

SUBJECT: Amending certain obligations of and limitations on landlords

COMMITTEE: Business and Industry — committee substitute recommended

VOTE: 6 ayes — Oliveira, Simmons, Collier, Rinaldi, Romero, Villalba

0 nays

1 absent — Fletcher

SENATE VOTE: On final passage, May 5 — 29-2 (Hall, V. Taylor)

WITNESSES: For — David Mintz, Texas Apartment Association; Sandy Rollins, Texas Tenants Union

Against — None

DIGEST: CSSB 1367 would make various changes to Property Code, ch. 92, affecting the responsibilities of landlords and tenants and communications between the two parties.

Under current law, a landlord may give notice to vacate to a tenant by affixing the notice to the outside of the tenant's front door under certain circumstances. The bill would require a landlord who gave notice in such a manner also to mail a copy of the notice to the tenant.

The bill would amend the penalties for which a landlord was liable if the landlord willfully violated the law on collection of rent. The landlord would be liable for \$1,000 in addition to one month's rent, less any amount for which the tenant was liable.

A notice given by a tenant to trigger the liability of a landlord with regard to the need for repair on the property could be delivered by a form of mail that allowed tracking of delivery from the U.S. Postal Service or a private delivery service, rather than only certified mail, return receipt requested, or registered mail.

If a tenant had not been required to pay a security deposit, a landlord would be required to notify the tenant in writing of any claim for damages or charges on or before the landlord reported the claim to a consumer reporting agency or a third-party debt collector. If the landlord did not notify the tenant before reporting the claim, the landlord would forfeit the right to collect damages and charges from the tenant. The notice would not be required if the tenant had not left a forwarding address.

CSSB 1367 also would:

- stipulate that a tenant's right to a jury trial in an action brought under Property Code, ch. 92 could not be waived in a lease or other written agreement;
- require a landlord to install a handle latch, rather than a pin lock, on a sliding door at the request and expense of the tenant;
- change the circumstances for a landlord's defense to liability if a tenant who had not fully paid all rent requested the installation of a security device that otherwise is required to be installed without request at the landlord's expense; and
- specify, if a rental property changed ownership, that the new owner was liable for the tenant's security deposit and responsible for delivering a statement to that effect specifying the exact amount of the deposit.

The bill would take effect January 1, 2016.

SUPPORTERS
SAY:

CSSB 1367 would help increase transparency and communication between landlords and tenants. The bill would not cost any taxpayer money to implement and would reduce the potential for miscommunication between landlords and tenants that could cost either or both parties time and money.

The bill would include provisions to ensure the safety of residents, provide awareness about tenant rights and landlord responsibilities, and clarify the procedures for providing notice to vacate to a tenant. The notice requirements for tenants who did not pay a security deposit also

would help tenants know when a debt was about to go into collections rather than learn about it afterward. The bill would strike the right balance between the needs of landlords and tenants and ensure that Texas's laws aligned with modern leasing practices.

OPPONENTS
SAY:

CSSB 1367 is unnecessary and would create another layer of regulation in an already highly regulated industry. Many parts of the bill might be beneficial, but other sections, such as the provision that would have landlords forfeit their right to collect damages if the landlord improperly notified the tenant of charges, would be too punitive.

NOTES:

CSSB 1367 differs from the engrossed Senate version in that the committee substitute would:

- revise the procedures by which notice to vacate could be provided;
- specify that a tenant could not waive the right to a jury trial in a lease or other written agreement; and
- revise requirements for the types of locks a landlord could be required to install and change the circumstances of a landlord's defense to liability with regard to the installation of a security device.