

## **BILL ANALYSIS**

C.S.H.B. 3363  
By: Neave  
Business & Industry  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Interested parties contend that tenants should be afforded adequate notice before a landlord increases their rent so that they have enough time to weigh their financial options and make an informed decision regarding whether to continue their lease at the increased rate. C.S.H.B. 3363 seeks to require a landlord to give such notice in writing not later than the seventh day before the date the tenant is required to provide notice to vacate at the end of the lease term.

### **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. 3363 amends the Property Code to require a landlord to provide written notice to a tenant if the landlord proposes on renewal of the tenant's lease to increase the amount of rent the landlord charges the tenant on the date of the notice and to require such notice to state the amount of the tenant's rent after the increase and the effective date of the rent increase. The bill requires a landlord to provide such notice not later than the seventh day before the date the tenant is required to provide notice to vacate at the end of the lease term. The bill prohibits a landlord who fails to timely provide such notice from requiring the tenant to provide notice to vacate the premises before the seventh day after the date the landlord provides such notice to the tenant and from increasing the rent before the seventh day after the effective date of the renewal lease term for a tenant who renews the lease.

### **EFFECTIVE DATE**

September 1, 2017.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

While C.S.H.B. 3363 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

#### INTRODUCED

SECTION 1. Subchapter A, Chapter 92,

#### HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subchapter A, Chapter 92,

85R 26375

17.117.604

Substitute Document Number: 85R 26217

Property Code, is amended by adding Section 92.026 to read as follows:

Sec. 92.026. NOTICE OF RENT INCREASES. (a) A landlord shall provide written notice to a tenant if the landlord proposes on renewal of the tenant's lease to increase the rent the landlord charges the tenant on the date of the notice.

(b) The landlord shall provide the notice required by Subsection (a) not later than the 14th day before the date the tenant is required to provide notice to vacate at the end of the lease term or renewal period.

(c) A landlord who fails to give notice as required by this section is liable to the tenant for any expense incurred by the tenant as a result of the landlord's failure to give the notice.

SECTION 2. Section 92.026, Property Code, as added by this Act, applies only to a lease entered into or renewed on or after the effective date of this Act. A lease entered into or renewed before the effective date of this Act is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2017.

Property Code, is amended by adding Section 92.026 to read as follows:

Sec. 92.026. NOTICE OF RENT INCREASES. (a) A landlord shall provide written notice to a tenant if the landlord proposes on renewal of the tenant's lease to increase the amount of rent the landlord charges the tenant on the date of the notice.

(b) The notice required by Subsection (a) must state:

(1) the amount of the tenant's rent after the increase; and

(2) the effective date of the rent increase.

(c) The landlord shall provide the notice required by Subsection (a) not later than the seventh day before the date the tenant is required to provide notice to vacate at the end of the lease term.

(d) If a landlord fails to provide notice as required by Subsection (c), the landlord may not:

(1) before the seventh day after the date the landlord provides to the tenant a notice in compliance with Subsection (b), require the tenant to provide notice to vacate the premises; and

(2) for a tenant who renews the lease, increase the rent before the seventh day after the effective date of the renewal lease term.

SECTION 2. Same as introduced version.

SECTION 3. Same as introduced version.