

BILL ANALYSIS

Senate Research Center
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H.B. 2024
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

With regards to residential construction, current law provides certain remedies for those seeking relief from a defective or unsafe condition of real property and its improvements. For instance, a person may bring a suit for damages against a person who constructs or repairs an improvement to real property not later than 10 years after substantial completion.

H.B. 2024 establishes new limitations periods for bringing suit for damages arising out of the design, construction, or repair of certain residential construction to require a person to bring suit for damages for certain claims not later than 10 years after completion. However, if the contractor being sued has provided a written warranty for a minimum of one year for workmanship and materials, two years for plumbing electrical, heating and air-conditioning systems, and six years for major structural components, then a suit must be brought no later than six years after completion of the project.

H.B. 2024 amends current law relating to statutes of limitation and repose for certain claims arising out of residential construction.

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 Section 16.009, Civil Practice and Remedies Code, by amending Subsections (a) and (c) and adding Subsections (a-2), (a-3), and (a-4), as follows:

(a) Creates an exception under Subsection (a-2).

(a-2) Requires a claimant, except as provided by this subsection, with respect to any claim arising out of the design, construction, or repair of a new residence, of an alteration of or repair or addition to an existing residence, or of an appurtenance to a residence, to bring suit for damages for a claim listed in Subsection (b) (relating to providing that certain offenses that a certain section denotes for suit) against a person who constructs or repairs an improvement to real property not later than 10 years after the substantial completion of the improvement in an action arising out of a defective or unsafe condition of the real property or a deficiency in the construction or repair of the improvement. Requires the claimant, if the person being sued is a contractor who has provided a written warranty for the residence that complies with Subsection (a-3), to bring the suit not later than six years after the substantial completion of the improvement.

(a-3) Requires that a written warranty, for purposes of Subsection (a-2), provide a minimum period of:

(1) one year for workmanship and materials;

(2) two years for plumbing, electrical, heating, and air-conditioning delivery systems; and

(3) six years for major structural components.

(a-4) Defines "contractor" and "residence."

(c) Extends the claim period, if the claimant presents a written claim for damages, contribution, or indemnity to the person performing or furnishing the construction or repair work during the applicable limitations period, for one year from the date the claim is presented, for a claim to which Subsection (a-1) or (a-2) applies.

SECTION 2. (a) Makes application of Section 16.009, Civil Practice and Remedies Code, as amended by this Act, prospective, except as provided by this section.

(b) Provides that a cause of action arising out of the design, construction, or repair of an improvement to real property that commenced before the effective date of this Act or arising out of the design, construction, or repair of an improvement to real property that commences on or after the effective date of this Act under a contract entered into before that date is governed by the law applicable to the cause of action immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. Effective date: upon passage or September 1, 2023.