

## **BILL ANALYSIS**

C.S.H.B. 673  
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Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

According to U.S. Census data, nearly 40 percent of Texans are renters, yet Texas still faces housing and eviction crises that were exacerbated by the effects of the COVID-19 pandemic. Under state law, if a notice to vacate is given, a tenant is only given three days to vacate the premises before a forcible detainer suit is filed. This three-day period is not a grace period nor is it an opportunity for the tenant to cure any default—it merely starts the clock for when the tenant must be out. Moreover, a landlord is not required to halt the eviction process if the tenant is able to make full payment and otherwise cure the original default that precipitated the notice to vacate.

To address this issue, some municipalities have implemented policies that give residential tenants the right to cure a contractual default. However, this patchwork of regulations can have a detrimental impact on the economic viability of a community. Additionally, for large companies whose business is leasing residential tenant units, having rules for properties that vary by location can cause havoc on internal operations. C.S.H.B. 673 seeks to address this issue by requiring landlords to give residential tenants written notice of a default that can be cured and an opportunity to cure the default before issuing a notice to vacate.

### **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**

C.S.H.B. 673 amends the Property Code to require a landlord to give a residential tenant who defaults under a written lease or oral rental agreement the opportunity to cure the default before the landlord issues a notice to vacate the premises. Specifically, the bill requires the following:

- for a tenant who defaults for nonpayment of rent, the landlord must give the tenant written notice demanding payment of delinquent rent and an opportunity to cure the default by paying the delinquent rent; and
- for a tenant who defaults for a reason other than nonpayment of rent, the landlord must give the tenant written notice specifying the default and an opportunity to cure the default, if the reason for the default can be cured.

The bill requires the notice to state that the landlord may give notice to vacate if the default is not cured within five calendar days and authorizes the landlord to issue the notice to vacate if the tenant fails to cure the default on or before the fifth calendar day after the delivery of the notice to cure default. The bill subjects the notice to cure default to the same requirements

regarding method of delivery as the notice to vacate. The bill prohibits a tenant from curing a default for nonpayment of rent more than one time in any 12-month period unless the lease provides otherwise.

C.S.H.B. 673 removes the option in current law for a landlord and tenant to contract in a written lease or agreement for a notice to vacate period that is shorter or longer than the statutorily required three-day period.

C.S.H.B. 673 applies only to a notice to vacate given on or after the bill's effective date.

### **EFFECTIVE DATE**

September 1, 2023.

### **COMPARISON OF INTRODUCED AND SUBSTITUTE**

While C.S.H.B. 673 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute changes the date by which a tenant must cure a default before the landlord may give notice to vacate. The introduced required the tenant to cure the default on or before the seventh day after the landlord delivers written notice of the default, but the substitute required the tenant to cure the default on or before the fifth calendar day after the delivery.

The substitute, but not the introduced, provides that, unless a lease provides otherwise, a tenant may not cure a default for nonpayment of rent more than one time in any 12-month period.

The substitute does not include a provision that appeared in the introduced limiting the method of delivery that a landlord may use for mailing a notice to vacate to certified mail, return receipt requested.