

BILL ANALYSIS

C.S.H.B. 3556
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Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

In light of recent flooding events that have negatively impacted the state, it has been reported that certain renters had no knowledge that they were living in a floodplain or residing in a home that had previously experienced a flood and that they did not have adequate notice to allow them to decide whether or not to rent the property, obtain flood insurance, or secure needed resources in anticipation of a natural disaster. C.S.H.B. 3556 seeks to address this issue by requiring a landlord to provide notice to a prospective residential tenant regarding a dwelling that is located in a floodplain or that has been damaged by flooding.

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. 3556 amends the Property Code to require a landlord or landlord's representative, before entering into a residential lease with a prospective tenant, to inform the prospective tenant in a written notice signed by both parties of the following characteristics of the property known by the landlord to apply:

- the residential property that is the subject of the lease is located in a 100-year floodplain as determined by the most recent FEMA flood hazard map; or
- a structure on the property has previously received water penetration from a flood caused by rainfall that occurred during the four years preceding the date of the lease.

C.S.H.B. 3556 authorizes a tenant to maintain possession of the premises under the terms of the lease or to terminate the lease after a 10-day notice period if a landlord or a landlord's representative fails to provide the required notice and the tenant suffers loss of or damage to the tenant's personal property located in the tenant's leased premises on the residential property and as a result of water penetration into the leased premises from a flood caused by rainfall.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 3556 may differ from the original in minor or nonsubstantive ways, the

following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute specifies that the loss of or damage to the tenant's personal property suffered by a tenant applies to property located in the tenant's leased premises and is a result of water penetration into the leased premises.

The substitute does not include provisions entitling the tenant to recover damages and reasonable attorney's fees and court costs from the landlord or provisions establishing that a landlord or landlord's representative commits a false, misleading, or deceptive act or practice by failing to provide the required notice to a tenant.