

BILL ANALYSIS

C.S.H.B. 1939
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Judiciary & Civil Jurisprudence
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The limit on filing a suit alleging defects in real estate appraisals currently does not commence until the claimant discovers or should have discovered the alleged defect. This results in an almost infinite statute of limitations for claims against appraisers. C.S.H.B. 1939 seeks to give certainty to appraisers regarding the time and manner in which they may be sued for alleged defects.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 1939 amends the Civil Practice and Remedies Code to set the limitations period for a suit seeking damages or other relief arising from an appraisal or appraisal review conducted by a real estate appraiser or appraisal firm, except an action based on fraud or breach of contract, at not later than the earlier of:

- two years after the day the person knew or should have known the facts on which the action is based; or
- five years after the day the appraisal or appraisal review was completed.

The bill defines "real estate appraisal firm" and defines "appraisal," "appraisal review," and "real estate appraiser" by reference to other law.

EFFECTIVE DATE

September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 1939 differs from the original in minor or nonsubstantive ways to make technical corrections.