

SENATE BILL 1734

By Kelsey

AN ACT to amend Tennessee Code Annotated, Title 39, Chapter 14, relative to actions of new home contractors or home improvement services providers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 39-14-154, is amended by deleting subdivision (a)(6) and substituting the following:

(6) "New home construction" means the erection, installation, design work, engineering work, permitting through a governmental entity, architectural design, obtaining construction financing, or construction of a dwelling on a fixed foundation on land which is owned or purchased by a home buyer;

SECTION 2. Tennessee Code Annotated, Section 39-14-154, is further amended by deleting subdivision (b)(1)(B)(i) and substituting the following:

(i) No substantial portion of the new home construction or home improvement services work has been performed at the time of the request;

SECTION 3. Tennessee Code Annotated, Section 39-14-154, is further amended by deleting subdivision (b)(2) and substituting the following:

(2) Deviate from or disregard plans or specifications in any material respect that are contained in a new home construction contract or contract for home improvement services; provided, that the home buyer or residential owner did not provide written consent for the new home contractor or home improvement services provider to deviate from or disregard plans or specifications in the contract and such deviation or disregard caused substantial damage to the home buyer or residential owner's property in that the

value of the new construction was less than the value had it been built in accordance with the plan and contract. Such deviation includes, but is not limited to:

(A) The amount billed for the new home construction contract or contract for home improvement services is substantially greater than the amount quoted in the contract; or

(B) The materials used in the project are of a substandard quality but the home buyer or residential owner was charged for higher quality materials.

SECTION 4. This act shall take effect July 1, 2018, the public welfare requiring it.