

## **BILL ANALYSIS**

Senate Research Center  
2001S0439/1

S.B. 623  
By: Duncan  
Business & Commerce  
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As Filed

### **DIGEST AND PURPOSE**

In 1989, the Residential Construction Liability Act (RCLA) became effective and, along with its subsequent amendments, provides remedies applicable to residential construction defect lawsuits. Recently, the courts have begun construing RCLA in ways that run contrary to the original intent of the legislation. As proposed, S.B. 623 clarifies RCLA on these certain issues so that the courts will apply the law consistently with the legislature's original intent.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 27.002(a), Property Code, to provide that this chapter applies to any action, rather than any action to recover damages, resulting from a construction defect, with exceptions.

SECTION 2. Amends Section 27.004(g), Property Code, to delete wording relating to the defenses to liability provided for in this section. Provides that the limitations on damages provided for in Subsection (f), rather than this section, shall not apply and Subsection (h) shall control under certain circumstances.

SECTION 3. Effective date: September 1, 2001.