

By: Farrar

H.B. No. 3564

Substitute the following for H.B. No. 3564:

By: Collier

C.S.H.B. No. 3564

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to remedies after certain casualty losses to residential  
3 rental premises.

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

5 SECTION 1. Section 92.054, Property Code, is amended by  
6 amending Subsections (b) and (c) and adding Subsections (b-1),  
7 (b-2), (b-3), (b-4), (b-5), (d), (e), (f), (g), (h), and (i) to read  
8 as follows:

9 (b) If after a casualty loss the rental premises are as a  
10 practical matter totally unusable for residential purposes and if  
11 the casualty loss is not caused by the negligence or fault of the  
12 tenant, a member of the tenant's family, or a guest or invitee of  
13 the tenant, either the landlord or the tenant may terminate the  
14 lease by giving written notice to the other any time before repairs  
15 are completed.

16 (b-1) A notice described by Subsection (b) must be sent:

17 (1) to a landlord:

18 (A) by hand delivery to the landlord or the  
19 landlord's representative;

20 (B) on the same day by:

21 (i) e-mail to an e-mail address that the  
22 tenant and the landlord regularly used to communicate about the  
23 rental premises; and

24 (ii) the method described by Paragraph (C);

1                   (C) by mail to:

2                   (i) the forwarding address that the  
3 landlord provided to the tenant by e-mail or otherwise; or

4                   (ii) if the landlord did not provide a  
5 forwarding address to the tenant, the place where the tenant  
6 normally pays rent; or

7                   (D) by any other method, manner, or means of  
8 delivery to which the landlord and tenant agree after the casualty  
9 loss; or

10                  (2) to a tenant:

11                  (A) by hand delivery;

12                  (B) on the same day by:

13                   (i) e-mail to an e-mail address that the  
14 tenant and the landlord regularly used to communicate about the  
15 rental premises; and

16                   (ii) the method described by Paragraph (C);

17                  (C) by mail to:

18                   (i) the forwarding address that the tenant  
19 provided to the landlord by e-mail or otherwise; or

20                   (ii) if the tenant did not provide a  
21 forwarding address to the landlord, the tenant's rental premises;

22 or

23                   (D) by any other method, manner, or means of  
24 delivery to which the landlord and tenant agree after the casualty  
25 loss.

26                  (b-2) A termination of a lease as authorized by Subsection  
27 (b) may not take effect before the seventh day after the date the

1 notice is delivered. If more than one method under Subsection (b-1)  
2 is used to provide notice, the method under which the notice was  
3 delivered on the earliest date applies for purposes of this  
4 subsection.

5 (b-3) A landlord may not charge rent for the rental premises  
6 and rent for the rental premises may not accrue after the date:

7 (1) the lease is terminated under this section; and

8 (2) the tenant has vacated the rental premises.

9 (b-4) Subject to Subsection (b-5), the landlord, not later  
10 than the 30th day after the date [If] the lease is terminated under  
11 this section and the tenant has vacated the rental premises, shall  
12 refund to the tenant any prepaid rent and prorated [is entitled only  
13 to a pro rata refund of] rent and all deposits, less lawful  
14 deductions. A landlord may not include in the lawful deductions any  
15 damages incurred due to the casualty loss [from the date the tenant  
16 moves out and to a refund of any security deposit otherwise required  
17 by law].

18 (b-5) If a landlord is unable to send to the tenant a refund  
19 under Subsection (b-4) because the tenant has not provided a  
20 forwarding address to the landlord, the 30-day period under  
21 Subsection (b-4) is tolled until the date the tenant provides a  
22 forwarding address to the landlord.

23 (c) If after a casualty loss the rental premises are  
24 partially unusable for residential purposes and if the casualty  
25 loss is not caused by the negligence or fault of the tenant, a  
26 member of the tenant's family, or a guest or invitee of the tenant,  
27 the tenant is entitled to reduction in the rent in an amount that is

1 proportionate to the extent the premises are unusable because of  
2 the casualty loss for the month in which the casualty loss occurs  
3 and any subsequent months in the lease term in which the rental  
4 premises are partially unusable for residential purposes~~[, but only~~  
5 ~~on judgment of a county or district court. A landlord and tenant may~~  
6 ~~agree otherwise in a written lease].~~

7 (d) A tenant entitled to a reduction in rent under  
8 Subsection (c) must give written notice to the individual to whom or  
9 the entity to which the tenant normally pays rent. The notice must:

10 (1) identify the portion of the rental premises that  
11 is partially unusable for residential purposes;

12 (2) state the proposed amount of reduction in rent  
13 that the tenant believes is appropriate; and

14 (3) state that the tenant intends to file suit against  
15 the landlord if the landlord does not agree to the proposed  
16 reduction in rent on or before the 10th day after the date the  
17 landlord receives the notice under this subsection.

18 (e) Not later than the 10th day after the date the landlord  
19 receives the notice under Subsection (d), the landlord must provide  
20 to the tenant a written response agreeing or objecting to the  
21 tenant's right to a reduction in rent due to casualty loss and the  
22 proposed amount. A landlord's failure to timely provide a written  
23 response under this subsection is considered an agreement by the  
24 landlord to the tenant's right to a reduction in rent and the  
25 proposed amount of the reduction and the tenant may withhold the  
26 proposed amount from a rent payment.

27 (f) If the landlord and tenant are unable to agree on

1 whether the tenant is entitled to a reduction in rent or on the  
2 amount of the proposed reduction, either party may file suit in  
3 justice, county, or district court. The court shall determine  
4 whether the tenant is entitled to a reduction in rent and, if so,  
5 the amount of the reduction that is proportionate to the extent the  
6 premises are unusable due to the casualty loss.

7 (g) If a suit is filed under Subsection (f), the tenant is  
8 liable for rent due under the lease until the date the court enters  
9 a final judgment in the action or the parties reach an agreement to  
10 settle the dispute.

11 (h) If a suit is filed in a justice court under Subsection  
12 (f), the justice court shall conduct a hearing on the matter not  
13 earlier than the sixth day after the date of service of citation and  
14 not later than the 10th day after that date.

15 (i) It is a defense in a proceeding to recover possession of  
16 a rental premises after the landlord terminates a lease under  
17 Subsection (b) that the premises are usable for residential  
18 purposes.

19 SECTION 2. The changes to law made by this Act apply only to  
20 a lease entered into or renewed on or after the effective date of  
21 this Act. A lease entered into or renewed before the effective date  
22 of this Act is governed by the law as it existed immediately before  
23 the effective date of this Act, and that law is continued in effect  
24 for that purpose.

25 SECTION 3. This Act takes effect September 1, 2019.