a new home or an improvement to an
existing home required to be registered under Section 426.003, the
contract is not enforceable against a homeowner unless the
contract:

(1) contains the builder's name and certificate of
registration number; and

(2) contains the notice required by Section 420.001.

(b) Notwithstanding Subsection (a), a builder's failure to
comply with this section does not invalidate a lien of an entity
that provided third-party financing to a homeowner for the
construction of a new home or an improvement to an existing home
under a residential construction contract.

SECTION 2. This Act takes effect immediately if it receives
a vote of two-thirds of all the members elected to each house, as
provided by Section 39, Article III, Texas Constitution. If this
Act does not receive the vote necessary for immediate effect, this
Act takes effect September 1, 2009.