BILL ANALYSIS

Senate Research Center 77R12420 AJA-D

H.B. 2186 By: Davis, Yvonne (Carona) Business & Commerce 5/11/2001 Engrossed

DIGEST AND PURPOSE

Most leasing agents use standard lease contracts that list the rental costs and charges that a landlord may assess. However, landlords may charge fees other than those listed on the standard lease agreement and some landlords charge maintenance and filing fees without giving tenants written or oral notice at the beginning of the lease term. H.B. 2186 requires landlords of commercial properties to disclose all potential fees that may be assessed to a tenant prior to entering a lease agreement.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

H.B. 2186 amends the Property Code to prohibit a landlord of a commercial property from assessing a charge to a tenant unless the amount of the charge or the method by which the charge is to be computed is stated in the lease, an exhibit or attachment that is part of the lease, or an amendment to the lease. This provision does not apply to a charge for rent or physical damage to the leased premises and does not affect a landlord's right to assess a charge or obtain a remedy allowed under a statute or common law.

EFFECTIVE DATE: September 1, 2001.