By:  Walle, et al. (Senate Sponsor - Huffman) H.B. No. 531

(In the Senate - Received from the House April 6, 2021; April 19, 2021, read first time and referred to Committee on Business & Commerce; May 10, 2021, reported adversely, with favorable Committee Substitute by the following vote: Yeas 7, Nays 0; May 10, 2021, sent to printer.)

COMMITTEE VOTE

                    Yea Nay Absent  PNV

Hancock              X

Nichols              X

Campbell             X

Creighton                      X

Johnson              X

Menéndez             X

Paxton                         X

Schwertner           X

Whitmire             X

COMMITTEE SUBSTITUTE FOR H.B. No. 531 By:  Hancock

A BILL TO BE ENTITLED

AN ACT

relating to notice requirements for a leased dwelling located in a floodplain.

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

SECTION 1.  Subchapter A, Chapter 92, Property Code, is amended by adding Section 92.0135 to read as follows:

Sec. 92.0135.  NOTICE FOR DWELLING LOCATED IN FLOODPLAIN. (a) In this section:

(1)  "100-year floodplain" means any area of land designated as a flood hazard area with a one percent or greater chance of flooding each year by the Federal Emergency Management Agency under the National Flood Insurance Act of 1968 (42 U.S.C. Section 4001 et seq.).

(2)  "Flooding" means a general or temporary condition of partial or complete inundation of a dwelling caused by:

(A)  the overflow of inland or tidal waters;

(B)  the unusual and rapid accumulation of runoff or surface waters from any established water source such as a river, stream, or drainage ditch; or

(C)  excessive rainfall.

(b)  A landlord shall provide to a tenant a written notice substantially equivalent to the following:

"(Landlord) ( ) is or ( ) is not aware that the dwelling you are renting is located in a 100-year floodplain. If neither box is checked, you should assume the dwelling is in a 100-year floodplain. Even if the dwelling is not in a 100-year floodplain, the dwelling may still be susceptible to flooding. The Federal Emergency Management Agency (FEMA) maintains a flood map on its Internet website that is searchable by address, at no cost, to determine if a dwelling is located in a flood hazard area. Most tenant insurance policies do not cover damages or loss incurred in a flood. You should seek insurance coverage that would cover losses caused by a flood."

(c)  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)  If a 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, the landlord shall provide a written notice to a tenant that is substantially equivalent to the following:

"(Landlord) ( ) is or ( ) is not aware that the dwelling you are renting has flooded at least once within the last five years."

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

(f)  If a landlord violates this section 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 by giving a written notice of termination to the landlord not later than the 30th day after the date the loss or damage occurred. 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. Termination of a lease under this subsection is effective when the tenant surrenders possession of the dwelling.

(g)  Not later than the 30th day after the effective date of the termination of a lease under Subsection (f), the landlord shall 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)  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.  Section 92.0135, Property Code, as added by this Act, applies only to a lease agreement entered into or renewed on or after the effective date of this Act.

SECTION 3.  This Act takes effect January 1, 2022.

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