

1-1 By: Hancock S.B. No. 1414
 1-2 (In the Senate - Filed March 1, 2019; March 14, 2019, read
 1-3 first time and referred to Committee on Business & Commerce;
 1-4 April 10, 2019, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 8, Nays 1; April 10, 2019,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8 Hancock	X			
1-9 Nichols	X			
1-10 Campbell	X			
1-11 Creighton	X			
1-12 Menéndez	X			
1-13 Paxton	X			
1-14 Schwertner	X			
1-15 Whitmire	X			
1-16 Zaffirini		X		

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1414 By: Hancock

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

1-21 relating to fees regarding a residential tenant's failure to timely
 1-22 pay rent.

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

1-24 SECTION 1. Section 92.019, Property Code, is amended by
 1-25 amending Subsections (a), (b), and (c) and adding Subsections (a-1)
 1-26 and (a-2) to read as follows:

1-27 (a) A landlord may not collect from ~~[charge]~~ a tenant a late
 1-28 fee for failing to pay any portion of the tenant's rent unless:

1-29 (1) notice of the fee is included in a written lease;

1-30 (2) the fee is ~~[a] reasonable [estimate of uncertain~~
 1-31 ~~damages to the landlord that are incapable of precise calculation~~
 1-32 ~~and result from late payment of rent]~~; and

1-33 (3) any portion of the tenant's rent has remained
 1-34 unpaid two ~~[one]~~ full days ~~[day]~~ after the date the rent was
 1-35 originally due.

1-36 (a-1) A tenant may request that the landlord provide to the
 1-37 tenant a written statement of whether the tenant owes a late fee to
 1-38 the landlord and, if so, the amount of the late fee. The landlord
 1-39 may provide the statement to the tenant by any established means
 1-40 regularly used for written communication between the landlord and
 1-41 the tenant. A landlord's failure to respond does not affect the
 1-42 tenant's liability for any late fee owed to the landlord.

1-43 (a-2) For purposes of this section, a late fee is considered
 1-44 reasonable if the late fee does not exceed 12 percent of the amount
 1-45 of rent for the rental period under the lease. A late fee that
 1-46 exceeds 12 percent of the amount of rent for the rental period under
 1-47 the lease is considered reasonable if the late fee does not exceed
 1-48 uncertain damages to the landlord related to late payment of rent,
 1-49 including direct or indirect expenses, direct or indirect costs, or
 1-50 overhead associated with the collection of late payment.

1-51 (b) A late fee under this section may include an initial fee
 1-52 and a daily fee for each day any portion of the tenant's rent
 1-53 continues to remain unpaid, and the combined fees are considered a
 1-54 single late fee for purposes of this section.

1-55 (c) A landlord who violates this section is liable to the
 1-56 tenant for an amount equal to the sum of \$100, three times the
 1-57 amount of the late fee collected ~~[charged]~~ in violation of this
 1-58 section, and the tenant's reasonable attorney's fees.

1-59 SECTION 2. Section 92.019, Property Code, as amended by
 1-60 this Act, applies only to a late fee under a lease entered into or

2-1 renewed on or after the effective date of this Act. A late fee under
2-2 a lease entered into or renewed before the effective date of this
2-3 Act is governed by the law as it existed immediately before the
2-4 effective date of this Act, and that law is continued in effect for
2-5 that purpose.

2-6 SECTION 3. This Act takes effect September 1, 2019.

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