

By: West

S.B. No. 1685

A BILL TO BE ENTITLED

AN ACT

relating to methods of payment of rent and security deposits to residential landlords and authorizing associated service charges.

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

SECTION 1. Section 92.011, Property Code, is amended to read as follows:

Sec. 92.011. [~~CASH~~] RENTAL AND SECURITY DEPOSIT PAYMENTS;  
SERVICE CHARGES. (a) In this section, "electronic funds transfer"  
means any transfer of money, other than a transaction originated by  
check, money order, or other traceable or negotiable instrument,  
that is initiated through an electronic terminal, telephonic  
instrument, computer, or magnetic tape and that orders, instructs,  
or authorizes a financial institution to debit or credit an  
account. The term includes a point-of-sale transfer, direct deposit  
or withdrawal of money, transfer through an automated  
clearinghouse, transfer initiated electronically that delivers a  
paper instrument, and transfer authorized in advance to recur at  
substantially regular intervals.

(b) Except as provided by Subsection (d), a landlord shall  
permit a tenant to pay rent or a security deposit by at least one  
method of payment other than cash or an electronic funds transfer.

(c) A landlord shall accept a tenant's timely cash rental  
payment unless a written lease between the landlord and tenant  
requires the tenant to make rental payments by a method other than

1 cash, provided that the written lease complies with Subsection (b)  
2 [check, money order, or other traceable or negotiable instrument].

3 (d) A landlord may require cash as the exclusive method of  
4 payment of rent or a security deposit for a tenant whose immediately  
5 preceding payment to the landlord was by a method of payment that  
6 was refused or dishonored for insufficient funds or canceled by the  
7 tenant. The landlord may not require cash as the exclusive form of  
8 payment for more than three months after the date the tenant  
9 tendered the refused, dishonored, or canceled payment to the  
10 landlord.

11 (e) A tenant must pay to a landlord that requires cash  
12 payment under Subsection (d) the amounts due to the landlord in cash  
13 for the period determined by the landlord, subject to Subsection  
14 (d), only if the landlord:

15 (1) provides written notice to the tenant that the  
16 tenant's previous payment was refused, dishonored, or canceled; and

17 (2) attaches to the notice a copy or other evidence of  
18 the refused, dishonored, or canceled payment.

19 (f) [~~(b)~~] A landlord who receives a cash rental or security  
20 deposit payment shall:

21 (1) provide the tenant with a written receipt; and

22 (2) enter the payment date and amount in a record book  
23 maintained by the landlord.

24 (g) A landlord may collect a service charge for processing a  
25 payment of rent or a security deposit by electronic funds transfer  
26 in an amount not to exceed the amount of the service charge  
27 authorized under Section 501.176, Transportation Code, for

1 processing a payment for a certificate of title or registration for  
2 a motor vehicle by electronic funds transfer. A landlord may not  
3 collect a service charge for processing a payment of rent or a  
4 security deposit by any method of payment other than electronic  
5 funds transfer.

6 (h) ~~[(c)]~~ A tenant or a governmental entity or civic  
7 association acting on the tenant's behalf may file suit against a  
8 landlord to enjoin a violation of Subsection (c) ~~[this section]~~. A  
9 party who prevails in a suit brought under this subsection may  
10 recover court costs and reasonable attorney's fees from the other  
11 party. In addition to court costs and reasonable attorney's fees, a  
12 tenant who prevails under this subsection may recover from the  
13 landlord the greater of one month's rent or \$500 for each violation  
14 of this section.

15 (i) A provision of a lease that purports to waive a right or  
16 exempt a party from a liability under this section is void.

17 SECTION 2. Section [92.011](#), Property Code, as amended by  
18 this Act, applies only to a lease entered into or renewed on or  
19 after the effective date of this Act. A lease entered into or  
20 renewed before the effective date of this Act is governed by the law  
21 as it existed immediately before the effective date of this Act, and  
22 that law is continued in effect for that purpose.

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