



## AGC-Texas Building Branch

### Legislative Position Paper

## Creating a Right to Repair/Cure Alleged Construction Defects

HB 1999 by Chairman Leach

### AGC Supports

#### Background

A handful of contingency fee trial lawyer firms in Texas have developed a cottage industry of getting local governmental entities (mostly school districts) to sue architects, engineers, and contractors for alleged construction defects in buildings—before notifying the architects, engineers, and contractors of the alleged defects or offering a chance to inspect or fix them. These lawsuits try to quickly round up several insurance policies to effect a quick, nuisance settlement. In many cases the settlement funds obtained are not actually used to make repairs to the alleged defects.

#### Proposed legislation

This bill would allow those involved in designing or constructing a public, commercial building a chance to inspect and repair alleged defects before being sued.

Importantly, HB 1999 does not take away the right of anyone to sue. Under this bill, building owners may still sue for a construction defect if unhappy with the repairs.

HB 1999 is based on 2017's HB 2343, which passed committee on a 7-0 vote and died on the House General State calendar due to deadlines. The Legislature previously passed into law the right to repair ADA defects (2017) and condo defects (2015).

#### Supported by:

Texas Society of Architects • AGC-Texas Building Branch • American Council of Engineering Companies of Texas • ABC of Texas • Texas Construction Association • AGC of Texas • Texans for Lawsuit Reform • Texas Water Infrastructure Network • American Insurance Association

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