

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 531
By: Walle et al. (Huffman)
Business & Commerce
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

During the 86th legislative session, the Texas Legislature established an enhanced flood notice requirement for flood prone homes, increasing protections for prospective homeowners.

H.B. 531 seeks to extend these enhanced flood notice requirements and safeguards to potential tenants by amending Texas Property Code Chapter 92. H.B. 531 would require landlords of leased residential property to provide notice to a prospective tenant, before or at the execution of the lease, whether the property is located in a 100-year floodplain or whether the property has flooded during the five-year period immediately preceding the effective date of the lease.

If a landlord fails to provide the notice and a tenant suffers a substantial loss or damage to the tenant's personal property as a result of flooding, the tenant may terminate the lease within 30 days of the loss. Additionally, the landlord must refund all rent or other amounts paid for any period after the termination.

(Original Author's / Sponsor's Statement of Intent)

C.S.H.B. 531 amends current law relating to notice requirements for a leased dwelling located in a floodplain.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter A, Chapter 92, Property Code, by adding Section 92.0135, as follows:

Sec. 92.0135. NOTICE FOR DWELLING LOCATED IN FLOODPLAIN. (a) Defines "100-year floodplain" and "flooding."

(b) Requires a landlord to provide to a tenant a written notice substantially equivalent to a certain form.

(c) Provides that, notwithstanding Subsection (b), a landlord is not required to disclose on the notice that the landlord is aware that a dwelling is located in a 100-year floodplain if the elevation of the dwelling is raised above the 100-year floodplain flood levels in accordance with federal regulations.

(d) Requires a landlord, if the landlord knows that flooding has damaged any portion of a dwelling at least once during the five-year period immediately preceding the effective date of the lease, to provide a written notice to a tenant that is substantially equivalent to a certain form.

(e) Requires that the notices required by Subsections (b) and (d) be included in a separate written document given to the tenant at or before execution of the lease.

(f) Authorizes a tenant, if a landlord violates this section and the tenant suffers a substantial loss or damage to the tenant's personal property as a result of flooding, to terminate the lease by giving a written notice of termination to the landlord not later than the 30th day after the date the loss or damage occurred. Provides that, for purposes of this subsection, a tenant suffers a substantial loss or damage to personal property if the total cost of repairs to or replacement of the personal property is 50 percent or more of the personal property's market value on the date the flooding occurred. Provides that termination of a lease under this subsection is effective when the tenant surrenders possession of the dwelling.

(g) Requires the landlord, not later than the 30th day after the effective date of the termination of a lease under Subsection (f), to refund to the tenant all rent or other amounts paid in advance under the lease for any period after the effective date of the termination of the lease.

(h) Provides that this section does not affect a tenant's liability for delinquent, unpaid rent or other sums owed to the landlord before the date the lease was terminated by the tenant under this section.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: January 1, 2022.