

1-1 By: Huffman, Alvarado, Perry S.B. No. 498  
 1-2 (In the Senate - Filed January 29, 2019; February 14, 2019,  
 1-3 read first time and referred to Committee on State Affairs;  
 1-4 March 7, 2019, reported adversely, with favorable Committee  
 1-5 Substitute by the following vote: Yeas 9, Nays 0; March 7, 2019,  
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 498 By: Huffman

1-19 A BILL TO BE ENTITLED  
 1-20 AN ACT

1-21 relating to a commercial landlord's or tenant's remedies regarding  
 1-22 certain unlawful activities in a multiunit commercial property.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section 93.013(a), Property Code, is amended to  
 1-25 read as follows:

1-26 (a) Notwithstanding a provision in a lease to the contrary,  
 1-27 a tenant's right of possession terminates and the landlord has a  
 1-28 right to recover possession of the leased premises if the tenant is  
 1-29 using the premises or allowing the premises to be used for the  
 1-30 purposes of:

1-31 (1) prostitution, promotion of prostitution,  
 1-32 aggravated promotion of prostitution, or compelling prostitution,  
 1-33 as prohibited by the Penal Code;

1-34 (2) ~~trafficking~~ trafficking of persons as described by  
 1-35 Section 20A.02, Penal Code; or

1-36 (3) operating, maintaining, or advertising a massage  
 1-37 establishment, as defined by Section 455.001, Occupations Code,  
 1-38 that is not in compliance with:

1-39 (A) Chapter 455, Occupations Code; or

1-40 (B) an applicable local ordinance relating to the  
 1-41 licensing or regulation of a massage establishment.

1-42 SECTION 2. Chapter 93, Property Code, is amended by adding  
 1-43 Section 93.014 to read as follows:

1-44 Sec. 93.014. RIGHT TO VACATE DUE TO CERTAIN UNLAWFUL  
 1-45 ACTIVITIES IN MULTIUNIT COMMERCIAL PROPERTY. (a) In this section:

1-46 (1) "Multiunit commercial property" means a strip  
 1-47 mall, shopping center, office building, or other similar commercial  
 1-48 property with multiple contiguous or proximate rental units that  
 1-49 are owned or managed as a single property.

1-50 (2) "Unlawful activity" means:

1-51 (A) prostitution, promotion of prostitution,  
 1-52 aggravated promotion of prostitution, or compelling prostitution,  
 1-53 as prohibited under Chapter 43, Penal Code;

1-54 (B) trafficking of persons, as prohibited under  
 1-55 Section 20A.02, Penal Code; or

1-56 (C) operating, maintaining, or advertising a  
 1-57 massage establishment, as defined by Section 455.001, Occupations  
 1-58 Code, that is not in compliance with:

1-59 (i) Chapter 455, Occupations Code; or

1-60 (ii) an applicable local ordinance relating

2-1 to the licensing or regulation of a massage establishment.

2-2 (b) A landlord of a multiunit commercial property is in  
2-3 breach of a lease with a tenant if:

2-4 (1) the tenant reasonably believes that another tenant  
2-5 in the same multiunit commercial property is engaging in an  
2-6 unlawful activity;

2-7 (2) the complaining tenant gives the landlord written  
2-8 notice of the offending tenant's engagement in the unlawful  
2-9 activity, including a statement of the basis for the complaining  
2-10 tenant's reasonable belief that the offending tenant is engaging in  
2-11 the activity; and

2-12 (3) the landlord does not file a forcible detainer  
2-13 suit against the offending tenant under Section 93.013 before the  
2-14 30th day after the date the notice is given.

2-15 (c) Notwithstanding a provision of the lease to the  
2-16 contrary, if a landlord is in breach of a tenant's lease under  
2-17 Subsection (b), the tenant may:

2-18 (1) terminate the tenant's rights and obligations  
2-19 under the lease;

2-20 (2) vacate the leased premises; and

2-21 (3) avoid liability for future rent and any other sums  
2-22 due under the lease for terminating the lease and vacating the  
2-23 premises before the end of the lease term.

2-24 (d) This section does not prohibit a landlord from pursuing  
2-25 a civil action against a complaining tenant for any amount due under  
2-26 the complaining tenant's lease if, after the landlord investigates  
2-27 the offending tenant, the landlord determines the complaining  
2-28 tenant's belief regarding the unlawful activity, as stated in the  
2-29 written notice under Subsection (b)(2), was not reasonable.

2-30 (e) In a civil action described by Subsection (d), there is  
2-31 a rebuttable presumption that a complaining tenant's belief  
2-32 regarding an offending tenant's engagement in unlawful activity is  
2-33 reasonable if the complaining tenant gave the landlord the notice  
2-34 required by Subsection (b)(2).

2-35 SECTION 3. The changes in law made by this Act apply only to  
2-36 a commercial lease that is entered into or renewed on or after the  
2-37 effective date of this Act. A commercial lease that is entered into  
2-38 or renewed before the effective date of this Act is governed by the  
2-39 law applicable to the lease immediately before the effective date  
2-40 of this Act, and that law is continued in effect for that purpose.

2-41 SECTION 4. This Act takes effect September 1, 2019.

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