

1-1 By: Hughes S.B. No. 841
1-2 (In the Senate - Filed January 17, 2025; February 13, 2025,
1-3 read first time and referred to Committee on Business & Commerce;
1-4 April 9, 2025, reported favorably by the following vote: Yeas 10,
1-5 Nays 0; April 9, 2025, sent to printer.)

1-6 COMMITTEE VOTE

1-7	Yea	Nay	Absent	PNV
1-8	X			
1-9			X	
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 A BILL TO BE ENTITLED
1-20 AN ACT

1-21 relating to the beneficiaries of trust funds paid or received in
1-22 connection with an improvement on specific real property.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 162.003(a), Property Code, is amended to
1-25 read as follows:

1-26 (a) A person who is an [An] artisan, laborer, mechanic,
1-27 contractor, subcontractor, or materialman who labors or who
1-28 furnishes labor or material for the construction or repair of an
1-29 improvement on specific real property in this state, or the
1-30 assignee of that person, is a beneficiary of any trust funds paid or
1-31 received in connection with the improvement.

1-32 SECTION 2. Subchapter A, Chapter 162, Property Code, is
1-33 amended by adding Section 162.0031 to read as follows:

1-34 Sec. 162.0031. BENEFICIARY'S ASSIGNMENT OF INTEREST IN
1-35 UNPAID TRUST FUNDS. An assignment by a beneficiary of the
1-36 beneficiary's interest in unpaid trust funds under this chapter may
1-37 not be enforced unless:

1-38 (1) the assignment is:

1-39 (A) made in writing not earlier than the date the
1-40 assignee has paid the beneficiary in good and sufficient funds for
1-41 the assignment; and

1-42 (B) not made as part of the beneficiary's
1-43 construction contract; and

1-44 (2) the assignee is a beneficiary, trustee, or
1-45 property owner under the contract for the construction or repair of
1-46 an improvement on real property in connection with which the
1-47 payment of trust funds is made.

1-48 SECTION 3. This Act takes effect September 1, 2025.

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