

BILL ANALYSIS

H.B. 23
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Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Makeshift laboratory operations for the production of methamphetamine ("meth labs") present an increasing health concern in domestic environments, which include leasing units. The toxic nature of the ingredients leaves behind hazardous waste. Each pound of methamphetamine manufactured generates six pounds of residue. In 2007, the Texas Legislature enacted a bill requiring disclosure to a home buyer if a home has been used as a meth lab.

H.B. 23 establishes a duty of disclosure by a lessor concerning the transfer of a real property possessory interest to a tenant under lease. The bill requires that a lessor disclose the lessor's knowledge, if any, of previous use of leased premises for manufacture of methamphetamine and, if the lessor knows of such previous use, any related remedial measures taken. The bill authorizes a renter to break the lease and get the rent already paid refunded if the renter rents a unit that has been used as a meth lab, and it was not disclosed.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 23 amends the Property Code to require a residential landlord, before a lease is entered into or renewed, to disclose in writing to a prospective tenant or tenant any actual knowledge that the landlord has of previous use of the leased premises for the manufacture of methamphetamine and, if there is any knowledge to be disclosed, whether the landlord took remedial action to remove from the premises hazardous substances resulting from that use.

H.B. 23 authorizes a tenant to terminate a lease and entitles a tenant to a refund of all rent paid under the lease if the landlord fails to make a required disclosure regarding methamphetamine manufactured on the premises or actions taken to remove resultant hazardous substances from the premises. The bill requires a written lease to contain a statement in underlined or bold print that informs the tenant of these remedies for a landlord's failure to make a required disclosure.

H.B. 23 adds the disclosure of previous use of leased premises for methamphetamine manufacture and related remedial measures to the duties of a residential landlord that may not be waived.

EFFECTIVE DATE

January 1, 2010.