

REBUILDING RESOURCES

Rebuilding after a Natural Disaster

Information for Homeowners

Rebuild With Confidence. Hire a Professional.

On behalf of the building and remodeling industry in Texas, the members of the Texas Association of Builders, want to express their heartfelt sympathies to anyone who has suffered a loss as the result of a natural disaster. The professional building and remodeling community stands ready to assist our neighbors as we work to rebuild the homes and communities that have been destroyed or damaged.

As you begin to assess the damage to your home and property, we would like to help you make an informed decision regarding your contractor choice. Before you hire a contractor, we strongly encourage you to do your homework to ensure that you are hiring a reputable, qualified individual or company to help you rebuild your home or business. Here are a few important guidelines to help you select a competent builder or remodeler:

- ◆ Make sure the contractor has a permanent business location and a good reputation with a local bank and suppliers.
- ◆ Find out how long they have been in the building business. You want to know that your contractor will be around after construction is complete to fulfill any warranty obligations.
- ◆ Check with your local [Better Business Bureau](#) to learn if any complaints have been filed against your contractor.
- ◆ Some Texas cities require that builders register and are bonded. Check with your city's building permits department in this regard.
- ◆ Ask for and verify references.
- ◆ Enter into a complete and clearly written contract with your builder or remodeler.
- ◆ Do not pay for the entire job up front or pay in cash. In fact, state law prohibits contractors in disaster areas from taking up front money unless they have held a physical business address in the county or adjacent county for at least one year.
- ◆ Be cautious of unusually low-priced bids or a hard-sell to "sign today" for a low price.
- ◆ Visit the online resources available to you on the Texas Association of Builders website: [Consumer Information](#), [Local Home Builders Associations](#), [TAB Builder Member Directory](#), [TAB Resources](#).

We also want to remind you that [some fire recovery-related expenses are exempt from state and local taxes](#). Please keep these in mind as you review any bills or invoices that you receive from your contractor:

- ◆ Texas never imposes sales tax on labor for residential repairs.
- ◆ In a declared disaster area, purchasers may claim an exemption from sales tax on separately stated charges for labor to repair or restore nonresidential real property damaged by the disaster. The materials that are used to perform the repairs are taxable.
- ◆ Taxpayers [may claim an exemption from sales tax](#) on charges for labor to repair or restore items damaged by a disaster. The exemption may be claimed on labor to repair furniture, appliances, or other items of tangible personal property. The exemption includes labor costs to launder or dry clean damaged clothes or other property.

- ◆ Arborists' services, such as cutting down or cutting up a damaged or dead tree in a declared disaster area, are not taxable.
- ◆ Hauling away branches, limbs, or trees are waste removal services and are taxable.
- ◆ Goods and taxable services may be purchased tax free with FEMA, Salvation Army or Red Cross debit cards or vouchers.

As you begin to repair your home after a natural disaster, make sure your contractor is an experienced professional.

Resources for disaster recovery:

- ◆ www.TexasBuilders.org
- ◆ www.RedCross.org
- ◆ www.SalvationArmyUSA.org
- ◆ [Better Business Bureau](#)
- ◆ [Texas Division of Emergency Management](#) (512) 424-2138
- ◆ [Federal Emergency Management Agency](#) (800) 621-FEMA
- ◆ If your insurance policy information has been lost, the [Texas Department of Insurance \(TDI\)](#) can help you locate your agent or insurance company. Call TDI's Consumer Help Line at (800) 252-3439 for assistance or link to their [Wildfire Resources](#) page.

Information for Builders and Contractors

Disaster Remediation - Important Statutory Requirements

It is important that builders and remodelers be aware of [HB 1711](#), which became effective September 1, 2011. The bill applies to contractors who remove, clean, sanitize, demolish, **reconstruct**, or otherwise treat improvements to real property as a result of damage or destruction to that property caused by a natural disaster.

In addition to mandating certain notice, it requires certain contracts to be in writing and prohibits those contracts from requiring payment prior to beginning work or charging a partial payment in any amount disproportionate to the work that has been performed. **However, the statute exempts contractors that have held a business address for at least one year in the county or adjacent county where the work occurs.**

This is one of the major updates of the [TAB Contracts Package](#). Members must be aware of the new statutory contract limits on those who have not had a business address for at least one year in the county or adjoining county of the disaster. Ignoring these requirements could result in a deceptive trade practices violation. Please see [HB 1711](#) for details. To purchase the TAB Contracts Package, please link to [this page](#).

Additional Helpful Links of Interest

- Texas Extension Disaster Education Network: <http://texashelp.tamu.edu/004-natural/fires.php>
- Texas tree planting guide: <http://texastreeplanting.tamu.edu/>
- Texas Forest Service: Mitigation: <http://txforestservice.tamu.edu/main/article.aspx?id=8508>