By: Canales

H.B. No. 2457

A BILL TO BE ENTITLED 1 AN ACT 2 relating to certain obligations of and limitations on landlords regarding residential tenants' rental payments, late fees, and 3 security deposits. 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS: 5 6 SECTION 1. The heading to Section 92.011, Property Code, is amended to read as follows: 7 Sec. 92.011. [CASH] RENTAL PAYMENTS. 8 SECTION 2. Section 92.011, Property Code, is amended by 9 adding Subsection (b-1) to read as follows: 10 11 (b-1) A landlord shall apply any payment received from a 12 tenant to unpaid rent before applying the payment to a fee, charge, or other sum of money owed by the tenant that is not rent. This 13 14 subsection applies without regard to the method of payment. SECTION 3. Section 92.019, Property Code, is amended by 15 16 amending Subsection (a) and adding Subsections (a-1) and (b-1) to read as follows: 17 18 A landlord may not charge a tenant a late fee for failing (a) to pay rent unless: 19 notice of the fee is included in a written lease; 20 (1)21 (2) the fee is a reasonable estimate of uncertain damages to the landlord that are incapable of precise calculation 22 23 and result from late payment of rent; [and] 24 (3) the rent has remained unpaid one full day after the

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1 date the rent was originally due; and (4) the landlord has recorded the date and amount of 2 3 the assessed fee in a record book or other recordkeeping system maintained by the landlord. 4 5 (a-1) The record maintained by the landlord under Subsection (a)(4) must be made available for inspection on request 6 by a tenant. A landlord may satisfy the requirement of this 7 8 subsection by making the record available in electronic form. (b-1) A landlord may not charge a tenant a late fee on an 9 unpaid amount that does not include unpaid rent and consists 10 entirely of a fee, charge, or other sum of money owed by the tenant 11 12 that is not rent, including a late fee charged under Subsection (a). SECTION 4. Section 92.104(c), Property Code, is amended to 13 14 read as follows: 15 (c) If the landlord retains all or part of a security deposit under this section, the landlord shall give to the tenant 16 17 the balance of the security deposit, if any, together with a written description and itemized list of all deductions. [The landlord is 18 19 not required to give the tenant a description and itemized list of deductions if: 20 21 [(1) the tenant owes rent when <u>he surrenders</u> 22 possession of the premises; and 23 [(2)]there is no controversy concerning the amount of 24 rent owed.] SECTION 5. The changes in law made by this Act apply only to 25 26 a lease entered into or renewed on or after the effective date of this Act. A lease entered into or renewed before the effective date 27

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1 of this Act is governed by the law as it existed immediately before 2 the effective date of this Act, and that law is continued in effect 3 for that purpose.

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4 SECTION 6. This Act takes effect September 1, 2019.