

BILL ANALYSIS

H.B. 346
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Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Under current Texas law, a judge or jury has the discretion to award costs and attorney's fees in a winning suit to collect on or remove a lien claim. This discretion on the part of the court may affect contractors, subcontractors, and suppliers who file a lien to obtain payment and the owners of construction projects who may receive from contractors liens that are untimely or unwarranted. H.B. 346 requires, rather than authorizes, the court to award costs and attorney's fees in proceedings concerning lien claims.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 346 amends the Property Code to require, rather than authorize, a court to award costs and reasonable attorney's fees as are equitable and just in any proceeding to foreclose a lien or to enforce a claim against a bond, or to declare that any lien or claim is invalid or unenforceable in whole or in part, under the law governing mechanic's, contractor's, or materialman's liens.

EFFECTIVE DATE

September 1, 2011.