By: Hegar   S.B. No. 1533

A BILL TO BE ENTITLED

1   AN ACT

2 relating to persons subject to liability for residential

3 construction defects or regulation as a builder of residential

4 construction.

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

6   SECTION 1. Section 59.011(a), Finance Code, is amended to

7 read as follows:

8   (a) For purposes of Chapter 27, Property Code, and Title 16,

9 Property Code, a federally insured financial institution, or a

10 subsidiary or affiliate of the institution, regulated under this

11 code is not a builder.

12   SECTION 2. Section 401.003, Property Code, is amended by

13 amending Subsection (c) and adding Subsection (e) to read as

14 follows:

15   (c) The term does not include a [any] person who:

16   (1) has been issued a license by this state or an

17 agency of this state to practice a trade or profession related to or

18 affiliated with residential construction if the work being done by

19 the entity or individual to the home is solely for the purpose for

20 which the license was issued; [or]

21   (2) sells a new home and:

22   (A) does not construct or supervise or manage the

23 construction of the home; and

24   (B) holds a license issued under Chapter 1101,

1 Occupations Code, or is exempt from that chapter under Section

2 1101.005, Occupations Code;

3   (3) guarantees or co-makes a construction loan and is

4 not otherwise a builder under Subsection (a); or

5   (4) constructs or makes improvements to not more than

6 one home in a 12-month period.

7   (e) The term does not include a federally insured financial

8 institution or a subsidiary or affiliate of the institution.

9   SECTION 3. This Act takes effect immediately if it receives

10 a vote of two-thirds of all the members elected to each house, as

11 provided by Section 39, Article III, Texas Constitution. If this

12 Act does not receive the vote necessary for immediate effect, this

13 Act takes effect September 1, 2009.