

BILL ANALYSIS

H.B. 531
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Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

There are concerns that renters in areas susceptible to flooding may be unaware of that risk. Although state law requires a person selling real property to disclose to prospective homeowners whether the property is located in a floodplain, there is no similar requirement with respect to notice of the potential for flooding by a landlord to their tenants. H.B. 531 seeks to ensure that tenants are equipped with the information necessary to make informed decisions regarding the safest place for them to rent by requiring a landlord to provide to a residential tenant a written notice indicating whether the landlord is aware that the leased dwelling is located in a 100-year floodplain and whether the dwelling has sustained flood damage in the preceding five-year period.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 531 amends the Property Code to require the landlord of a residential dwelling to provide to a tenant a written notice stating whether the landlord is or is not aware that the dwelling is located in a 100-year floodplain. The bill sets out additional language for the notice related to informing the tenant of the dwelling's potential susceptibility to flooding and the advisability of flood insurance.

H.B. 531 establishes that the landlord of a dwelling located in a 100-year floodplain that is raised above 100-year floodplain flood levels in accordance with federal regulations is not required to disclose that the landlord is aware that the dwelling is located in the floodplain. The bill requires a landlord who knows that flooding has damaged any portion of a dwelling at least once during the five-year period immediately preceding the effective date of a lease to provide written notice to the tenant regarding the landlord's awareness of such flooding.

H.B. 531 requires each applicable flood notice required by the bill to be included in a separate written document given to a tenant before execution of a lease.

H.B. 531 authorizes a tenant to terminate a lease if a landlord violates the bill's flood notice requirements and the tenant suffers a substantial loss or damage to the tenant's personal property as a result of flooding. The bill requires the tenant to give a written notice of termination to the landlord not later than the 30th day after the date the loss or damage occurred and makes

termination effective when the tenant surrenders possession of the dwelling. The bill requires the landlord, not later than the 30th day after the effective date of the termination, to refund to the tenant all rent or other amounts paid in advance under the lease for any period after that effective date. The bill's provisions do not affect a tenant's liability for delinquent, unpaid rent or other sums owed to the landlord before the date the tenant terminated the lease.

EFFECTIVE DATE

January 1, 2022.