

BUSINESS AND COMMERCE CODE

TITLE 9. APPLICABILITY OF LAW TO COMMERCIAL TRANSACTIONS

CHAPTER 272. LAW APPLICABLE TO CERTAIN CONSTRUCTION CONTRACTS

Sec. 272.0001. DEFINITION. In this chapter, "construction contract" means a contract, subcontract, or agreement entered into or made by an owner, architect, engineer, contractor, construction manager, subcontractor, supplier, or material or equipment lessor for the design, construction, alteration, renovation, remodeling, or repair of, or for the furnishing of material or equipment for, a building, structure, appurtenance, or other improvement to or on public or private real property, including moving, demolition, and excavation connected with the real property. The term includes an agreement to which an architect, engineer, or contractor and an owner's lender are parties regarding an assignment of the construction contract or other modifications thereto.

Added by Acts 2017, 85th Leg., R.S., Ch. 580 (S.B. 807), Sec. 2, eff. September 1, 2017.

Sec. 272.001. VOIDABLE CONTRACT PROVISION. (a) This section applies only to a construction contract concerning real property located in this state.

(b) If a construction contract or an agreement collateral to or affecting the construction contract contains a provision making the contract or agreement or any conflict arising under the contract or agreement subject to another state's law, litigation in the courts of another state, or arbitration in another state, that provision is voidable by a party obligated by the contract or agreement to perform the work that is the subject of the construction contract.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. 2278), Sec. 2.01, eff. April 1, 2009.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 580 (S.B. 807), Sec. 2, eff. September 1, 2017.

Sec. 272.002. INAPPLICABILITY OF CHAPTER. This chapter

does not apply to a construction contract that:

(1) is a partnership agreement or other agreement governing an entity or trust;

(2) provides for a loan or other extension of credit and the party promising to perform the work that is the subject of the construction contract is doing so as part of the party's agreements with the lender or other person who extends credit; or

(3) is for the management of real property or improvements and the obligation to perform the work that is the subject of the construction contract is part of that management.

Added by Acts 2007, 80th Leg., R.S., Ch. 885 (H.B. [2278](#)), Sec. 2.01, eff. April 1, 2009.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 580 (S.B. [807](#)), Sec. 2, eff. September 1, 2017.