

By: Hayes

H.B. No. 2960

A BILL TO BE ENTITLED

AN ACT

relating to void provisions contained in certain construction contracts.

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

SECTION 1. The heading to Section 272.001, Business & Commerce Code, is amended to read as follows:

Sec. 272.001. CERTAIN [VOIDABLE] CONTRACT PROVISIONS VOID [PROVISION].

SECTION 2. Section 272.001(b), Business & Commerce Code, is amended to read as follows:

(b) If a construction contract or an agreement collateral to or affecting the construction contract contains a provision making the contract or agreement or any conflict arising under the contract or agreement subject to another state's law, litigation in the courts of another state, or arbitration in another state, that provision is void as against public policy ~~[voidable by a party obligated by the contract or agreement to perform the work that is the subject of the construction contract]~~.

c) 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, an action arising out of the contract shall be brought only in this state in the county in which the property that is the subject of the litigation is located.

SECTION 3. Subsection 15.020(d) of the Civil Practice and

1 Remedies Code is amended to read as follows:

2 (d) This section does not apply to an action if:

3 (1) the agreement described by this section was
4 unconscionable at the time that it was made;

5 (2) the agreement regarding venue is [~~voidable~~] void
6 under Chapter 272, Business & Commerce Code; or

7 (3) venue is established under a statute of this state
8 other than this title.

9 SECTION 4. The changes in law made by this Act apply only to
10 a contract that is entered into or renewed on or after the effective
11 date of this Act.

12 SECTION 5. This Act takes effect immediately if it receives
13 a vote of two-thirds of all the members elected to each house, as
14 provided by Section 39, Article III, Texas Constitution. If this
15 Act does not receive the vote necessary for immediate effect, this
16 Act takes effect September 1, 2025.