

BILL ANALYSIS

C.S.H.B. 2007
By: Martinez
Judiciary & Civil Jurisprudence
Committee Report (Substituted)

BACKGROUND AND PURPOSE

In 2019, the Texas Legislature passed S.B. 1928, which took the certificate of merit requirement for plaintiffs who sue engineers, architects, or certain other professionals and expanded it to all claimants against those professionals, such as third-party claimants or counter-claimants, instead of just plaintiffs. That legislation created an unintended consequence for design-build projects, where the design professionals are on the same team as the contractors, as it forces some parties to admit liability—by getting a certificate of merit against their own team member—in their efforts to deny liability. This creates insurance coverage issues. C.S.H.B. 2007 seeks to resolve this unintended consequence by establishing an exemption from the certificate of merit requirement for certain third-party claims on public design-build projects.

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. 2007 amends the Civil Practice and Remedies Code to exempt a third-party plaintiff that is a design-build firm or a design-build team, or an architect, engineer, or other member of such a firm or team, from the requirement to file a certificate of merit in connection with filing a third-party claim or cross-claim against a licensed architect, licensed professional engineer, registered professional land surveyor, or registered landscape architect, or any firm in which such a professional practices, if the action or arbitration proceeding arises out of a design-build project in which a governmental entity contracts with a single entity to provide both design and construction services for the construction, expansion, extension, rehabilitation, alteration, or repair of a facility, a building or associated structure, a civil works project, or a highway project. The bill applies only to an action commenced on or after the bill's effective date.

EFFECTIVE DATE

September 1, 2023.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 2007 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Whereas the introduced exempted a design-builder or design-build firm from the certificate of merit requirement, the substitute exempts a design-build firm or a design-build team, or an architect, engineer, or other member of such a firm or team.