

BILL ANALYSIS

Senate Research Center
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S.B. 498
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Current law provides an opportunity for a commercial landlord to reclaim possession of a unit if the tenant is "using the premises or allowing the premises to be used for the purposes of prostitution, promotion of prostitution, aggravated promotion of prostitution, ...compelling prostitution, ...or trafficking of persons."

S.B. 498 addresses the proliferation of illicit massage businesses by allowing commercial landlords to reclaim possession of units if, in addition to the activities above, a tenant is "operating, maintaining, or advertising a massage establishment" that does not comply with state law or local ordinance.

Additionally, S.B. 498 allows other tenants of the commercial landlord the opportunity to terminate a lease and vacate the property without penalty if the tenant reasonably believes that another tenant is engaging in prostitution, promotion of prostitution, aggravated promotion of prostitution, compelling prostitution, trafficking of persons, or operating an illicit massage business, the tenant provides written notice to the landlord about the illegal conduct, and the landlord fails to take action against the offending tenant through available remedies under law.

As proposed, S.B. 498 amends current law relating to a commercial landlord's or tenant's remedies regarding certain unlawful activities in a multiunit commercial property.

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 93.013(a), Property Code, as follows:

(a) Makes a nonsubstantive change.

(1) Creates a new subdivision from existing text and makes a nonsubstantive change.

(2) Creates a new subdivision from existing text and makes a nonsubstantive change.

(3) Provides that a tenant's right of possession terminates and the landlord has a right to recover the possession of the leased premises if the tenant is using the premises or allowing the premises to be used for operating, maintaining, or advertising a massage establishment, as defined by Section 455.001 (Definitions), Occupations Code, that is not in compliance with Chapter 455 (Massage Therapy), Occupations Code, or an applicable local ordinance relating to the licensing or regulation of a massage establishment.

SECTION 2. Amends Chapter 93, Property Code, by adding Section 93.014, as follows:

Sec. 93.014. RIGHT TO VACATE DUE TO CERTAIN UNLAWFUL ACTIVITIES IN MULTIUNIT COMMERCIAL PROPERTY. (a) Defines "multiunit commercial property" and "unlawful activity" for purpose of this section.

(b) Provides that a landlord of a multiunit commercial property is in breach of a lease with a tenant if:

(1) the tenant reasonably believes that another tenant in the same multiunit commercial property is engaging in an unlawful activity;

(2) the complaining tenant gives the landlord written notice of the offending tenant's engagement in the unlawful activity; and

(3) the landlord does not file a forcible detainer suit against the offending tenant under Section 93.013 (Certain Unlawful Uses of Premises; Termination of Tenant's Right of Possession) before the 30th day after the date of notice is given.

(c) Authorizes the tenant, notwithstanding a provision of the lease to the contrary, if a landlord is in breach of a tenant's lease under Subsection (b), to terminate the tenant's rights obligations under the lease, vacate the leased premises, and avoid liability for future rent and any other sums due under the lease for terminating the lease and vacating the premises before the end of the lease term.

SECTION 3. Makes application of this Act prospective.

SECTION 4. Effective date: September 1, 2019.