86R10258 TYPED

By:  Phelan H.B. No. 1519

A BILL TO BE ENTITLED

AN ACT

relating to fees regarding a residential tenant's failure to timely pay rent.

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

SECTION 1.  Section 92.019, Property Code, is amended by amending Subsections (a), (b), and (c) and adding Subsections (a-1) and (a-2) to read as follows:

(a)  A landlord may not collect from [~~charge~~] a tenant a late fee for failing to pay any portion of the tenant's rent unless:

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

(2)  the fee is [~~a~~] reasonable considering that [~~estimate of uncertain~~] damages resulting from the late payment of rent to the landlord [~~that~~] are incapable of precise calculation and result from late payment of rent; and

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

(a-1)  To determine the damages described by Subsection (a)(2), a landlord may consider any direct or indirect expenses related to the tenant's late payment incurred by the landlord, including direct or indirect costs, expenses, or overhead associated with the landlord's process established to collect late payments.

(a-2)  A late fee collected from a tenant of an apartment house complies with Subsection (a)(2) if the late fee does not exceed the greater of $150 or ten percent of the amount of rent for the rental pay period under the lease. For purposes of this subsection, "apartment house" means a building that contains five or more dwelling units.

(b)  A late fee under this section may include an initial fee and a daily fee for each day any portion of the rent continues to remain unpaid, and the combined fees are considered a single late fee for purposes of this section.

(c)  A landlord who violates this section is liable to the tenant for an amount equal to the sum of $100, three times the amount of the late fee collected [~~charged~~] in violation of this section, and the tenant's reasonable attorney's fees.

SECTION 2.  This Act takes effect September 1, 2019.