

**SUBJECT:** Exempting partially completed foreclosed homes from TRCC warranties

**COMMITTEE:** Business and Industry — committee substitute recommended

**VOTE:** 8 ayes — Deshotel, Elkins, Christian, England, Giddings, Orr, Quintanilla, S. Turner

0 nays

3 absent — Gattis, Keffer, S. Miller

**WITNESSES:** For — Steve Scurlock, Independent Bankers Association of Texas

Against — None

On — (*Registered, but did not testify*: Duane Waddill, Texas Residential Construction Commission)

**BACKGROUND:** Property Code, sec. 401.003 defines what is considered a builder who is required to be registered with the Texas Residential Construction Commission (TRCC) and provide notice of warranties offered through TRCC.

**DIGEST:** CSHB 3059 would amend Property, sec. 401.003 to provide that neither someone who constructs or repairs no more than one home per year, nor a federally funded financial institution, would be considered a builder subject to the TRCC registration and warranty process. The bill would also exempt from the definition anyone who completed a partially-constructed house that had been acquired as part of a court-ordered foreclosure or by a deed in lieu of foreclosure.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2009.

**NOTES:** The companion bill, SB 1533 by Hegar, has been referred to the Senate Business and Commerce Committee.