

SUBJECT: Prohibiting landlords from requiring longer leases after natural disasters

COMMITTEE: Business and Industry — favorable, without amendment

VOTE: 5 ayes — Oliveira, Bohac, E. Rodriguez, Villalba, Walle

2 nays — Orr, Workman

SENATE VOTE: On final passage, April 10 — 30-1 (Hegar)

WITNESSES: For — David Mintz, Texas Apartment Association; (*Registered, but did not testify*: Emily Rickers, Alliance for Texas Families)

Against — None

DIGEST: SB 1120 would prohibit a landlord from forcing a tenant to sign a longer lease term if the landlord allowed the tenant to move from one rental property rendered unusable by a natural disaster to another property owned by the same landlord.

The bill would take effect January 1, 2014, and would apply only to leases executed or renewed on or after that date.

SUPPORTERS SAY: SB 1120 would protect Texans who lost their homes in natural disasters from the unscrupulous practices of certain landlords who have taken advantage of these situations to require tenants to sign longer leases. In the wake of the 2012 tornado in Lancaster, just south of Dallas, many homes were destroyed, and some renters living in apartments were displaced. Renters in some Lancaster apartment units found they could not move to another unit managed by the same apartment management company without signing a lease extending the rental period to which they had agreed for the original unit. This practice is extremely unfair to vulnerable citizens in need of immediate assistance, especially those who have no alternative housing options, and SB 1120 would put a stop to it.

The bill would not preclude the landlord and tenant from renegotiating the lease at a later date. Nor would the bill prevent the landlord and the tenant from renegotiating the lease at the time of the tenant's move into the new

unit, as long as the renegotiation was voluntary. The bill only would prevent landlords from leveraging their power over vulnerable tenants to force them into a long-term agreement when few other options were available.

Delaying the bill's effective date until January 1, 2014, would allow lease agreements to be updated to include language notifying tenants of the protection offered by SB 1120.

**OPPONENTS
SAY:**

SB 1120 would be unfair to landlords. If the landlord offered to move a tenant into another apartment, the tenant should take whatever conditions accompany that offer because the landlord is under no obligation to make the offer. In addition, there could be costs associated with making another apartment available for the displaced tenant. Extending the lease is a fair way for landlords to recoup these costs.

**OTHER
OPPONENTS
SAY:**

The bill could lead to unintended consequences. If a landlord were considering offering another property, the bill could forestall negotiations between the landlord and the displaced tenant if part of the deal included an extended lease. SB 1120 could therefore present a disincentive to landlords who might otherwise offer another property to the tenant.