

By: Clardy

H.B. No. 1821

Substitute the following for H.B. No. 1821:

By: Villalba

C.S.H.B. No. 1821

A BILL TO BE ENTITLED

AN ACT

relating to a late fee for failing to pay rent under a residential lease.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 92.019, Property Code, is amended by amending Subsections (a) and (e) and adding Subsection (a-1) to read as follows:

(a) A late fee under this section may include:

(1) an initial fee; and

(2) a daily fee for each day, not to exceed 15 days, after the date the rent was originally due that the rent continues to remain unpaid.

(a-1) A landlord may not charge a tenant a late fee for failing to pay rent unless:

(1) notice of the fee is included in a written lease;

(2) the initial fee does not exceed eight percent of one month's rent and each subsequent daily fee does not exceed one percent of one month's ~~[is a reasonable estimate of uncertain damages to the landlord that are incapable of precise calculation and result from late payment of]~~ rent; and

(3) the rent has remained unpaid one full day after the date the rent was originally due.

(e) This section relates only to a fee, charge, or other sum of money required to be paid under the lease if rent is not paid as

1 provided by Subsection (a-1)(3) [~~(a)(3)~~], and does not affect the
2 landlord's right to terminate the lease or take other action
3 permitted by the lease or other law. Payment of the fee, charge, or
4 other sum of money by a tenant does not waive the right or remedies
5 provided by this section.

6 SECTION 2. Section [92.019\(b\)](#), Property Code, is repealed.

7 SECTION 3. Section [92.019](#), Property Code, as amended by
8 this Act, applies only to a lease entered into or renewed on or
9 after the effective date of this Act. A lease entered into or
10 renewed before the effective date of this Act is governed by the law
11 as it existed immediately before the effective date of this Act, and
12 that law is continued in effect for that purpose.

13 SECTION 4. This Act takes effect January 1, 2018.