

By: Hancock

S.B. No. 1414

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 rent unless:

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

(2) the fee is ~~[a]~~ reasonable ~~[estimate of uncertain damages 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 fee 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) Notwithstanding Subsection (a)(2), if a tenant's dwelling is located in a building that contains five or more dwelling units, a landlord may not collect from the tenant a late fee for a rental period that is more than the greater of:

1           (1) \$150; or

2           (2) 10 percent of the amount of the rent for the rental  
3 period.

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

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

12           SECTION 2. Section [92.019](#), Property Code, as amended by  
13 this Act, applies only to a late fee under a lease entered into or  
14 renewed on or after the effective date of this Act. A late fee under  
15 a lease entered into or renewed before the effective date of this  
16 Act is governed by the law as it existed immediately before the  
17 effective date of this Act, and that law is continued in effect for  
18 that purpose.

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