

1-1 By: Burrows, Deshotel, Romero, Jr. H.B. No. 2237
 1-2 (Senate Sponsor - Johnson)
 1-3 (In the Senate - Received from the House May 10, 2021;
 1-4 May 10, 2021, read first time and referred to Committee on Business
 1-5 & Commerce; May 21, 2021, reported adversely, with favorable
 1-6 Committee Substitute by the following vote: Yeas 9, Nays 0;
 1-7 May 21, 2021, sent to printer.)

1-8 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-9				
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			
1-18	X			

1-19 COMMITTEE SUBSTITUTE FOR H.B. No. 2237 By: Hancock

1-20 A BILL TO BE ENTITLED
 1-21 AN ACT

1-22 relating to mechanic's, contractor's, or materialman's liens.
 1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-24 SECTION 1. Section 3503.051(3), Insurance Code, is amended
 1-25 to read as follows:
 1-26 (3) "Notice of claim" means a written notification by
 1-27 a claimant who makes a claim for payment from the surety company.
 1-28 The term does not include a routine statutory notice required by
 1-29 Section 53.056 or [~~53.056(b)~~], 53.057, [~~53.058, 53.252(b), or~~
 1-30 ~~53.253~~], Property Code, or Section 2253.047, Government Code.
 1-31 SECTION 2. Section 53.001, Property Code, is amended by
 1-32 amending Subdivisions (2), (3), (4), (8), (11), (13), and (14) and
 1-33 adding Subdivision (7-a) to read as follows:
 1-34 (2) "Improvement" includes:
 1-35 (A) a house, building, structure, parking
 1-36 structure, physical appurtenance, pool, utility, railroad, well,
 1-37 storage facility, abutting sidewalks and streets, [and] utilities
 1-38 in or on those sidewalks and streets, land reclaimed from overflow,
 1-39 and other fixtures or modifications to real property;
 1-40 (B) clearing, grubbing, draining, or fencing of
 1-41 land;
 1-42 (C) machinery or apparatuses used for raising
 1-43 water or for supplying or storing water for stock, domestic use, or
 1-44 irrigation [wells, cisterns, tanks, reservoirs, or artificial
 1-45 lakes or pools made for supplying or storing water];
 1-46 (D) work described by Section 53.021(4) [pumps,
 1-47 siphons, and windmills or other machinery or apparatuses used for
 1-48 raising water for stock, domestic use, or irrigation]; and
 1-49 (E) a design, drawing, plan, plat, survey, or
 1-50 specification provided by a licensed architect, engineer, or
 1-51 surveyor [planting orchard trees, grubbing out orchards and
 1-52 replacing trees, and pruning of orchard trees].
 1-53 (3) "Labor" means:
 1-54 (A) labor used in the direct performance
 1-55 [prosecution] of the work; or
 1-56 (B) a professional service used in the direct
 1-57 preparation for the work of a design, drawing, plan, plat, survey,
 1-58 or specification.
 1-59 (4) "Material" means all or part of:
 1-60 (A) the material, machinery, fixtures, or tools;

2-1 (i) incorporated into the work;
 2-2 (ii) used [~~consumed~~] in the direct
 2-3 performance [~~prosecution~~] of the work;
 2-4 (iii) specially fabricated for an
 2-5 improvement; [7] or
 2-6 (iv) ordered and delivered for
 2-7 incorporation or use [~~consumption~~];
 2-8 (B) rent at a reasonable rate and actual running
 2-9 repairs at a reasonable cost for construction equipment used or
 2-10 reasonably required and delivered for use in the direct performance
 2-11 [~~prosecution~~] of the work at the site of the construction or repair;
 2-12 or

(C) power, water, fuel, and lubricants consumed
 2-14 or ordered and delivered for consumption in the direct performance
 2-15 [~~prosecution~~] of the work.

2-16 (7-a) "Purported original contractor" means an
 2-17 original contractor who can effectively control the owner or is
 2-18 effectively controlled by the owner through common ownership of
 2-19 voting stock or ownership interests, interlocking directorships,
 2-20 common management, or otherwise, or who was engaged by the owner for
 2-21 the construction or repair of improvements without a good faith
 2-22 intention of the parties that the purported original contractor was
 2-23 to perform under the contract. For purposes of this subdivision,
 2-24 the term "owner" does not include a person who has or claims a
 2-25 security interest only.

2-26 (8) "Residence" means the real property and
 2-27 improvements for a single-family house, duplex, triplex, or
 2-28 quadruplex or a unit in a multiunit structure used for residential
 2-29 purposes in which title to the individual units is transferred to
 2-30 the owners under a condominium or cooperative system that is:

2-31 (A) owned by one or more adult persons; and
 2-32 (B) used or intended to be used as a dwelling by
 2-33 one of the owners.

2-34 (11) "Retainage" means an amount representing part of
 2-35 a contract payment that is not required to be paid to the claimant
 2-36 within the month following the month in which labor is performed,
 2-37 material is furnished, or specially fabricated material is
 2-38 delivered. [~~The term does not include retainage under Subchapter~~
 2-39 ~~E.~~]

2-40 (13) "Subcontractor" means a person who labors or has
 2-41 furnished labor or materials to fulfill an obligation to an
 2-42 original contractor or to a subcontractor of any tier to perform all
 2-43 or part of the work required by an original contract.

2-44 (14) "Work" means any part of construction or repair
 2-45 of an improvement performed under an original contract.

2-46 SECTION 3. Section 53.003, Property Code, is amended by
 2-47 amending Subsections (b) and (c) and adding Subsection (e) to read
 2-48 as follows:

2-49 (b) Except as provided by Subsection (c) or (d), any [Any]
 2-50 notice or other written communication required by this chapter must
 2-51 [may] be delivered:

2-52 (1) in person to the party entitled to the notice or to
 2-53 that party's agent;

2-54 (2) by certified mail; or

2-55 (3) by any other form of traceable, private delivery
 2-56 or mailing service that can confirm proof of receipt[~~, regardless~~
 2-57 of the manner prescribed by law].

2-58 (c) If notice is sent by [~~registered or~~] certified mail,
 2-59 deposit or mailing of the notice in the United States mail in the
 2-60 form required constitutes compliance with the notice requirement.
 2-61 This subsection does not apply if the law requires receipt of the
 2-62 notice by the person to whom it is directed.

2-63 (e) In computing the period of days in which to provide a
 2-64 notice or to take any action required under this chapter, if the
 2-65 last day of the period is a Saturday, Sunday, or legal holiday, the
 2-66 period is extended to include the next day that is not a Saturday,
 2-67 Sunday, or legal holiday.

2-68 SECTION 4. Section 53.021, Property Code, is amended to
 2-69 read as follows:

3-1 Sec. 53.021. PERSONS ENTITLED TO LIEN. [~~(a)~~] A person has
3-2 a lien if[+
3-3 ~~[(1)]~~ the person, under a contract with the owner or
3-4 the owner's agent, trustee, receiver, contractor, or
3-5 subcontractor:

3-6 (1) labors[, ~~specially fabricates material,~~] or
3-7 furnishes labor or materials for construction or repair of an
3-8 improvement; [in this state of:

3-9 [(A) ~~a house, building, or improvement,~~
3-10 [(B) ~~a levee or embankment to be erected for the~~
3-11 ~~reclamation of overflow land along a river or creek, or~~
3-12 [(C) ~~a railroad, and]~~

3-13 (2) [the person labors, specially fabricates the
3-14 material, or furnishes the labor or materials under or by virtue of
3-15 a contract with the owner or the owner's agent, trustee, receiver,
3-16 contractor, or subcontractor.

3-17 [(b) ~~A person who]~~ specially fabricates material, [has a
3-18 lien] even if the material is not delivered;

3-19 (3) is a licensed [
3-20 [(c) ~~An]~~ architect, engineer, or surveyor providing
3-21 services to prepare a design, drawing, [who prepares a] plan, [or]
3-22 plat, survey, or specification;

3-23 (4) [under or by virtue of a written contract with the
3-24 owner or the owner's agent, trustee, or receiver in connection with
3-25 the actual or proposed design, construction, or repair of
3-26 improvements on real property or the location of the boundaries of
3-27 real property has a lien on the property.

3-28 [(d) ~~A person who]~~ provides labor, plant material, or other
3-29 supplies for the installation of landscaping for an [a house,
3-30 building, or] improvement, including the construction of a
3-31 retention pond, retaining wall, berm, irrigation system, fountain,
3-32 or other similar installation; or

3-33 (5) [under or by virtue of a written contract with
3-34 the owner or the owner's agent, contractor, subcontractor, trustee,
3-35 or receiver has a lien on the property.

3-36 [(e) ~~A person who]~~ performs labor as part of, or [who]
3-37 furnishes labor or materials for, the demolition of an improvement
3-38 [a structure] on real property [under or by virtue of a written
3-39 contract with the owner of the property or the owner's agent,
3-40 trustee, receiver, contractor, or subcontractor has a lien on the
3-41 property].

3-42 SECTION 5. Sections 53.022(a), (c), and (d), Property Code,
3-43 are amended to read as follows:

3-44 (a) The lien extends to the [~~house, building, fixtures, or]~~
3-45 improvements [the land reclaimed from overflow, or the railroad
3-46 and all of its properties,] and to each lot of land necessarily
3-47 connected [or reclaimed].

3-48 (c) A lien against land in a city, town, or village extends
3-49 to each lot on which the [~~house, building, or]~~ improvement is
3-50 situated or on which the labor was performed.

3-51 (d) A lien against land not in a city, town, or village
3-52 extends to not more than 50 acres on which the [~~house, building, or]~~
3-53 improvement is situated or on which the labor was performed.

3-54 SECTION 6. Section 53.023, Property Code, is amended to
3-55 read as follows:

3-56 Sec. 53.023. PAYMENT SECURED BY LIEN. The lien secures
3-57 payment for:

3-58 (1) the labor done or material furnished for the
3-59 construction, [~~or~~] repair, design, survey, or demolition; or

3-60 (2) the specially fabricated material, even if the
3-61 material has not been delivered or incorporated into the
3-62 construction or repair, less its fair salvage value[~~, or~~

3-63 [(3) ~~the preparation of a plan or plat by an architect,~~
3-64 engineer, or surveyor in accordance with Section 53.021(c)].

3-65 SECTION 7. Section 53.026(a), Property Code, is amended to
3-66 read as follows:

3-67 (a) A person who labors[~~, specially fabricates materials,~~]
3-68 or furnishes labor or materials under a direct contractual
3-69 relationship with a purported original contractor [~~another person]~~

4-1 is considered to be ~~[in direct contractual relationship with the~~
4-2 ~~owner and has a lien as]~~ an original contractor for purposes of
4-3 perfecting a mechanic's lien ~~[, if:~~

4-4 ~~[(1) the owner contracted with the other person for~~
4-5 ~~the construction or repair of a house, building, or improvements~~
4-6 ~~and the owner can effectively control that person through ownership~~
4-7 ~~of voting stock, interlocking directorships, or otherwise;~~

4-8 ~~[(2) the owner contracted with the other person for~~
4-9 ~~the construction or repair of a house, building, or improvements~~
4-10 ~~and that other person can effectively control the owner through~~
4-11 ~~ownership of voting stock, interlocking directorships, or~~
4-12 ~~otherwise; or~~

4-13 ~~[(3) the owner contracted with the other person for~~
4-14 ~~the construction or repair of a house, building, or improvements~~
4-15 ~~and the contract was made without good faith intention of the~~
4-16 ~~parties that the other person was to perform the contract].~~

4-17 SECTION 8. Section 53.052, Property Code, is amended to
4-18 read as follows:

4-19 Sec. 53.052. FILING OF AFFIDAVIT. (a) An original
4-20 contractor claiming the lien must file an affidavit with the county
4-21 clerk:

4-22 (1) for projects other than residential construction
4-23 projects, not later than the 15th day of the fourth month after the
4-24 month in which the original contractor's work was completed,
4-25 terminated, or abandoned; or

4-26 (2) for residential construction projects, not later
4-27 than the 15th day of the third month after the month in which the
4-28 original contractor's work was completed, terminated, or
4-29 abandoned.

4-30 (b) Except as provided by Subsection (c) or (d) [(b)], a
4-31 claimant other than an original contractor [the person] claiming
4-32 the lien must file an affidavit with the county clerk [of the county
4-33 in which the property is located or into which the railroad extends]
4-34 not later than the 15th day of the fourth [calendar] month after the
4-35 later of:

4-36 (1) the month the claimant last provided labor or
4-37 materials; or

4-38 (2) the month the claimant would normally have been
4-39 required to deliver the last of specially fabricated materials that
4-40 have not been actually delivered [day on which the indebtedness
4-41 accrues].

4-42 (c) [(b)] A claimant other than an original contractor
4-43 [person] claiming a lien arising from a residential construction
4-44 project must file an affidavit with the county clerk [of the county
4-45 in which the property is located] not later than the 15th day of the
4-46 third [calendar] month after the later of:

4-47 (1) the month the claimant last provided labor or
4-48 materials; or

4-49 (2) the month the claimant would normally have been
4-50 required to deliver the last of specially fabricated materials that
4-51 have not been actually delivered.

4-52 (d) A claimant other than an original contractor claiming a
4-53 lien for retainage must file an affidavit with the county clerk not
4-54 later than the 15th day of the third month after the month in which
4-55 the original contract under which the claimant performed was
4-56 completed, terminated, or abandoned.

4-57 (e) An affidavit under this chapter must be filed in the
4-58 county where the improvements are located [day on which the
4-59 indebtedness accrues].

4-60 ~~[(c)]~~ The county clerk shall record the affidavit in records
4-61 kept for that purpose and shall index and cross-index the affidavit
4-62 in the names of the claimant, the original contractor, and the
4-63 owner. Failure of the county clerk to properly record or index a
4-64 filed affidavit does not invalidate the lien.

4-65 SECTION 9. Section 53.055(a), Property Code, is amended to
4-66 read as follows:

4-67 (a) A person who files an affidavit must send a copy of the
4-68 affidavit ~~[by registered or certified mail]~~ to the owner or reputed
4-69 owner at the owner's last known business or residence address not

5-1 later than the fifth day after the date the affidavit is filed with
5-2 the county clerk.

5-3 SECTION 10. The heading to Section 53.056, Property Code,
5-4 is amended to read as follows:

5-5 Sec. 53.056. DERIVATIVE CLAIMANT: NOTICE TO OWNER AND ~~[OR]~~
5-6 ORIGINAL CONTRACTOR.

5-7 SECTION 11. Section 53.056, Property Code, is amended by
5-8 amending Subsection (a) and adding Subsections (a-1), (a-2), (a-3),
5-9 and (a-4) to read as follows:

5-10 (a) Except as provided by Section 53.057 [~~Subchapter K~~], a
5-11 claimant other than an original contractor must give the notice
5-12 prescribed by Subsections (a-1) and (a-2) [~~this section~~] for the
5-13 lien to be valid.

5-14 (a-1) For all unpaid labor or materials provided, the
5-15 claimant must send a notice of claim for unpaid labor or materials
5-16 to the owner or reputed owner and the original contractor. The
5-17 notice must be sent:

5-18 (1) for projects other than residential construction
5-19 projects, not later than the 15th day of the third month after the
5-20 month during which:

5-21 (A) the labor or materials were provided; or
5-22 (B) the undelivered specially fabricated
5-23 materials would normally have been delivered; or

5-24 (2) for residential construction projects, not later
5-25 than the 15th day of the second month after the month during which:

5-26 (A) the labor or materials were provided; or
5-27 (B) the undelivered specially fabricated
5-28 materials would normally have been delivered.

5-29 (a-2) The notice must be in substantially the following
5-30 form:

5-31 "NOTICE OF CLAIM FOR UNPAID LABOR OR MATERIALS
5-32 "WARNING: This notice is provided to preserve lien rights.
5-33 "Owner's property may be subject to a lien if sufficient funds are
5-34 not withheld from future payments to the original contractor to
5-35 cover this debt.

5-36 "Date: _____

5-37 "Project description and/or address: _____

5-38 "Claimant's name: _____

5-39 "Type of labor or materials provided: _____

5-40 "Original contractor's name: _____

5-41 "Party with whom claimant contracted if different from

5-42 original contractor: _____

5-43 "Claim amount: _____

5-44 "_____ (Claimant's contact person)

5-45 "_____ (Claimant's address)"

5-46 (a-3) The notice may include an invoice or billing
5-47 statement.

5-48 (a-4) A claimant may give to the original contractor a
5-49 written notice of an unpaid labor or materials invoice that is past
5-50 due. A notice under this subsection is not required for a lien to be
5-51 valid.

5-52 SECTION 12. The heading to Section 53.057, Property Code,
5-53 is amended to read as follows:

5-54 Sec. 53.057. DERIVATIVE CLAIMANT: NOTICE OF CLAIM FOR
5-55 UNPAID ~~[CONTRACTUAL]~~ RETAINAGE ~~[CLAIM]~~.

5-56 SECTION 13. Section 53.057, Property Code, is amended by
5-57 amending Subsections (a) and (f) and adding Subsections (a-1),
5-58 (a-2), and (a-3) to read as follows:

5-59 (a) To the extent that a claim for unpaid retainage is not
5-60 included wholly or partly in a notice provided under Section
5-61 53.056, a claimant other than an original contractor whose contract
5-62 provides for retainage must [A claimant may] give notice under this
5-63 section for a lien for unpaid retainage to be valid [instead of or
5-64 in addition to notice under Section 53.056 or 53.252 if the claimant
5-65 is to labor, furnish labor or materials, or specially fabricate
5-66 materials, or has labored, furnished labor or materials, or
5-67 specially fabricated materials, under an agreement with an original
5-68 contractor or a subcontractor providing for retainage].

5-69 (a-1) The claimant must send the notice of claim for unpaid

6-1 retainage to the owner or reputed owner and the original contractor
6-2 not later than the earlier of:

6-3 (1) the 30th day after the date the claimant's contract
6-4 is completed, terminated, or abandoned; or

6-5 (2) the 30th day after the date the original contract
6-6 is terminated or abandoned.

6-7 (a-2) The notice must be in substantially the following
6-8 form:

6-9 "NOTICE OF CLAIM FOR UNPAID RETAINAGE
6-10 "WARNING: This notice is provided to preserve lien rights.
6-11 "Owner's property may be subject to a lien if sufficient funds are
6-12 not withheld from future payments to the original contractor to
6-13 cover this debt.

6-14 "Date: _____

6-15 "Project description and/or address: _____

6-16 "Claimant's name: _____

6-17 "Type of labor or materials provided: _____

6-18 "Original contractor's name: _____

6-19 "Party with whom claimant contracted if different from
6-20 original contractor: _____

6-21 "Total retainage unpaid: _____

6-22 "_____ (Claimant's contact person)

6-23 "_____ (Claimant's address)"

6-24 (a-3) The notice may include an invoice or billing
6-25 statement.

6-26 (f) A claimant has a lien on, and the owner is personally
6-27 liable to the claimant for, the reserved [~~retained~~] funds under
6-28 Subchapter E if the claimant:

6-29 (1) gives notice in accordance with this section and:

6-30 (A) complies with Subchapter E; or

6-31 (B) files an affidavit claiming a lien not later
6-32 than [~~the earliest of:~~

6-33 [~~(i)~~] the date required for filing an
6-34 affidavit under the applicable provision of Section 53.052[~~7~~

6-35 [~~(ii)~~] the 40th day after the date stated in
6-36 an affidavit of completion as the date of completion of the work
6-37 under the original contract, if the owner sent the claimant notice
6-38 of an affidavit of completion in the time and manner required;

6-39 [~~(iii)~~] the 40th day after the date of
6-40 termination or abandonment of the original contract, if the owner
6-41 sent the claimant a notice of such termination or abandonment in the
6-42 time and manner required; or

6-43 [~~(iv)~~] the 30th day after the date the owner
6-44 sent to the claimant to the claimant's address provided in the
6-45 notice for contractual retainage, as required under Subsection (c),
6-46 a written notice of demand for the claimant to file the affidavit
6-47 claiming a lien]; and

6-48 (2) gives the notice of the filed affidavit as
6-49 required by Section 53.055.

6-50 SECTION 14. Sections 53.081(a) and (b), Property Code, are
6-51 amended to read as follows:

6-52 (a) If an owner receives notice under Section 53.056 or [~~7~~
6-53 53.057, [~~53.058, 53.252, or 53.253~~], the owner may withhold from
6-54 payments to the original contractor an amount necessary to pay the
6-55 claim for which he receives notice. The withholding may be in
6-56 addition to any reserved funds.

6-57 (b) If notice is sent under [~~in a form that substantially~~
6-58 ~~complies with~~] Section 53.056 [~~or 53.252~~], the owner may withhold
6-59 the funds immediately on receipt of the notice.

6-60 SECTION 15. Section 53.082, Property Code, is amended to
6-61 read as follows:

6-62 Sec. 53.082. TIME FOR WHICH FUNDS ARE WITHHELD. Unless
6-63 [~~payment is made under Section 53.083 or~~] the claim is otherwise
6-64 settled, discharged, indemnified against under Subchapter H or I,
6-65 or determined to be invalid by a final judgment of a court, the
6-66 owner shall retain the funds withheld until:

6-67 (1) the time for filing the affidavit of mechanic's
6-68 lien has passed; or

6-69 (2) if a lien affidavit has been filed, [~~until~~] the

7-1 lien claim has been satisfied or released.

7-2 SECTION 16. Section 53.084, Property Code, is amended to
7-3 read as follows:

7-4 Sec. 53.084. OWNER'S LIABILITY. (a) Except for the amount
7-5 the owner fails to reserve [~~required to be retained~~] under
7-6 Subchapter E, the owner is not liable for any amount paid to the
7-7 original contractor before the owner is authorized to withhold
7-8 funds under this subchapter.

7-9 (b) If the owner has received a notice [~~the notices~~]
7-10 required by Section 53.056 or 53.057 [~~Subchapter C or K~~], if the
7-11 lien has been secured, and if the claim has been reduced to final
7-12 judgment, the owner is liable and the owner's property is subject to
7-13 a claim for any money paid to the original contractor after the
7-14 owner was authorized to withhold funds under this subchapter. The
7-15 owner is liable for that amount in addition to any amount for which
7-16 the owner [~~he~~] is liable under Subchapter E.

7-17 SECTION 17. The heading to Subchapter E, Chapter 53,
7-18 Property Code, is amended to read as follows:

7-19 SUBCHAPTER E. FUNDS RESERVED [~~REQUIRED RETAINAGE~~] FOR BENEFIT OF
7-20 LIEN CLAIMANTS

7-21 SECTION 18. Sections 53.101, 53.102, 53.103, 53.104, and
7-22 53.105, Property Code, are amended to read as follows:

7-23 Sec. 53.101. FUNDS REQUIRED TO BE RESERVED [~~RETAINAGE~~].

7-24 (a) During the progress of work under an original contract for
7-25 which a mechanic's lien may be claimed and for 30 days after the
7-26 work under the contract is completed, the owner shall reserve
7-27 [~~retain~~]:

7-28 (1) 10 percent of the contract price of the work to the
7-29 owner; or

7-30 (2) 10 percent of the value of the work, measured by
7-31 the proportion that the work done bears to the work to be done,
7-32 using the contract price or, if there is no contract price, using
7-33 the reasonable value of the completed work.

7-34 (b) In this section, "owner" includes the owner's agent,
7-35 trustee, or receiver.

7-36 Sec. 53.102. PAYMENT SECURED BY RESERVED FUNDS [~~RETAINAGE~~].
7-37 The reserved [~~retained~~] funds secure the payment of artisans and
7-38 mechanics who perform labor or service and the payment of other
7-39 persons who furnish material, material and labor, or specially
7-40 fabricated material for any contractor, subcontractor, agent, or
7-41 receiver in the performance of the work.

7-42 Sec. 53.103. LIEN ON RESERVED [~~RETAINED~~] FUNDS. A claimant
7-43 has a lien on the reserved [~~retained~~] funds if the claimant:

7-44 (1) sends the notices required by this chapter in the
7-45 time and manner required; and

7-46 (2) except as allowed by Section 53.057(f), files an
7-47 affidavit claiming a lien not later than the 30th day after the
7-48 earliest of the date:

7-49 (A) the work is completed;

7-50 (B) the original contract is terminated; or

7-51 (C) the original contractor abandons performance
7-52 under the original contract.

7-53 Sec. 53.104. PREFERENCES. (a) Individual artisans and
7-54 mechanics are entitled to a preference to the reserved [~~retained~~]
7-55 funds and shall share proportionately to the extent of their claims
7-56 for wages and fringe benefits earned.

7-57 (b) After payment of artisans and mechanics who are entitled
7-58 to a preference under Subsection (a), other participating claimants
7-59 share proportionately in the balance of the reserved [~~retained~~]
7-60 funds.

7-61 Sec. 53.105. OWNER'S LIABILITY FOR FAILURE TO RESERVE FUNDS
7-62 [~~RETAIN~~]. (a) If the owner fails or refuses to comply with this
7-63 subchapter, the claimants complying with Subchapter C or this
7-64 subchapter have a lien, at least to the extent of the amount that
7-65 should have been reserved [~~retained~~] from the original contract
7-66 under which they are claiming, against the improvements [~~house-
7-67 building, structure, fixture, or improvement~~] and all of its
7-68 properties and against the lot or lots of land necessarily
7-69 connected.

8-1 (b) The claimants share the lien proportionately in
8-2 accordance with the preference provided by Section 53.104.

8-3 SECTION 19. Sections 53.106(a), (b), and (d), Property
8-4 Code, are amended to read as follows:

8-5 (a) An owner may file with the county clerk of the county in
8-6 which the property is located an affidavit of completion. The
8-7 affidavit must contain:

- 8-8 (1) the name and address of the owner;
- 8-9 (2) the name and address of the original contractor;
- 8-10 (3) a description, legally sufficient for
8-11 identification, of the real property on which the improvements are
8-12 located;

8-13 (4) a description of the improvements furnished under
8-14 the original contract;

8-15 (5) a statement that the improvements under the
8-16 original contract have been completed and the date of completion;
8-17 and

8-18 (6) a conspicuous statement that a claimant may not
8-19 have a lien on retained funds unless the claimant files an affidavit
8-20 claiming a lien in the time and manner required by this chapter [~~not~~
8-21 ~~later than the 40th day after the date the work under the original~~
8-22 ~~contract is completed~~].

8-23 (b) A copy of the affidavit must be sent [~~by certified or~~
8-24 ~~registered mail~~] to the original contractor [~~not later than the~~
8-25 ~~date the affidavit is filed~~] and to each claimant who sends a notice
8-26 [~~of lien liability~~] to the owner under Section 53.056 or [~~7~~] 53.057
8-27 [~~, 53.058, 53.252, or 53.253~~] not later than the third day after the
8-28 date the affidavit is filed or the 10th day after the date the owner
8-29 receives the notice of lien liability, whichever is later.

8-30 (d) An [~~Except as provided by this subsection, an~~] affidavit
8-31 filed under this section [~~on or before the 10th day after the date~~
8-32 ~~of completion of the improvements~~] is prima facie evidence of the
8-33 date the work under the original contract is completed for purposes
8-34 of this chapter [~~subchapter and Section 53.057~~]. If the affidavit
8-35 is filed after the 10th day after the date of completion, the date
8-36 of completion for purposes of this subchapter [~~and Section 53.057~~]
8-37 is the date the affidavit is filed. This subsection does not apply
8-38 to a person to whom the affidavit was not sent as required by this
8-39 section.

8-40 SECTION 20. Sections 53.107(a) and (b), Property Code, are
8-41 amended to read as follows:

8-42 (a) Not later than the 10th day after the date an original
8-43 contract is terminated or the original contractor abandons
8-44 performance under the original contract, the owner shall give
8-45 notice to each subcontractor who, before the date of termination or
8-46 abandonment, has:

- 8-47 (1) given notice to the owner as provided by Section
8-48 53.056 or [~~7~~] 53.057 [~~, or 53.058~~]; or

8-49 (2) sent to the owner [~~by certified or registered~~
8-50 ~~mail~~] a written request for notice of termination or abandonment.

8-51 (b) The notice must contain:

- 8-52 (1) the name and address of the owner;
- 8-53 (2) the name and address of the original contractor;
- 8-54 (3) a description, legally sufficient for
8-55 identification, of the real property on which the improvements are
8-56 located;

8-57 (4) a general description of the improvements agreed
8-58 to be furnished under the original contract;

8-59 (5) a statement that the original contract has been
8-60 terminated or that performance under the contract has been
8-61 abandoned;

8-62 (6) the date of the termination or abandonment; and

8-63 (7) a conspicuous statement that a claimant may not
8-64 have a lien on the retained funds unless the claimant files an
8-65 affidavit claiming a lien in the time and manner required by this
8-66 chapter [~~not later than the 40th day after the date of the~~
8-67 ~~termination or abandonment~~].

8-68 SECTION 21. Section 53.155, Property Code, is amended to
8-69 read as follows:

9-1 Sec. 53.155. TRANSFER OF PROPERTY SOLD. If the [~~house,~~
 9-2 ~~building,~~] improvement [~~, or any piece of railroad property~~] is
 9-3 sold separately from the land, the officer making the sale shall
 9-4 provide [place] the purchaser [in possession. The purchaser is
 9-5 ~~entitled to]~~ a reasonable time after the date of purchase within
 9-6 which to remove and take possession of the purchased improvement
 9-7 ~~[property]~~.

9-8 SECTION 22. Section 53.157, Property Code, is amended to
 9-9 read as follows:

9-10 Sec. 53.157. DISCHARGE OF LIEN. An [A mechanic's lien or]
 9-11 affidavit claiming a mechanic's lien filed under Section 53.052 may
 9-12 be discharged of record by:

9-13 (1) recording a lien release signed by the claimant
 9-14 under Section 53.152;

9-15 (2) failing to institute suit to foreclose the lien in
 9-16 the county in which the improvement [property] is located within
 9-17 the period prescribed by Section 53.158, 53.175, or 53.208;

9-18 (3) recording the original or certified copy of a
 9-19 final judgment or decree of a court of competent jurisdiction
 9-20 providing for the discharge;

9-21 (4) filing the bond and notice in compliance with
 9-22 Subchapter H;

9-23 (5) filing the bond in compliance with Subchapter I;
 9-24 or

9-25 (6) recording a certified copy of the order removing
 9-26 the lien under Section 53.160, provided [and a certificate from the
 9-27 ~~clerk of the court that states]~~ that no bond or deposit as described
 9-28 by Section 53.161 was filed by the claimant within 30 days after the
 9-29 date the order was entered.

9-30 SECTION 23. Section 53.158, Property Code, is amended by
 9-31 amending Subsection (a) and adding Subsections (a-1) and (a-2) to
 9-32 read as follows:

9-33 (a) Except as provided by Subsection (a-2) [~~(b)~~], suit must
 9-34 be brought to foreclose the lien not later than the first
 9-35 anniversary of [within two years after] the last day a claimant may
 9-36 file the lien affidavit under Section 53.052 [or within one year
 9-37 ~~after completion, termination, or abandonment of the work under the~~
 9-38 ~~original contract under which the lien is claimed, whichever is~~
 9-39 ~~later]~~.

9-40 (a-1) Notwithstanding Section 16.069, Civil Practice and
 9-41 Remedies Code, or any other law, if suit is pursued solely to
 9-42 discharge a lien because limitations have expired on bringing a
 9-43 lien foreclosure suit, the lien claimant's rights to pursue a suit
 9-44 to foreclose a lien are not revived.

9-45 (a-2) The limitations period established under Subsection
 9-46 (a) may be extended to not later than the second anniversary of the
 9-47 date the claimant filed the lien affidavit under Section 53.052 if,
 9-48 before the expiration of the limitations period established under
 9-49 Subsection (a), the claimant enters into a written agreement with
 9-50 the then-current record owner of the property to extend the
 9-51 limitations period. The agreement must be recorded with the clerk
 9-52 of the same county where the lien was recorded and is considered to
 9-53 be notice of the extension to any subsequent purchaser.

9-54 SECTION 24. Sections 53.160(b) and (c), Property Code, are
 9-55 amended to read as follows:

9-56 (b) The grounds for objecting to the validity or
 9-57 enforceability of the claim or lien for purposes of the motion are
 9-58 limited to the following:

9-59 (1) notice of claim was not timely furnished to the
 9-60 owner or original contractor as required by Section 53.056 or [7]
 9-61 53.057 [~~, 53.058, 53.252, or 53.253]~~];

9-62 (2) an affidavit claiming a lien failed to comply with
 9-63 Section 53.054 or was not filed as required by Section 53.052;

9-64 (3) notice of the filed affidavit was not furnished to
 9-65 the owner or original contractor as required by Section 53.055;

9-66 (4) the deadlines for perfecting a lien claim for
 9-67 retainage under this chapter have expired and the owner complied
 9-68 with the requirements of Section 53.101 and paid the retainage and
 9-69 all other funds owed to the original contractor before:

10-1 (A) the claimant perfected the lien claim; and
 10-2 (B) the owner received a notice of the claim as
 10-3 required by this chapter;
 10-4 (5) all funds subject to the notice of a claim to the
 10-5 owner and a notice regarding the retainage have been deposited in
 10-6 the registry of the court and the owner has no additional liability
 10-7 to the claimant;
 10-8 (6) when the lien affidavit was filed on homestead
 10-9 property:
 10-10 (A) no contract was executed or filed as required
 10-11 by Section 53.254;
 10-12 (B) the affidavit claiming a lien failed to
 10-13 contain the notice as required by Section 53.254; or
 10-14 (C) the notice of the claim failed to include the
 10-15 statement required by Section 53.254; and
 10-16 (7) the claimant executed a valid and enforceable
 10-17 waiver or release of the claim or lien claimed in the affidavit.
 10-18 (c) The claimant is not required to file a response. The
 10-19 claimant and any other party that has appeared in the proceeding
 10-20 must be notified by at least 30 [~~21~~] days before the date of the
 10-21 hearing on the motion. A motion may not be heard before the 30th
 10-22 [~~21st~~] day after the date the claimant answers or appears in the
 10-23 proceeding. The claimant must be allowed expedited discovery
 10-24 regarding information relevant to the issues listed under
 10-25 Subsection (b).
 10-26 SECTION 25. Section 53.173(c), Property Code, is amended to
 10-27 read as follows:
 10-28 (c) The notice must be served on each obligee by mailing a
 10-29 copy of the notice and the bond to the obligee by certified [~~United~~
 10-30 ~~States~~] mail[, ~~return receipt requested,~~] addressed to the claimant
 10-31 at the address stated in the lien affidavit for the obligee.
 10-32 SECTION 26. Section 53.205(a), Property Code, is amended to
 10-33 read as follows:
 10-34 (a) The bond protects all persons with a claim that is:
 10-35 (1) perfected in the manner prescribed for fixing a
 10-36 lien under Subchapter C [~~or, if the claim relates to a residential~~
 10-37 ~~construction project, under Subchapter K~~]; or
 10-38 (2) perfected in the manner prescribed by Section
 10-39 53.206.
 10-40 SECTION 27. Section 53.206, Property Code, is amended to
 10-41 read as follows:
 10-42 Sec. 53.206. PERFECTION OF CLAIM. (a) Except as provided
 10-43 by Subsection (b), to [~~to~~] perfect a claim against a bond in a
 10-44 manner other than that prescribed by Subchapter C [~~or K~~] for fixing
 10-45 a lien, a person must [~~+~~
 10-46 [~~(1)~~] give notice under Sections 53.056 and 53.057, as
 10-47 applicable, to the original contractor and surety on the bond [~~all~~
 10-48 ~~applicable notices under the appropriate subchapter, and~~
 10-49 [~~(2)~~ give to the surety on the bond, instead of the
 10-50 owner, all notices under the appropriate subchapter required to be
 10-51 given to the owner].
 10-52 (b) To perfect a claim for retainage under this section, a
 10-53 claimant [~~person~~] is not required to [~~+~~
 10-54 [~~(1)~~] give notice to the surety under Section 53.057
 10-55 if [~~, unless~~] the claimant has a direct contractual relationship
 10-56 with the original contractor [~~and the agreed retainage is in excess~~
 10-57 ~~of 10 percent of the contract,~~
 10-58 [~~(2)~~ give notice to the surety under Section 53.058(b)
 10-59 ~~or, if the claim relates to a residential construction project,~~
 10-60 ~~under Section 53.253(c), or~~
 10-61 [~~(3)~~ file any affidavit with the county clerk].
 10-62 (c) A claimant that provides the notices described by this
 10-63 section is not required to file an affidavit claiming a mechanic's
 10-64 lien to perfect a claim under the bond [~~For the claim to be valid, a~~
 10-65 ~~person must give notice in the time and manner required by this~~
 10-66 ~~section, but the content of the notices need only provide fair~~
 10-67 ~~notice of the amount and the nature of the claim asserted].
 10-68 (d) A person satisfies the requirements of this section
 10-69 relating to providing notice to the surety if the person mails the~~

11-1 notice by certified [~~or registered~~] mail to the surety:

11-2 (1) at the address stated on the bond or on an
11-3 attachment to the bond;

11-4 (2) at the address on file with the Texas Department of
11-5 Insurance; or

11-6 (3) at any other address allowed by law.

11-7 SECTION 28. Section 53.207(a), Property Code, is amended to
11-8 read as follows:

11-9 (a) If the owner receives any of the notices or a lien is
11-10 fixed under this chapter [~~Subchapter C or K~~], the owner shall mail
11-11 to the surety on the bond a copy of all notices received.

11-12 SECTION 29. Section 53.208(a), Property Code, is amended to
11-13 read as follows:

11-14 (a) A claimant may sue the principal and surety on the bond
11-15 either jointly or severally, if the [~~his~~] claim remains unpaid for
11-16 60 days after the claimant perfects the claim.

11-17 SECTION 30. Section 53.232, Property Code, is amended to
11-18 read as follows:

11-19 Sec. 53.232. TO WHOM NOTICE GIVEN; MANNER. The lien
11-20 claimant must send written notice of his claim by [~~registered or~~]
11-21 certified mail to:

11-22 (1) the officials of the state, county, town, or
11-23 municipality whose duty it is to pay the contractor; and

11-24 (2) the contractor at the contractor's last known
11-25 business or residence address.

11-26 SECTION 31. Section 53.238, Property Code, is amended to
11-27 read as follows:

11-28 Sec. 53.238. NOTICE OF BOND. The official with whom the
11-29 bond is filed shall send an exact copy of the bond by [~~registered~~
11-30 ~~mail or~~] certified mail, return receipt requested, to all
11-31 claimants.

11-32 SECTION 32. The heading to Section 53.254, Property Code,
11-33 is amended to read as follows:

11-34 Sec. 53.254. CONTRACTUAL REQUIREMENTS FOR LIEN ON
11-35 HOMESTEAD.

11-36 SECTION 33. Section 53.254(g), Property Code, is amended to
11-37 read as follows:

11-38 (g) For the lien on a homestead to be valid, the notice
11-39 required to be given to the owner under Subchapter C [~~Section~~
11-40 ~~53.252~~] must include or have attached the following statement:

11-41 "If a subcontractor or supplier who furnishes materials or
11-42 performs labor for construction of improvements on your property is
11-43 not paid, your property may be subject to a lien for the unpaid
11-44 amount if:

11-45 (1) after receiving notice of the unpaid claim from
11-46 the claimant, you fail to withhold payment to your contractor that
11-47 is sufficient to cover the unpaid claim until the dispute is
11-48 resolved; or

11-49 (2) during construction and for 30 days after
11-50 completion of your contractor's work [~~construction~~], you fail to
11-51 reserve [~~retain~~] 10 percent of the contract price or 10 percent of
11-52 the value of the work performed by your contractor.

11-53 "If you have complied with the law regarding the reservation
11-54 of 10 percent of the contract price or value of work [~~retainage~~] and
11-55 you have withheld payment to the contractor sufficient to cover any
11-56 written notice of claim and have paid that amount, if any, to the
11-57 claimant, any lien claim filed on your property by a subcontractor
11-58 or supplier, other than a person who contracted directly with you,
11-59 will not be a valid lien on your property. In addition, except for
11-60 the required 10 percent reservation [~~retainage~~], you are not liable
11-61 to a subcontractor or supplier for any amount paid to your
11-62 contractor before you received written notice of the claim."

11-63 SECTION 34. Section 53.255(b), Property Code, is amended to
11-64 read as follows:

11-65 (b) The disclosure statement must read substantially
11-66 similar to the following:

11-67 "KNOW YOUR RIGHTS AND RESPONSIBILITIES UNDER THE LAW. You
11-68 are about to enter into a transaction to build a new home or remodel
11-69 existing residential property. Texas law requires your contractor

12-1 to provide you with this brief overview of some of your rights,
12-2 responsibilities, and risks in this transaction.

12-3 "CONVEYANCE TO CONTRACTOR NOT REQUIRED. Your contractor may
12-4 not require you to convey your real property to your contractor as a
12-5 condition to the agreement for the construction of improvements on
12-6 your property.

12-7 "KNOW YOUR CONTRACTOR. Before you enter into your agreement
12-8 for the construction of improvements to your real property, make
12-9 sure that you have investigated your contractor. Obtain and verify
12-10 references from other people who have used the contractor for the
12-11 type and size of construction project on your property.

12-12 "GET IT IN WRITING. Make sure that you have a written
12-13 agreement with your contractor that includes: (1) a description of
12-14 the work the contractor is to perform; (2) the required or
12-15 estimated time for completion of the work; (3) the cost of the work
12-16 or how the cost will be determined; and (4) the procedure and
12-17 method of payment, including provisions for statutory reservation
12-18 of funds [~~retainage~~] and conditions for final payment. If your
12-19 contractor made a promise, warranty, or representation to you
12-20 concerning the work the contractor is to perform, make sure that
12-21 promise, warranty, or representation is specified in the written
12-22 agreement. An oral promise that is not included in the written
12-23 agreement may not be enforceable under Texas law.

12-24 "READ BEFORE YOU SIGN. Do not sign any document before you
12-25 have read and understood it. NEVER SIGN A DOCUMENT THAT INCLUDES AN
12-26 UNTRUE STATEMENT. Take your time in reviewing documents. If you
12-27 borrow money from a lender to pay for the improvements, you are
12-28 entitled to have the loan closing documents furnished to you for
12-29 review at least one business day before the closing. Do not waive
12-30 this requirement unless a bona fide emergency or another good cause
12-31 exists, and make sure you understand the documents before you sign
12-32 them. If you fail to comply with the terms of the documents, you
12-33 could lose your property. You are entitled to have your own
12-34 attorney review any documents. If you have any question about the
12-35 meaning of a document, consult an attorney.

12-36 "GET A LIST OF SUBCONTRACTORS AND SUPPLIERS. Before
12-37 construction commences, your contractor is required to provide you
12-38 with a list of the subcontractors and suppliers the contractor
12-39 intends to use on your project. Your contractor is required to
12-40 supply updated information on any subcontractors and suppliers
12-41 added after the list is provided. Your contractor is not required
12-42 to supply this information if you sign a written waiver of your
12-43 rights to receive this information.

12-44 "MONITOR THE WORK. Lenders and governmental authorities may
12-45 inspect the work in progress from time to time for their own
12-46 purposes. These inspections are not intended as quality control
12-47 inspections. Quality control is a matter for you and your
12-48 contractor. To ensure that your home is being constructed in
12-49 accordance with your wishes and specifications, you should inspect
12-50 the work yourself or have your own independent inspector review the
12-51 work in progress.

12-52 "MONITOR PAYMENTS. If you use a lender, your lender is
12-53 required to provide you with a periodic statement showing the money
12-54 disbursed by the lender from the proceeds of your loan. Each time
12-55 your contractor requests payment from you or your lender for work
12-56 performed, your contractor is also required to furnish you with a
12-57 disbursement statement that lists the name and address of each
12-58 subcontractor or supplier that the contractor intends to pay from
12-59 the requested funds. Review these statements and make sure that the
12-60 money is being properly disbursed.

12-61 "CLAIMS BY SUBCONTRACTORS AND SUPPLIERS. Under Texas law, if
12-62 a subcontractor or supplier who furnishes labor or materials for
12-63 the construction of improvements on your property is not paid, you
12-64 may become liable and your property may be subject to a lien for the
12-65 unpaid amount, even if you have not contracted directly with the
12-66 subcontractor or supplier. To avoid liability, you should take the
12-67 following actions:

12-68 (1) If you receive a written notice from a
12-69 subcontractor or supplier, you should withhold payment from your

13-1 contractor for the amount of the claim stated in the notice until
 13-2 the dispute between your contractor and the subcontractor or
 13-3 supplier is resolved. If your lender is disbursing money directly
 13-4 to your contractor, you should immediately provide a copy of the
 13-5 notice to your lender and instruct the lender to withhold payment in
 13-6 the amount of the claim stated in the notice. If you continue to pay
 13-7 the contractor after receiving the written notice without
 13-8 withholding the amount of the claim, you may be liable and your
 13-9 property may be subject to a lien for the amount you failed to
 13-10 withhold.

13-11 (2) During construction and for 30 days after final
 13-12 completion, termination, or abandonment of the contract by the
 13-13 contractor, you should reserve ~~[withhold]~~ or cause your lender to
 13-14 reserve ~~[withhold]~~ 10 percent of the amount of payments made for the
 13-15 work performed by your contractor. ~~[This is sometimes referred to~~
 13-16 ~~as 'statutory retainage.']~~ If you choose not to reserve ~~[withhold]~~
 13-17 the 10 percent for at least 30 days after final completion,
 13-18 termination, or abandonment of the contract by the contractor and
 13-19 if a valid claim is timely made by a claimant and your contractor
 13-20 fails to pay the claim, you may be personally liable and your
 13-21 property may be subject to a lien up to the amount that you failed to
 13-22 reserve ~~[withhold]~~.

13-23 "If a claim is not paid within a certain time period, the
 13-24 claimant is required to file a mechanic's lien affidavit in the real
 13-25 property records in the county where the property is located. A
 13-26 mechanic's lien affidavit is not a lien on your property, but the
 13-27 filing of the affidavit could result in a court imposing a lien on
 13-28 your property if the claimant is successful in litigation to
 13-29 enforce the lien claim.

13-30 "SOME CLAIMS MAY NOT BE VALID. When you receive a written
 13-31 notice of a claim or when a mechanic's lien affidavit is filed on
 13-32 your property, you should know your legal rights and
 13-33 responsibilities regarding the claim. Not all claims are valid. A
 13-34 notice of a claim by a subcontractor or supplier is required to be
 13-35 sent, and the mechanic's lien affidavit is required to be filed,
 13-36 within strict time periods. The notice and the affidavit must
 13-37 contain certain information. All claimants may not fully comply
 13-38 with the legal requirements to collect on a claim. If you have paid
 13-39 the contractor in full before receiving a notice of a claim and have
 13-40 withheld the 10 percent of the contract price or value of work
 13-41 ~~[fully complied with the law regarding statutory retainage]~~, you
 13-42 may not be liable for that claim. Accordingly, you should consult
 13-43 your attorney when you receive a written notice of a claim to
 13-44 determine the true extent of your liability or potential liability
 13-45 for that claim.

13-46 "OBTAIN A LIEN RELEASE AND A BILLS-PAID AFFIDAVIT. When you
 13-47 receive a notice of claim, do not release withheld funds without
 13-48 obtaining a signed and notarized release of lien and claim from the
 13-49 claimant. You can also reduce the risk of having a claim filed by a
 13-50 subcontractor or supplier by requiring as a condition of each
 13-51 payment made by you or your lender that your contractor furnish you
 13-52 with an affidavit stating that all bills have been paid. Under
 13-53 Texas law, on final completion of the work and before final payment,
 13-54 the contractor is required to furnish you with an affidavit stating
 13-55 that all bills have been paid. If the contractor discloses any
 13-56 unpaid bill in the affidavit, you should withhold payment in the
 13-57 amount of the unpaid bill until you receive a waiver of lien or
 13-58 release from that subcontractor or supplier.

13-59 "OBTAIN TITLE INSURANCE PROTECTION. You may be able to obtain
 13-60 a title insurance policy to insure that the title to your property
 13-61 and the existing improvements on your property are free from liens
 13-62 claimed by subcontractors and suppliers. If your policy is issued
 13-63 before the improvements are completed and covers the value of the
 13-64 improvements to be completed, you should obtain, on the completion
 13-65 of the improvements and as a condition of your final payment,
 13-66 a 'completion of improvements' policy endorsement. This
 13-67 endorsement will protect your property from liens claimed by
 13-68 subcontractors and suppliers that may arise from the date the
 13-69 original title policy is issued to the date of the endorsement."

14-1 SECTION 35. Section 53.281(b), Property Code, is amended to
14-2 read as follows:

14-3 (b) A waiver and release is effective to release the owner,
14-4 the owner's property, the contractor, and the surety on a payment
14-5 bond from claims and liens only if:

14-6 (1) the waiver and release substantially complies with
14-7 one of the forms prescribed by Section 53.284;

14-8 (2) the waiver and release is signed by the claimant or
14-9 the claimant's authorized agent [~~and notarized~~]; and

14-10 (3) in the case of a conditional release, evidence of
14-11 payment to the claimant exists.

14-12 SECTION 36. The following provisions of the Property Code
14-13 are repealed:

14-14 (1) Section 53.003(a);

14-15 (2) Section 53.026(b);

14-16 (3) Section 53.053;

14-17 (4) Sections 53.056(b), (c), (d), (e), and (f);

14-18 (5) Sections 53.057(b), (b-1), (c), (d), (e), and (g);

14-19 (6) Section 53.058;

14-20 (7) Section 53.081(d);

14-21 (8) Section 53.083;

14-22 (9) Section 53.158(b); and

14-23 (10) Sections 53.252 and 53.253.

14-24 SECTION 37. The changes in law made by this Act apply only
14-25 to an original contract entered into on or after the effective date
14-26 of this Act. An original contract entered into before the effective
14-27 date of this Act is governed by the law as it existed immediately
14-28 before the effective date of this Act, and that law is continued in
14-29 effect for that purpose.

14-30 SECTION 38. This Act takes effect January 1, 2022.

14-31 * * * * *