

By: Hegar

S.B. No. 1532

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.