

By: Pickett

H.B. No. 4010

A BILL TO BE ENTITLED

AN ACT

relating to the right of a landlord to require a tenant to obtain liability insurance as a condition of residential tenancy:

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 INSURANCE. (a) A landlord who rents a dwelling shall not require a tenant to obtain a liability insurance policy as a condition of tenancy, or take any adverse action against a tenant for failing to obtain an insurance policy.

(b) A landlord may notify a tenant of the availability of a liability insurance policy that insures the contents of the premises against damage or loss so long as the tenant is given a separate disclosure in 14 point type three days prior to the earliest of the execution of any agreement with the landlord, the payment of any funds to the landlord, or moving into the premises that:

(1) explains the specific type of insurance policy required to be obtained by the tenant, and the result of the failure of the tenant to retain insurance during the term of the lease;

(2) the cost of such a policy for the term of the lease if provided by the landlord, and the cost of such a policy with at least two other insurance carriers that provide a policy with similar terms;

1 (3) the terms of the policy; and
2 (4) the contact information for the Texas Department
3 of Insurance.

4 (c) In order to demonstrate compliance with subsection (b),
5 a landlord must have a copy of the notice delivered to the tenant
6 with the tenant's signature acknowledging receipt of the notice and
7 the date of receipt.

8 SECTION 2. This Act applies only to a lease that is first
9 entered into on or after the effective date of this Act. A lease
10 entered into or renewed before the effective date of this Act is
11 governed by the law that applied to the lease immediately before the
12 effective date of this Act, and that law is continued in effect for
13 that purpose.

14 SECTION 3. This Act takes effect September 1, 2009.