

BILL ANALYSIS

C.S.H.B. 1382
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Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Current law prohibits a landlord from assessing a charge, other than a charge for rent or physical damage to the leased premises, to a tenant unless the amount of the charge or the method by which the charge is to be computed is stated in the lease or in an exhibit, attachment, or amendment to the lease. It is unclear whether a governmental landlord such as an airport authority, which is required by federal grant assurances to charge rates that cover all of its operating costs, may impose on its tenants a contractual duty to pay a proportionate share of whatever those operating costs may be from year to year.

C.S.H.B. 1382 allows a governmental landlord to enter into a commercial lease that requires a tenant to pay fees to cover the operating costs attributable to the rental property, whatever those costs may be.

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

C.S.H.B. 1382 amends the Property Code to specify that a provision prohibiting a commercial landlord from assessing to a tenant a charge that is not stated in a lease or related document does not affect the contractual right of a landlord that is a governmental entity to assess charges under a lease to fully compensate the entity for its operating costs.

EFFECTIVE DATE

On passage, or, if the act does not receive the necessary vote, the act takes effect September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 1382 differs from the original by specifying that a provision prohibiting a commercial landlord from assessing the described charge does not affect the contractual right of a landlord that is a governmental entity to assess charges, rather than to vary those charges as in the original.