

1-1 By: Anchia, Thibaut (Senate Sponsor - Carona) H.B. No. 534
1-2 (In the Senate - Received from the House May 18, 2009;
1-3 May 19, 2009, read first time and referred to Committee on Business
1-4 and Commerce; May 22, 2009, reported favorably by the following
1-5 vote: Yeas 8, Nays 0; May 22, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to the liability of certain guarantors under a residential
1-9 lease.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subchapter A, Chapter 92, Property Code, is
1-12 amended by adding Section 92.021 to read as follows:

1-13 Sec. 92.021. LIABILITY OF CERTAIN GUARANTORS UNDER LEASE.

1-14 (a) A person other than a tenant who guarantees a lease is liable
1-15 only for the original lease term except that a person may specify
1-16 that the person agrees to guarantee a renewal of the lease as
1-17 provided by Subsection (b).

1-18 (b) A person may specify in writing in an original lease
1-19 that the person will guarantee a renewal of the lease only if the
1-20 original lease states:

1-21 (1) the last date, as specified by the guarantor, on
1-22 which the renewal of the lease will renew the obligation of the
1-23 guarantor;

1-24 (2) that the guarantor is liable under a renewal of the
1-25 lease that occurs on or before that date; and

1-26 (3) that the guarantor is liable under a renewal of the
1-27 lease only if the renewal:

1-28 (A) involves the same parties as the original
1-29 lease; and

1-30 (B) does not increase the guarantor's potential
1-31 financial obligation for rent that existed under the original
1-32 lease.

1-33 (c) Subsection (b) does not prohibit a guarantor from
1-34 voluntarily entering into an agreement at the time of the renewal of
1-35 a lease, in a separate written document, to guarantee an increased
1-36 amount of rent.

1-37 (d) This section does not release a guarantor from the
1-38 obligations of the guarantor under the terms of the original lease
1-39 or a valid renewal for costs and damages owed to the lessor that
1-40 arise after the date specified by the guarantor in the original
1-41 lease in accordance with Subsection (b), if the costs or damages
1-42 relate to actions of the tenant before that date or arise as a
1-43 result of the tenant refusing to vacate the leased premises.

1-44 SECTION 2. The changes in law made by this Act apply only to
1-45 a lease agreement that is executed or renewed on or after the
1-46 effective date of this Act. A lease agreement that is executed or
1-47 renewed before the effective date of this Act is governed by the law
1-48 in effect at the time the lease agreement was executed or renewed,
1-49 and that law is continued in effect for that purpose.

1-50 SECTION 3. This Act takes effect January 1, 2010.

1-51

* * * * *