

## **BILL ANALYSIS**

Senate Research Center

H.B. 2803  
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### **DIGEST AND PURPOSE**

Security deposit handling requirements have been established for landlords and tenants of residential rental property. However, under current law, no liability exists for a commercial landlord that does not release a security deposit. House Bill 2803 establishes similar security deposit handling requirements for landlords and tenants of commercial rental property.

### **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. 2803 amends the Property Code to establish provisions for the handling of a security deposit intended primarily to secure performance under a lease of commercial rental property equivalent to existing provisions established for residential rental property. The bill provides that a person who no longer owns an interest in the rental premises remains liable for a security deposit received while the person was the owner until the new owner delivers to the tenant a signed statement acknowledging that the new owner has received and is responsible for the tenant's security deposit and specifying the exact dollar amount of the deposit. The amount of the security deposit is the greater of:

the amount provided in the tenant's lease; or

the amount provided in an estoppel certificate prepared by the owner at the time the lease was executed or prepared by the new owner at the time the commercial property is transferred.

EFFECTIVE DATE September 1, 2001.