

## **BILL ANALYSIS**

C.S.H.B. 3069  
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Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

In Texas, building owners have up to a total of 12 years to begin a construction defect claim: 10 years under the statute of repose to discover the defects, plus 2 years under the statute of limitations to file suit after the defect has been discovered if a written claim was presented within the previous time period. By the end of the 12-year period, the architects, interior designers, engineers, and contractors may no longer be in operation, records could be lost, and witnesses may be difficult to locate. Additionally, there is a significant amount of wear-and-tear damage that may occur to the building over the course of that 12-year period. As a result, contractors must then distinguish between defects that existed at the time of completion and effects from use, poor maintenance, secondary repairs, or other issues. Some have argued that this ultimately leads to increased litigation costs, as well as frivolous and opportunistic suits. C.S.H.B. 3069 seeks to address this issue by shortening the period during which a governmental entity must bring suit for damages for certain claims against a person who constructs or repairs an improvement to real property.

### **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**

C.S.H.B. 3069 amends the Civil Practice and Remedies Code to shorten the limitations period under which a governmental entity may bring suit for damages for certain claims against a registered or licensed architect, engineer, interior designer, or landscape architect in Texas, who designs, plans, or inspects the construction of an improvement to real property or equipment attached to real property, or against a person who constructs or repairs an improvement to real property, from not later than 10 years after the substantial completion of the improvement or the beginning of the operation of the equipment to not later than 8 years after the completion or operation of equipment. This provision does not apply to claims arising from the following:

- a contract entered into by the Texas Department of Transportation;
- a project that receives money from the state highway fund or a federal fund designated for highway and mass transit spending; or
- a civil works project.

C.S.H.B. 3069 decreases the extension of the limitations period for governmental entity claimants that present a written claim within that period from two years from the date the claim is presented to one year from that date.

**EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2021.

**COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3069 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute lengthens the limitations period under which a governmental entity may bring suit for damages under the bill's provisions from not later than five years after the substantial completion of the improvement or the beginning of the operation of applicable equipment, which was in the original, to not later than eight years after the completion or operation of equipment.