

BILL ANALYSIS

C.S.H.B. 1086
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Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

A residential landlord is currently prohibited from interrupting electric service to a tenant unless the interruption results from bona fide repairs, emergencies, or construction. That prohibition does not take into account a case in which a rental property resident directly pays the landlord for electricity and the resident fails to pay an electric bill issued by the landlord. Interested parties contend that the only option for such a landlord is to seek eviction of the resident, which can be costly and time-consuming. C.S.H.B. 1086 seeks to address this situation by establishing a process through which a residential landlord may interrupt a resident's electric service for nonpayment of an electric bill.

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. 1086 amends the Property Code to increase the amount that a tenant is authorized to recover from a landlord if the landlord or the landlord's agent violates restrictions on the interruption of utility services by including as part of that amount one month's rent plus \$1,000, rather than the greater amount of one month's rent or \$500. The bill specifies that the recovery of such an amount is in addition to other remedies available under law.

C.S.H.B. 1086 authorizes a landlord who submeters electricity or allocates or prorates nonsubmetered master metered electricity to interrupt or cause the interruption of electric service for nonpayment by the tenant of an electric bill issued to the tenant if the landlord's right to interrupt electric service is provided by a written lease entered into by the tenant; if the tenant's electric bill is not paid on or before the 12th day after the date the electric bill is issued; if advance written notice of the proposed electricity interruption containing certain information is delivered to the tenant by mail or hand delivery separately from any other written content not earlier than the first day after the bill is past due or later than the fifth day before the interruption date stated in the notice; and if, at the same time the service is interrupted, the landlord hand delivers or places on the tenant's front door a written electricity termination notice containing certain information. The bill sets out the required contents of such notices.

C.S.H.B. 1086 prohibits a landlord from interrupting or causing the interruption of electric service, unless a dangerous condition exists or the tenant requests disconnection, on a day on which the landlord or a representative of the landlord is not available to collect electric bill payments and reestablish electric service, on a day that immediately precedes such a day, or on a day on which certain weather conditions apply.

C.S.H.B. 1086 prohibits a landlord from interrupting or causing the interruption of electric service of a tenant who, before the interruption date specified in the advance notice, has entered into a deferred payment plan that complies with the bill's provisions and has established that the

interruption will cause a person residing in the tenant's dwelling to become seriously ill or more seriously ill by having a physician, nurse, nurse practitioner, or other similar licensed health care practitioner attending to that person provide a written statement to the landlord or a representative of the landlord verifying those circumstances. The bill prohibits a landlord, if a tenant has established the circumstances necessary to avoid electric service interruption on the basis of serious illness, from interrupting or causing the interruption of the tenant's electric service before the 63rd day after the date those circumstances are established or before an earlier date agreed to by the landlord and the tenant.

C.S.H.B. 1086 requires a deferred payment plan to be in writing, to allow the tenant to pay the outstanding electric bill in installments that extend beyond the due date of the next electric bill, and to provide that the delinquent amount may be paid in equal installments over a period equal to at least three electric service billing cycles.

C.S.H.B. 1086 prohibits a landlord from interrupting or causing the interruption of electric service to a tenant who receives energy assistance for a billing period during which the landlord receives a pledge, letter of intent, purchase order, or other notification that the energy assistance provider is forwarding sufficient payment to continue the electric service.

C.S.H.B. 1086 requires a landlord, if a delinquent electric bill is paid or a deferred payment plan is entered into during normal business hours, to reconnect a tenant's electric service within two hours of payment or entry into the deferred payment plan.

C.S.H.B. 1086 prohibits a landlord from interrupting or causing the interruption of electric service for a delinquency in payment for electric service furnished to a previous tenant; for failure to pay non-electric bills, rent, or other fees; for failure to pay electric bills that are six or more months delinquent; or for failure to pay an electric bill disputed by the tenant, unless the landlord has conducted an investigation as required by the particular case and reported the results in writing to the tenant.

C.S.H.B. 1086 prohibits a landlord who provides notice of electricity interruption to a tenant from applying a payment made by the tenant to avoid interruption of electric service or reestablish electric service to rent or any other amounts owed under the lease. The bill prohibits a landlord from evicting a tenant for failure to pay an electric bill when the landlord has interrupted the tenant's electric service unless the tenant fails to pay for the electric service after the electric service has been interrupted for at least two days, not including weekends or state or federal holidays.

C.S.H.B. 1086 authorizes a reconnection fee to be applied if electric service to the tenant is disconnected for nonpayment of bills. The bill requires such a reconnection fee to be computed based on the average cost to the landlord for the expenses associated with the reconnection but caps the amount of the fee at \$10. The bill prohibits a reconnection fee from being applied unless agreed to by the tenant in a written lease that states the exact dollar amount of the reconnection fee. The bill prohibits the application of fees to a deferred payment plan.

EFFECTIVE DATE

September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 1086 differs from the original in minor or nonsubstantive ways to make technical corrections and by conforming to certain bill drafting conventions.