

## **BILL ANALYSIS**

Senate Research Center  
84R25102 LEH-F

C.S.S.B. 1367  
By: West  
Business & Commerce  
4/29/2015  
Committee Report (Substituted)

### **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)

C.S.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 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 2. Amends Section 92.006, Property Code, by adding Subsection (h) to provide that a tenant's right to a jury trial brought under this chapter may not be waived.

SECTION 3. 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 4. 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 5. 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 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 6. Makes application of this Act prospective in regard to a lease agreement.

SECTION 7. Effective date: January 1, 2016.