

1-1 By: Johnson S.B. No. 1612
1-2 (In the Senate - Filed February 25, 2025; March 10, 2025,
1-3 read first time and referred to Committee on Business & Commerce;
1-4 April 14, 2025, reported favorably by the following vote: Yeas 10,
1-5 Nays 0; April 14, 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 construction contract trust funds.

1-22 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-23 SECTION 1. Section 162.001, Property Code, is amended by
1-24 adding Subsection (a-1) to read as follows:

1-25 (a-1) Except as provided by this subsection, funds reserved
1-26 or required to be reserved under Section 53.101 are trust funds
1-27 under this chapter. Funds reserved or required to be reserved under
1-28 Section 53.101 for the construction or repair of a new or existing
1-29 single-family house, duplex, triplex, or quadruplex, to be used for
1-30 residential purposes, including improvements appurtenant to the
1-31 residence, are not trust funds under this chapter.

1-32 SECTION 2. Section 162.003(a), Property Code, is amended to
1-33 read as follows:

1-34 (a) An artisan, laborer, mechanic, contractor,
1-35 subcontractor, or materialman who labors or who furnishes labor or
1-36 material for the construction or repair of an improvement on
1-37 specific real property in this state is a beneficiary of any trust
1-38 funds:

1-39 (1) paid or received in connection with the
1-40 improvement; or

1-41 (2) reserved or required to be reserved under Section
1-42 53.101 in connection with the improvement.

1-43 SECTION 3. Subchapter B, Chapter 162, Property Code, is
1-44 amended by adding Section 162.034 to read as follows:

1-45 Sec. 162.034. ATTORNEY'S FEES AND COSTS. The court shall
1-46 award costs and reasonable attorney's fees to a beneficiary who
1-47 prevails in an action brought against a trustee under this chapter.

1-48 SECTION 4. (a) Except as provided by Subsection (b) of this
1-49 section, the changes in law made by this Act apply only to a
1-50 construction contract that is entered into on or after the
1-51 effective date of this Act.

1-52 (b) Section 162.034, Property Code, as added by this Act,
1-53 applies only to an action commenced on or after the effective date
1-54 of this Act.

1-55 SECTION 5. This Act takes effect September 1, 2025.

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