

By: Kleinschmidt

H.B. No. 3441

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the validity of certain construction liens under the
3 Texas Residential Construction Commission Act

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

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

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

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

14 (2) contains the notice required by Section 420.001.

15 (b) Notwithstanding Subsection (a), a builder's failure to
16 comply with that subsection does not invalidate a lien of an entity
17 that:

18 (1) provided third-party financing to a homeowner for
19 the construction of a new home or an improvement to an existing home
20 under a residential construction contract; or

21 (2) renewed and extended financing for a purpose
22 described by Subdivision (1).

23 SECTION 2. This Act takes effect September 1, 2009.