

By: Murr

H.B. No. 2621

A BILL TO BE ENTITLED

AN ACT

relating to the limitation on the amount of a subcontractor's lien for labor or materials.

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

SECTION 1. Section 53.024, Property Code, is amended to read as follows:

Sec. 53.024. LIMITATION ON SUBCONTRACTOR'S LIEN. The amount of a lien claimed by a subcontractor may not exceed the lesser of:

(1) an amount equal to the proportion of the total subcontract price that the sum of the labor performed, materials furnished, materials specially fabricated, reasonable overhead costs incurred, and proportionate profit margin bears to the total subcontract price, ~~+~~ minus

~~(2)~~ the sum of previous payments received by the claimant on the subcontract; or

(2) the contract price minus previous payments received by the original contractor and the claimant on the subcontract.

SECTION 2. The change in law made by this Act applies only to an original contract entered into on or after the effective date of this Act. An original contract entered into before the effective date of this Act is governed by the law in effect on the date the contract was entered into, and the former law is continued in effect

1 for that purpose.

2 SECTION 3. This Act takes effect September 1, 2021.