

By: Dutton

H.B. No. 750

A BILL TO BE ENTITLED

AN ACT

relating to the amount of a late fee under a residential lease.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 92, Property Code, is amended by adding Section 92.020 to read as follows:

Sec. 92.020. LATE FEES. (a) A landlord may not charge as a late fee more than \$150 per month for a tenant's late payment of rent.

(b) A landlord must give prior written notice to the tenant in the lease agreement of the restriction on late fees specified by this section.

(c) A landlord who violates this section is liable to the tenant for actual damages, additional damages equal to the amount of one month's rent plus \$500, and attorney's fees.

(d) A provision of a lease that purports to waive a right or exempt a party from a liability or duty under this section is void.

SECTION 2. The changes in law made by this Act apply only to a lease or lease agreement that is executed or renewed on or after the effective date of this Act. A lease or lease agreement that is executed or renewed before the effective date of this Act is governed by the law in effect at the time the lease or lease agreement was executed or renewed, and that law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2008.