jaspector

INSTRUCTIONS — NOT PART OF THE AGREEMENT

## How to Use This Template

This template was built by **jaspector.com** to help Texas homeowners protect themselves when hiring a contractor. It covers the key provisions of Texas residential construction law, including mechanics' lien disclosures, the Residential Construction Liability Act (RCLA), and cancellation rights.

### Before You Start

1. **Verify the contractor's credentials.** Texas does not require a statewide general contractor license, but certain trades (electrical, plumbing, HVAC) require state licenses through TDLR. Many cities also require local registration. Use tdlr.texas.gov for state trade licenses and contact your local permitting office. See our Texas contractor verification guide for step-by-step help.
2. **Download and print this document.** Fill in all blank fields — do not leave any section empty.
3. **Ensure required disclosures are included.** Texas law requires the RCLA notice (Section 12.1) in 10-point boldface type and the residential construction disclosure statement (Section 12.2) before signing.
4. **Both parties sign.** You and the contractor each get a signed copy before any work starts.
5. **Consult an attorney.** This template is a starting point. For large projects or complex scopes, have a Texas-licensed attorney review the agreement.

### Field-by-Field Guide

- **Section 1 (Parties):** Fill in legal names exactly as they appear on official documents. Record the contractor's state trade license numbers (if applicable) and any local registration or license number.
- **Section 2 (Scope):** Be as specific as possible. "Kitchen remodel" is not enough — list materials, dimensions, finishes, and what is excluded.
- **Section 3 (Payment):** Texas has no statutory deposit cap, but best practice is to limit down payments to no more than 10% of the contract price or the cost of special-order materials. Tie every payment to a completed milestone, not a calendar date.
- **Section 4 (Timeline):** Get start and completion dates in writing. Fill in the delay penalties — these protect you if the contractor falls behind.
- **Section 7 (Warranties):** Fill in the warranty period. One year is common; negotiate for more on major work.
- **Section 14 (Exhibits):** Attach all plans, specs, the contractor's license/registration documents, insurance certificates, the disclosure statement, and the subcontractor list.

### Texas Legal Notes

- **No statewide GC license:** Texas does not license general contractors at the state level. However, electricians, plumbers, HVAC technicians, and other specialty trades must hold state licenses through TDLR. Many cities (Dallas, Austin, San Antonio, and others) require local contractor registration.

- **No statutory deposit cap:** Unlike California, Texas does not impose a statewide limit on down payments. Protect yourself by negotiating a reasonable deposit tied to actual costs.
- **RCLA pre-suit notice:** Before suing over a construction defect, you must send the contractor a certified-mail notice at least 60 days in advance (Property Code Chapter 27).
- **Mechanics' lien protections:** Under Property Code Chapter 53, subcontractors and suppliers can lien your property if unpaid. Require lien waivers with every payment and request a subcontractor list before work begins.
- **Three-day cancellation:** If you sign this contract anywhere other than the contractor's fixed place of business, you have three business days to cancel (Business & Commerce Code Chapter 601).
- **Workers' comp is optional:** Texas does not require private employers to carry workers' compensation. Ask about coverage before hiring.

### About Jaspector

Jaspector is an AI-powered property advisory service that helps homeowners navigate construction projects, verify contractors, and resolve disputes. If a dispute arises during your project, we can help you document the issue and build a resolution strategy.
Learn more at **jaspector.com** — or email **hi@jaspector.com** to get started.

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The instructions above are provided by jaspector.com as an educational resource. They are not part of the agreement, do not constitute legal advice, and do not create an attorney-client or endorsement relationship.

**Before You Begin:** This template helps you understand what a strong Texas contractor agreement looks like. It is an educational starting point provided by jaspector.com — not a finished contract, and not legal advice. Texas law imposes specific requirements on residential construction contracts, and local jurisdictions may impose additional contractor licensing, registration, and bonding obligations. Have this document reviewed by a Texas-licensed attorney before use. Use of this template does not create an attorney-client relationship, and jaspector.com assumes no liability for any outcomes arising from its use.

# TEXAS HOMEOWNER-CONTRACTOR AGREEMENT

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## 1. Parties

### Homeowner (Property Owner)

Name(s) .....

Property Address .....

Mailing Address (if different) .....

Phone .....

Email .....

### Contractor

Business Name (Legal Entity) .....

State Trade License(s) .....

Local Registration/License # .....

Issuing City/County .....

Business Address .....

Phone .....

Email .....

Workers' Comp Policy # (or exempt) .....

General Liability Policy # .....

## 2. Scope of Work

### 2.1 Project Description

Describe the work in specific, measurable detail. Include materials, methods, dimensions, and reference any plans, drawings, or specifications attached as exhibits.

### 2.2 Work NOT Included

Explicitly list work excluded from this contract to prevent scope disputes.

### 2.3 Permits and Inspections

- ☐ Contractor is responsible for obtaining all required building permits
- ☐ Contractor is responsible for scheduling all required inspections
- ☐ Permit costs are: ☐ Included in contract price / ☐ Billed separately at cost

### 2.4 Plans and Specifications

- ☐ Attached as Exhibit A (architectural / engineering plans)
- ☐ Attached as Exhibit B (material specifications)
- ☐ No formal plans — scope defined by Section 2.1 above

## 3. Contract Price and Payment Schedule

### 3.1 Total Contract Price

| | |
|---|---|
| Total Contract Price | $ ..... |
| Sales Tax (if applicable) | $ ..... |
| Permit Fees (if separate) | $ ..... |
| **Total Amount Due** | **$** ..... |

### 3.2 Payment Schedule

| PAYMENT | AMOUNT | TRIGGER (WORK MILESTONE) |
|---|---|---|
| Down Payment | $ ..... | Upon signing |
| Progress Payment 1 | $ ..... | ..... |
| Progress Payment 2 | $ ..... | ..... |
| Progress Payment 3 | $ ..... | ..... |
| Final Payment | $ ..... | Completion and final inspection |
| **Total** | **$** ..... | |

### 3.3 Payment Terms

- ☐ Payments are due within ..... days of written invoice
- ☐ Acceptable payment methods: .....

No payment shall be due for work not yet performed or materials not yet delivered to the job site. Final payment is due only after: (a) all work is complete, (b) final inspection is passed (if applicable), and (c) Homeowner has had

reasonable opportunity to inspect.

## 4. Project Timeline

Estimated Start Date .....

Estimated Completion Date .....

### 4.1 Delays

Contractor shall notify Homeowner in writing within **48 hours** of any event that may delay the project.

Excusable delays include: weather, permit delays, material shortages, acts of God, government orders.

Non-excusable delays exceeding ..... business days entitle Homeowner to a daily credit of $ ..... (liquidated damages), not to exceed .....% of the total contract price.

If the project is not substantially complete within ..... days of the estimated completion date (excluding excusable delays), Homeowner may terminate this contract under Section 9.

## 5. Change Orders

Any changes to the scope, price, or timeline of this contract must be documented in a written Change Order signed by both parties before the changed work begins.

Each Change Order shall include:

1. Description of the changed work
2. Addition to or deduction from the contract price
3. Impact on the project timeline
4. Signature of both Homeowner and Contractor

**No verbal agreements will modify this contract.**

## 6. Materials and Workmanship

### 6.1 Materials

☐ All materials shall be new unless otherwise specified in writing

☐ Specific materials, brands, and grades are listed in: ☐ Section 2.1 / ☐ Exhibit B

☐ Substitutions require prior written approval from Homeowner

☐ Contractor warrants that all materials comply with applicable building codes

### 6.2 Workmanship Standards

All work shall be performed in a professional, workmanlike manner. All work shall comply with applicable Texas building codes and local ordinances. All work shall conform to the plans, specifications, and scope described in this contract. Contractor shall maintain a clean and safe job site.

### 6.3 Subcontractors

☐ Contractor will use subcontractors / ☐ Contractor will not use subcontractors

- ☐ If subcontractors are used, Contractor remains fully responsible for their work, licensing, and insurance
- ☐ All subcontractors performing work requiring a state trade license must hold a valid, active license
- ☐ Homeowner may request license numbers for any subcontractor working on the project

Per Texas Property Code §53.256, Contractor shall provide Homeowner with a list of all subcontractors and suppliers before construction commences.

## 7. Warranties

### 7.1 Contractor Warranty

Contractor warrants all labor and workmanship for a period of ..... year(s) from the date of completion. During this period, Contractor shall repair or correct, at Contractor's expense, any defects in workmanship or materials furnished by Contractor.

### 7.2 Manufacturer Warranties

Contractor shall provide Homeowner with all manufacturer warranties for materials and equipment installed. Contractor shall ensure installations comply with manufacturer specifications to preserve warranty coverage.

### 7.3 Warranty Exclusions

This warranty does not cover: normal wear and tear; damage caused by Homeowner negligence or misuse; damage caused by third parties or acts of God; items specifically excluded in writing.

## 8. Insurance

### 8.1 Contractor Insurance Requirements

| | |
|---|---|
| General Liability | $ ..... |
| Workers' Compensation | See Section 8.2 below |
| Automobile Liability (if applicable) | $ ..... |

Contractor shall provide certificates of insurance upon request. Homeowner shall be named as additional insured on the general liability policy.

### 8.2 Workers' Compensation

- ☐ Contractor carries workers' compensation insurance (Policy # listed in Section 1)
- ☐ Contractor is a non-subscriber and maintains alternative occupational accident coverage
- ☐ Contractor is a sole proprietor with no employees

## 9. Termination

### 9.1 Homeowner's Right to Terminate

Homeowner may terminate this contract at any time by providing written notice to Contractor. Upon termination: Homeowner shall pay for all work satisfactorily completed and materials delivered to the job site as of the termination date. Contractor shall provide an itemized accounting of all work completed and materials delivered within **10**

**business days** of termination. Contractor shall not charge a cancellation penalty exceeding the actual costs reasonably incurred.

### 9.2 Contractor's Right to Terminate

Contractor may terminate this contract if: Homeowner fails to make a payment due under this contract within ..... days of written notice of default; or conditions at the job site make the work unsafe or illegal to continue.

### 9.3 Three-Day Right to Cancel

> **Texas Law (Business & Commerce Code Chapter 601):** If this contract was signed at the Homeowner's residence or at any location other than the Contractor's fixed place of business, and the total price exceeds $25, the Homeowner has the right to cancel this contract until **midnight of the third business day** after the date of signing without penalty. Contractor must attach a completed "Notice of Cancellation" form in duplicate at the time of signing. If the Contractor fails to provide this notice, the cancellation period is extended. Upon cancellation, Contractor must return all payments within 10 business days.

## 10. Dispute Resolution

### 10.1 Informal Resolution

The parties agree to attempt informal resolution of any dispute by written notice describing the issue. The other party shall respond in writing within **15 business days**.

### 10.2 Mediation

If informal resolution fails, the parties agree to submit the dispute to non-binding mediation before a mutually agreed mediator. Mediation costs shall be shared equally.

### 10.3 RCLA Notice Requirement

> **Texas Law (Property Code Chapter 27):** Before filing a lawsuit for a residential construction defect, the Homeowner must send the Contractor written notice by certified mail, return receipt requested, at least **60 days** before filing suit. The notice must describe the construction defect in reasonable detail. The Contractor then has 35 days to request an inspection and 60 days to make a written offer of repair or settlement. Failure to comply with these requirements may limit the Homeowner's ability to recover damages.

### 10.4 Texas Attorney General / DTPA Complaint

> **Texas Resource:** Homeowners may file a complaint with the Texas Attorney General's Consumer Protection Division regarding deceptive trade practices. Under the DTPA (Business & Commerce Code Chapter 17), consumers who are victims of false, misleading, or deceptive acts may recover actual damages, and up to three times damages if the conduct was knowing or intentional. A 60-day demand letter is required before filing a DTPA lawsuit. File at: texasattorneygeneral.gov/consumer-protection.

### 10.5 Legal Action

If mediation fails, either party may pursue legal action in the county where the property is located. The prevailing party shall be entitled to recover reasonable attorney's fees and costs.

## 11. Mechanics' Lien Notice

> **Texas Law (Property Code Chapter 53):** Texas allows contractors, subcontractors, and material suppliers to place a mechanics' lien (called a "mechanic's, contractor's, or materialman's lien") on your property if they are not paid for work or materials. This lien can affect your ability to sell or refinance.

### 11.1 Protecting Against Mechanics' Liens

Request lien waivers from the contractor and all subcontractors with each progress payment. Request a conditional final lien waiver before making the final payment, and an unconditional final lien waiver upon final payment. Per Texas Property Code §53.256, require Contractor to provide a list of all subcontractors and material suppliers before construction begins. Monitor payments to subcontractors — under Texas law, even if you pay the contractor, you may be liable if subcontractors and suppliers are not paid.

### 11.2 Lien Filing Deadlines

Under Texas Property Code Chapter 53 (Subchapter K — Residential Construction Projects):

- ☐ Subcontractors/suppliers must send notice to homeowner by the **15th day of the second month** after unpaid labor/materials were provided
- ☐ Lien affidavit must be filed with county clerk by the **15th day of the third calendar month** after indebtedness accrues
- ☐ Suit to foreclose must be filed within **one year** after the last day to file the lien affidavit or within one year after completion/termination/abandonment, whichever is later

## 12. Additional Texas Requirements

### 12.1 RCLA Contract Notice (Property Code §27.007)

Texas law requires that residential construction contracts contain the following notice in 10-point boldface type:

> **"This contract is subject to Chapter 27 of the Texas Property Code. The provisions of that chapter may affect your right to recover damages arising from a construction defect. If you have a complaint concerning a construction defect and that defect has not been corrected as may be required by law or by contract, you must provide the notice required by Chapter 27 of the Texas Property Code to the contractor by certified mail, return receipt requested, not later than the 60th day before the date you file suit to recover damages in a court of law or initiate arbitration. The notice must refer to Chapter 27 of the Texas Property Code and must describe the construction defect. If requested by the contractor, you must provide the contractor an opportunity to inspect and cure the defect as provided by Section 27.004 of the Texas Property Code."**

Failure to include this notice subjects the contractor to a civil penalty of $500.

### 12.2 Residential Construction Disclosure Statement (Property Code §53.255)

Before this contract is executed, the Contractor shall deliver to the Homeowner a disclosure statement substantially similar to the one required by Texas Property Code §53.255, which includes:

- ☐ Contractor may not require homeowner to convey real property as a condition of the agreement

- [ ] Contractor must provide a list of subcontractors and suppliers before construction begins
- [ ] Homeowner may be liable for unpaid subcontractors and suppliers even if the contractor was paid
- [ ] Homeowner should never sign a document that is not true
- [ ] Homeowner should monitor the work and payments throughout the project

### 12.3 Local Licensing and Registration

Texas does not have a statewide general contractor license. However, many cities and counties require contractor registration, licensing, or bonding. Check with your local permitting office for requirements specific to your jurisdiction. State-regulated trades (electrical, plumbing, HVAC, fire sprinkler systems) require licenses through TDLR regardless of local rules.

## 13. General Provisions

### 13.1 Entire Agreement

This contract, including all exhibits and change orders, constitutes the entire agreement between the parties. No prior verbal or written representations shall be binding unless incorporated herein.

### 13.2 Severability

If any provision of this contract is found unenforceable, the remaining provisions shall continue in full force and effect.

### 13.3 Governing Law

This contract shall be governed by the laws of the State of Texas.

### 13.4 Notice

All notices under this contract shall be in writing and delivered to the addresses listed in Section 1, by personal delivery, certified mail, or email with confirmed receipt.

### 13.5 Assignment

Neither party may assign this contract without the prior written consent of the other party.

## 14. Exhibits and Attachments

- [ ] Exhibit A: Plans and Drawings
- [ ] Exhibit B: Material Specifications
- [ ] Exhibit C: Notice of Three-Day Right to Cancel (if applicable)
- [ ] Exhibit D: Residential Construction Disclosure Statement (Property Code §53.255)
- [ ] Exhibit E: Contractor's Trade License(s) and/or Local Registration
- [ ] Exhibit F: Certificates of Insurance
- [ ] Exhibit G: List of Subcontractors and Suppliers
- [ ] Additional: _____

## Signatures

By signing below, both parties acknowledge that they have read, understand, and agree to all terms of this contract.

### Homeowner

Signature .....

Printed Name .....

Date .....

### Homeowner (if jointly owned)

Signature .....

Printed Name .....

Date .....

### Contractor

Signature .....

Printed Name .....

Title .....

Trade License # (if applicable) .....

Local Registration # (if applicable) .....

Date .....

## Texas-Specific Pre-Signing Checklist

Before signing, confirm:

- [ ] Verified contractor's state trade licenses (if applicable) at tdlr.texas.gov
- [ ] Checked local city/county contractor registration or licensing requirements
- [ ] Confirmed general liability insurance is current
- [ ] Confirmed workers' compensation status (coverage or non-subscriber acknowledgment)
- [ ] RCLA notice (Property Code §27.007) is included in this contract in 10-point boldface
- [ ] Residential construction disclosure statement (Property Code §53.255) delivered by contractor
- [ ] List of subcontractors and suppliers provided by contractor
- [ ] Three-Day Right to Cancel notice provided (if signed away from contractor's business)
- [ ] All blank fields in this contract are filled in — no blank spaces
- [ ] Received a signed copy of the complete contract before work starts
- [ ] Payment schedule tied to work milestones, not calendar dates
- [ ] Plans, specs, and material lists are attached or described in detail
- [ ] Down payment is reasonable (recommended: no more than 10% or cost of special-order materials)

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