

## **BILL ANALYSIS**

Senate Research Center

S.B. 1038  
By: Lucio  
Business & Commerce  
5/5/2007  
As Filed

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

Chapter 94 (Manufactured Home Tenancies), Property Code, was created with the intention of providing certain protections to manufactured housing tenants and landowners. Because of unclear language in the statute, some landowners have misused the statute to wrongly evict tenants. This bill makes adjustments that require manufactured housing landlords to give tenants proper and adequate notice of land use and prohibit manufactured housing landlords from failing to renew a lease without good cause. This bill authorizes a landowner to require that a tenant vacate the property if a landowner decides to change the land use of the property, or if a tenant violates a lease provision.

As proposed, S.B. 1038 clarifies the rights of manufactured housing tenants who currently reside month-to-month at the discretion of their landlord.

### **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 94.051, Property Code, as follows:

Sec. 94.051. INFORMATION TO BE PROVIDED TO PROSPECTIVE TENANT. Requires the statement required to be given to a prospective tenant at the time the landlord receives an application from the prospective tenant to include a certain notice that the landlord is required to "offer to renew the lease unless the tenant has violated the terms of an expired lease agreement. "

SECTION 2. Amends Section 94.052(b), Property Code, as follows:

(b) Requires a landlord to provide notice to a tenant not later than the 60th day before the date of the expiration of the lease if the landlord chooses not to renew the lease for good cause under Section 94.207 regardless of the term of the lease, except as provided by Section 94.204. Deletes existing text to make nonsubstantive changes.

SECTION 3. Amends Section 94.053(c), Property Code, as follows:

(c) Requires a lease agreement to contain certain information, including the grounds for an eviction as provided by Subchapter E, including the requirement that good cause is required for termination or nonrenewal of the lease and a disclosure of the landlord's right to refuse to renew the lease agreement if there is a change in the land use of the manufactured home community as provided by Section 94.204. Deletes existing text requiring a disclosure of the landlord's right to terminate the lease agreement if there is a change in the land use of the manufactured home community during the lease term.

SECTION 4. Amends Section 94.055, Property Code, as follows:

Sec. 94.055. NOTICE OF LEASE RENEWAL. (a) Deletes existing text requiring the landlord to provide a tenant a notice to vacate the leased premises or an offer of lease

renewal if the lease is a month-to-month lease, not later than the 60th day before the date the landlord intends to terminate the current term of the lease.

(b) Deletes existing text providing an exception if the landlord offers to renew the lease.

(c) Makes a conforming change.

(d) Deletes existing text authorizing a landlord to request a tenant to vacate the leased premises before the end of the notice period prescribed by Subsection (a) only if the landlord compensates the tenant in advance for relocation expenses, including the cost of moving and installing the manufactured home at a new location notwithstanding Subsection (a).

SECTION 5. Amends the heading to Section 94.204, Property Code, to read as follows:

Sec. 94.204. NONRENEWAL OF LEASE FOR CHANGE IN LAND USE.

SECTION 6. Amends Section 94.204, Property Code, by amending subsection (a) and adding Subsection (c), as follows:

(a) Authorizes a landlord to refuse to renew a lease agreement to change the manufactured home community's land use only if not later than the 120th day before the date the land use will change or the 30th day after the date the landlord learns the land use will change if the landlord takes certain actions. Deletes existing text to make a conforming change.

(c) Provides that this section does not authorize a landlord to change the land use, terminate or modify a lease, or require an owner to relocate a manufactured home prior to the expiration of a lease term.

SECTION 7. Amends Section 94.205, Property Code as follows:

Sec. 94.205. New heading: TERMINATION AND EVICTION OR NONRENEWAL FOR VIOLATION OF LEASE. Authorizes a landlord to terminate the lease agreement and evict a tenant or to choose not to renew the tenant's lease for a serious violation of a lease provision, including a manufactured home community rule incorporated in the lease, or other good cause.

SECTION 8. Amends Section 94.206, Property Code, to make conforming changes.

SECTION 9. Amends Subchapter E, Chapter 94, Property Code, by adding Section 94.207, as follows:

Sec. 94.207. FAILURE TO RENEW LEASE PROHIBITED WITHOUT GOOD CAUSE. (a) Authorizes a landlord to choose not to renew a lease only for good cause. Provides that good cause includes a violation under Section 94.205 or 94.206.

(b) Provides that a provision of an agreement that purports to waive a right or exempt a party from liability or a duty under this section is void.

SECTION 10. Provides that the change in law made by this Act applies to a landlord who chooses not to renew a lease agreement on or after the Act's effective date, regardless of the date the lease agreement was entered into or signed.

SECTION 11. Effective date: September 1, 2007.