

## **BILL ANALYSIS**

Senate Research Center

S.B. 1367  
By: West  
Business & Commerce  
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Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

If a tenant damages a rental property and there is a security deposit, the landlord has 30 days after the tenant surrenders the premises to send the tenant a list of itemized deductions from the security deposit. If the tenant does not have a security deposit, there is no obligation to notify the tenant of any charges for damages. Tenants are sometimes unaware the landlord is claiming they owe damages until they see their credit report, which can be months or years later. S.B. 1367 requires the landlord to notify the tenant of damages and charges within 30 days of move-out even if there is no security deposit. (Original Author's / Sponsor's Statement of Intent)

S.B. 1367 amends current law relating to certain obligations of and limitations on landlords.

### **RULEMAKING AUTHORITY**

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

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 24.005, Property Code, by amending Subsection (f) and adding Subsections (f-1) and (f-2), as follows:

(f) Creates an exception under Subsection (f-1). Deletes existing text authorizing the landlord, if the dwelling has no mailbox and has a keyless bolting device, alarm system, or dangerous animal that prevents the landlord from entering the premises to leave the notice to vacate on the inside of the main entry door, to securely affix the notice on the outside of the main entry door. Makes no further change.

(f-1) Authorizes a landlord, as an alternative to the procedures of Subsection (f), to deliver the notice to vacate by securely affixing to the outside of the main entry door a sealed envelope that contains the notice and on which is written the tenant's name, address, and in all capital letters, the words "IMPORTANT DOCUMENT" or substantially similar language and, not later than 5 p.m. of the same day, depositing in the mail in the same county in which the premises in question is located a copy of the notice to the tenant if:

(1) the premises has no mailbox and has a keyless bolting device, alarm system, or dangerous animal that prevents the landlord from entering the premises to affix the notice to vacate to the inside of the main entry door; or

(2) the landlord reasonably believes that harm to any person would result from personal delivery to the tenant or a person residing at the premises or from personal delivery to the premises by affixing the notice to the inside of the main entry door.

(f-2) Provides that notice to vacate under Subsection (f-1) is considered delivered on the date the envelope is affixed to the outside of the door and is deposited in the mail, regardless of the date the notice is received.

SECTION 2. Amends Section 54.046, Property Code, as follows:

Sec. 54.046. VIOLATION BY LANDLORD. Entitles the tenant, if a landlord or the landlord's agent wilfully violates this subchapter, to:

(1) actual damages, return of any property seized that has not been sold, return of the proceeds of any sale of seized property, and the sum of one month's rent and \$1,000, rather than or \$500, whichever is greater, less any amount for which the tenant is liable; and

(2) reasonable attorney's fees.

SECTION 3. Amends Section 92.006, Property Code, by adding Subsection (h) to prohibit a tenant's right to a jury trial in an action brought under this chapter from being waived in a lease or other written agreement.

SECTION 4. Amends Section 92.056(b), Property Code, as follows:

(b) Provides that a landlord is liable to a tenant as provided by this subchapter if:

(1) and (2) Makes no change to these subdivisions;

(3) the tenant has given the landlord a subsequent written notice to repair or remedy the condition after a reasonable time to repair or remedy the condition following the notice given under Subdivision (1) (relating to giving the notice) or the tenant has given the notice under Subdivision (1) by sending that notice by certified mail, return receipt requested, by registered mail, or by another form of mail that allows tracking of delivery from the United States Postal Service or a private delivery service;

(4)-(6) Makes no change to these subdivisions.

Makes a nonsubstantive change.

SECTION 5. Amends Section 92.105, Property Code, by amending Subsections (a) and (b) and adding Subsection (b-1), as follows:

(a) Provides that, if the owner's interest in the premises terminated by sale, assignment, death, appointment of a receiver, bankruptcy, or otherwise, the new owner is liable for the return of security deposits according to this subchapter from the date title to the premises is acquired, rather than regardless of whether notice is given to the tenant under Subsection (b) of this section.

(b) Requires the new owner to deliver to the tenant a signed statement acknowledging that the new owner has acquired the property and is responsible for the tenant's security deposit and specifying the exact dollar amount of the deposit, rather than provides that the 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.

(b-1) Provides that the person who no longer owns an interest in the rental premises is liable for a security deposit received while the person was the owner until the new owner has received the deposit or has assumed the liability for the deposit, unless otherwise specified by the parties in a written contract.

SECTION 6. Amends Subchapter C, Chapter 92, Property Code, by adding Section 92.110, as follows:

Sec. 92.110. LEASE WITHOUT SECURITY DEPOSIT; REQUIRED NOTICE. (a) Requires the landlord to notify the tenant in writing of the landlord's claim for damages and charges on or before the date the landlord reports the claim to a consumer reporting agency or third-party debt collector, if a security deposit was not required by a residential lease and the tenant is liable for damages and charges on surrender of the premises.

(b) Provides that a landlord is not required to provide the notice under Subsection (a) if the tenant has not given the landlord the tenant's forwarding address as provided by Section 92.107 (Tenant's Forwarding Address).

(c) Provides that, if a landlord does not provide the tenant the notice as required by this section, the landlord forfeits the right to collect damages and charges from the tenant. Provides that forfeiture of the right to collect damages and charges from the tenant is the exclusive remedy for the failure to provide the proper notice to the tenant.

SECTION 7. Amends Section 92.157(a), Property Code, to change a reference to a sliding door pin lock to a sliding door handle latch.

SECTION 8. Amends Section 92.1641, Property Code, to change a reference to Subsection (a) of 92.157 to Section 92.157(c) (authorizing the tenant, if a security device required by Section 92.153 (Security Devices Required Without Necessity of Tenant Request) to be installed on or after January 1, 1995, without necessity of a tenant's request has not been installed by the landlord, to request the landlord to immediately install it, and the landlord is required to immediately install it at the landlord's expense).

SECTION 9. Makes application of this Act prospective in regard to a residential lease agreement.

SECTION 10. Effective date: January 1, 2016.