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S.B. No. 498

A BILL TO BE ENTITLED

AN ACT

relating to a commercial landlord's or tenant's remedies regarding certain unlawful activities in a multiunit commercial property.

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

SECTION 1. Section 93.013(a), Property Code, is amended to read as follows:

(a) Notwithstanding a provision in a lease to the contrary, a tenant's right of possession terminates and the landlord has a right to recover possession of the leased premises if the tenant is using the premises or allowing the premises to be used for the purposes of:

(1) prostitution, promotion of prostitution, aggravated promotion of prostitution, or compelling prostitution, as prohibited by the Penal Code;

(2) ~~or~~ trafficking of persons as described by Section 20A.02, Penal Code; or

(3) operating, maintaining, or advertising a massage establishment, as defined by Section 455.001, Occupations Code, that is not in compliance with:

(A) Chapter 455, Occupations Code; or

(B) an applicable local ordinance relating to the licensing or regulation of a massage establishment.

SECTION 2. Chapter 93, Property Code, is amended by adding Section 93.014 to read as follows:

1 Sec. 93.014. RIGHT TO VACATE DUE TO CERTAIN UNLAWFUL
2 ACTIVITIES IN MULTIUNIT COMMERCIAL PROPERTY. (a) In this section:

3 (1) "Multiunit commercial property" means a strip
4 mall, shopping center, office building, or other similar commercial
5 property with multiple contiguous or proximate rental units that
6 are owned or managed as a single property.

7 (2) "Unlawful activity" means:

8 (A) prostitution, promotion of prostitution,
9 aggravated promotion of prostitution, or compelling prostitution,
10 as prohibited under Chapter 43, Penal Code;

11 (B) trafficking of persons, as prohibited under
12 Section 20A.02, Penal Code; or

13 (C) operating, maintaining, or advertising a
14 massage establishment, as defined by Section 455.001, Occupations
15 Code, that is not in compliance with:

16 (i) Chapter 455, Occupations Code; or

17 (ii) an applicable local ordinance relating
18 to the licensing or regulation of a massage establishment.

19 (b) A landlord of a multiunit commercial property is in
20 breach of a lease with a tenant if:

21 (1) the tenant reasonably believes that another tenant
22 in the same multiunit commercial property is engaging in an
23 unlawful activity;

24 (2) the complaining tenant gives the landlord written
25 notice of the offending tenant's engagement in the unlawful
26 activity, including a statement of the basis for the complaining
27 tenant's reasonable belief that the offending tenant is engaging in

1 the activity; and

2 (3) the landlord does not file a forcible detainer
3 suit against the offending tenant under Section 93.013 before the
4 30th day after the date the notice is given.

5 (c) Notwithstanding a provision of the lease to the
6 contrary, if a landlord is in breach of a tenant's lease under
7 Subsection (b), the tenant may:

8 (1) terminate the tenant's rights and obligations
9 under the lease;

10 (2) vacate the leased premises; and

11 (3) avoid liability for future rent and any other sums
12 due under the lease for terminating the lease and vacating the
13 premises before the end of the lease term.

14 (d) This section does not prohibit a landlord from pursuing
15 a civil action against a complaining tenant for any amount due under
16 the complaining tenant's lease if, after the landlord investigates
17 the offending tenant, the landlord determines the complaining
18 tenant's belief regarding the unlawful activity, as stated in the
19 written notice under Subsection (b)(2), was not reasonable.

20 (e) In a civil action described by Subsection (d), there is
21 a rebuttable presumption that a complaining tenant's belief
22 regarding an offending tenant's engagement in unlawful activity is
23 reasonable if the complaining tenant gave the landlord the notice
24 required by Subsection (b)(2).

25 SECTION 3. The changes in law made by this Act apply only to
26 a commercial lease that is entered into or renewed on or after the
27 effective date of this Act. A commercial lease that is entered into

1 or renewed before the effective date of this Act is governed by the
2 law applicable to the lease immediately before the effective date
3 of this Act, and that law is continued in effect for that purpose.

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