

By: Anchia, Thibaut

H.B. No. 534

A BILL TO BE ENTITLED

AN ACT

relating to the liability of certain guarantors 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 92.021 to read as follows:

Sec. 92.021. LIABILITY OF CERTAIN GUARANTORS UNDER LEASE.

(a) A person other than a tenant who guarantees a lease is liable only for the original lease term except that a person may specify that the person agrees to guarantee a renewal of the lease as provided by Subsection (b).

(b) A person may specify in writing in an original lease that the person will guarantee a renewal of the lease only if the original lease states:

(1) the last date, as specified by the guarantor, on which the renewal of the lease will renew the obligation of the guarantor;

(2) that the guarantor is liable under a renewal of the lease that occurs on or before that date; and

(3) that the guarantor is liable under a renewal of the lease only if the renewal:

(A) involves the same parties as the original lease; and

(B) does not increase the guarantor's potential

1 financial obligation for rent that existed under the original
2 lease.

3 (c) Subsection (b) does not prohibit a guarantor from
4 voluntarily entering into an agreement at the time of the renewal of
5 a lease, in a separate written document, to guarantee an increased
6 amount of rent.

7 (d) This section does not release a guarantor from the
8 obligations of the guarantor under the terms of the original lease
9 or a valid renewal for costs and damages owed to the lessor that
10 arise after the date specified by the guarantor in the original
11 lease in accordance with Subsection (b), if the costs or damages
12 relate to actions of the tenant before that date or arise as a
13 result of the tenant refusing to vacate the leased premises.

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

20 SECTION 3. This Act takes effect January 1, 2010.