**BILL ANALYSIS**

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| Senate Research Center | H.B. 2879 |
| 88R13354 AJA-F | By: Oliverson et al. (Bettencourt) |
|  | Jurisprudence |
|  | 5/16/2023 |
|  | Engrossed |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Industry leaders and constituents have raised concerns regarding predatory contracting practices that are being used by large out-of-state contractors on construction projects located in Texas. H.B. 2879 seeks to prevent Texas contractors who bid and perform work at local Texas construction projects from being forced to litigate any issue arising on the job, including nonpayment and improper back charges by a general contractor, in a foreign jurisdiction. This will put a stop to unfair practices that prevent Texas contractors from being able to defend themselves or seek redress for wrongs committed against them.

H.B. 2879 amends current law relating to venue in certain actions involving a contract for an improvement to real property.

**RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

**SECTION BY SECTION ANALYSIS**

SECTION 1.  Amends Subchapter B, Chapter 15, Civil Practice and Remedies Code, by adding Section 15.021, as follows:

Sec. 15.021. CONTRACTS FOR IMPROVEMENTS TO REAL PROPERTY. (a) Provides that a venue provision in a contract for an improvement to real property that requires an action involving a contractor, subcontractor, or materialman who is a resident of this state to be brought outside this state is void as a matter of public policy.

(b) Requires an action arising out of the contract, to the extent that a venue provision in a contract is void under this section, unless the parties stipulate to another venue after the dispute arises, to be brought only in this state in the county in which:

(1) the defendant resides;

(2) the cause of action accrued; or

(3) the property that is the subject of the litigation is located.

SECTION 2.  Makes application of this Act prospective.

SECTION 3. Effective date: September 1, 2023.