By:  Leach, et al. (Senate Sponsor - King) H.B. No. 2024

(In the Senate - Received from the House April 24, 2023; April 24, 2023, read first time and referred to Committee on Business & Commerce; May 10, 2023, reported favorably by the following vote: Yeas 9, Nays 2; May 10, 2023, sent to printer.)

COMMITTEE VOTE

                    Yea Nay Absent  PNV

Schwertner           X

King                 X

Birdwell             X

Campbell             X

Creighton            X

Johnson              X

Kolkhorst            X

Menéndez                 X

Middleton            X

Nichols              X

Zaffirini                X

A BILL TO BE ENTITLED

AN ACT

relating to statutes of limitation and repose for certain claims arising out of residential construction.

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

SECTION 1.  Section 16.009, Civil Practice and Remedies Code, is amended by amending Subsections (a) and (c) and adding Subsections (a-2), (a-3), and (a-4) to read as follows:

(a)  Except as provided by Subsection (a-1) or (a-2), a claimant must bring suit for damages for a claim listed in Subsection (b) 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.

(a-2)  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, a claimant must bring suit for damages for a claim listed in Subsection (b) 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. If the person being sued is a contractor who has provided a written warranty for the residence that complies with Subsection (a-3), the claimant must bring the suit not later than six years after the substantial completion of the improvement.

(a-3)  For purposes of Subsection (a-2), a written warranty must 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)  For purposes of Subsection (a-2):

(1)  "Contractor" has the meaning assigned by Section 27.001, Property Code.

(2)  "Residence" means the real property and improvements for a detached one-family or two-family dwelling or a townhouse not more than three stories above grade plane in height with a separate means of egress or an accessory structure not more than three stories above grade plane in height.

(c)  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, the period is extended for:

(1)  two years from the date the claim is presented, for a claim to which Subsection (a) applies; or

(2)  one year from the date the claim is presented, for a claim to which Subsection (a-1) or (a-2) applies.

SECTION 2.  (a) Except as provided by this section, Section 16.009, Civil Practice and Remedies Code, as amended by this Act, applies to a cause of action 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. Section 16.009, Civil Practice and Remedies Code, as amended by this Act, does not apply to a cause of action 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.

(b)  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.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.

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