

BILL ANALYSIS

S.B. 1215
By: Hughes
Business & Industry
Committee Report (Amended)

BACKGROUND AND PURPOSE

Interested parties contend that a person constructing or repairing real property under contract should not be responsible for the consequences of defects in plans, specifications, or related documents provided to the contractor by certain other persons. S.B. 1215 seeks to provide that a person required to perform work under a contract for the construction or repair of an improvement to real property is not responsible for the consequences of defects in the plans, specifications, or related documents.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

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

S.B. 1215 amends the Business & Commerce Code to establish that a person required to perform work under a contract for the construction or repair of an improvement to real property is not responsible for the consequences of defects in, and is prohibited from warranting the accuracy, adequacy, sufficiency, or suitability of, plans, specifications, or other design or bid documents provided to the contractor by the person with whom such a contractor entered into the contract or another person on behalf of the person with whom the contractor entered into the contract. The bill requires such a contractor to disclose to the owner a condition discovered during construction that was not known or could not have reasonably been known at the time of design and establishes that such a contractor who fails to disclose such a condition may be liable for defects that result from the failure to disclose. The bill prohibits a person from waiving the bill's provisions by any means and makes a purported waiver of such provisions void.

EFFECTIVE DATE

September 1, 2017.

EXPLANATION OF AMENDMENTS

Committee Amendment No. 1

Committee Amendment No. 1 prohibits a person from waiving the bill's provisions unless the contractor agrees to do so in writing with the person with whom the contractor entered the contract.