

GOVERNOR SIGNS RETAINAGE LIEN, LIEN WAIVER, CIP, AND INDEMNIFICATION BILLS INTO LAW!

On Friday, June 17, among the bills Governor Perry signed into law were HB 1390, the retainage lien bill, HB 1456, the mechanic's lien waiver bill and HB 2093, the consolidated insurance program and indemnification bill. The governor vetoed 24 bills that day, bringing his veto total to 25 for this session.

HB 1390 by Representative Joe Deshotel and Representative Dwayne Bohac corrects problems with retainage notice and retainage lien affidavits in the Texas lien laws, specifically establishing more reasonable time periods in which those lien affidavits must be filed and an overall improvement to the process for establishing a retainage lien. The Senate author of this legislation was Senator Craig Estes. This law will become effective on September 1, 2011.

HB 1456 by Representative Rob Orr creates one set of statutory lien waiver forms, both conditional and unconditional, to be used during the payment process on construction projects in Texas. The Senate author of this legislation was Senator Bob Deuell. This law becomes effective on January 1, 2012.

HB 2093 by Representative Sen Fronia Thompson will now require a consolidated insurance program to meet certain minimum coverage requirements and will also ban broad form indemnification clauses and certain types of additional insured endorsements in construction contracts. The Senate author of this legislation was Senator Leticia Van de Putte. Other legislators who played a significant role in its passage were Senator Robert Duncan, Representative John Smithee, and Representative Craig Eiland. This law takes effect on January 1, 2012.

Other Construction-Related Legislation Signed Into Law

SB 628 by Representative Bill Callegari will consolidate project delivery processes for most governmental entities into a single chapter of the Government Code and will ban reverse auction procurement on public work projects. This law takes effect on September 1, 2011.

SB 1048 by Senator Mike Jackson will facilitate the creation of public private partnerships for facilities and infrastructure construction. Included in the bill is an amendment drafted by TCA that will require performance and payment bonds on these public private partnership projects. This law becomes effective on September 1, 2011.

If you want to read the text of any of the bills listed above you can find them by going to the TCA website at www.texcon.org/. Click the Legislation tab at the top of the home page to take you to the links for the bills.