

BILL ANALYSIS

C.S.H.B. 1450
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Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

While eviction case dismissals are typically the best outcome for tenants, the filing of an eviction case can be reflected on a tenant's record for up to seven years. When a future employer, landlord, or credit company does a background check, the filing of an eviction case that was dismissed can still harm the chances of finding adequate housing, jobs, or other opportunities. C.S.H.B. 1450 seeks to address this issue by requiring courts to enter an order making the eviction case information confidential if the judgment is in favor of the defendant.

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. 1450 amends the Property Code to require a court, concurrently with a judgment or order of dismissal in an eviction case, to enter an order making confidential the eviction case information pertaining to a defendant if any of the following occurs:

- a judgment is entered in favor of the defendant;
- the case is dismissed without any relief granted to the plaintiff; or
- the defendant is a residential tenant not otherwise in default and the eviction case is brought by the successor in interest following foreclosure.

The bill requires a court, on petition of a defendant after a judgment or order of dismissal has been entered, to enter an order making confidential the eviction case information pertaining to a defendant if a confidentiality order was not issued and either a judgment was entered in favor of the defendant or the case was dismissed without any relief granted to the plaintiff. The bill defines "eviction case" as a lawsuit brought under statutory provisions regarding a forcible entry and detainer to recover possession of leased or rented real property from a tenant, including a tenant at will or a tenant at sufferance.

C.S.H.B. 1450 requires a court, on perfection of appeal by any party in an eviction case, to enter an order making confidential the case information of the trial court during the pendency of the appeal. The bill does the following if an order is entered making eviction case information confidential under the bill's provisions:

- prohibits a court or clerk from disclosing the eviction case information, except as follows:
 - to any judge or court staff of the trial court presiding over the case;
 - to the parties to the suit or the parties' counsel; or

- to any other person, agency, or institution approved by the court with a legitimate and noncommercial interest in the work of the court in a form that omits any personal identifying information of the parties; and
- except to the extent permitted by federal law, prohibits a consumer reporting agency, a person other than a landlord who regularly collects and disseminates eviction case information, or a person who sells eviction case information from doing the following:
 - disclosing the existence of the case; or
 - using the case information as a factor in determining a score or recommendation in a tenant screening report regarding the defendant.

The bill defines by reference a "consumer reporting agency" as a person that regularly engages wholly or partly in the practice of assembling or evaluating consumer credit information or other information on consumers to furnish consumer reports to third parties for monetary fees, for dues, or on a cooperative nonprofit basis. The term does not include a business entity that provides only check verification or check guarantee services. The bill makes such an agency or person who knowingly violates the applicable prohibition liable to an injured party for actual damages and reasonable attorney's fees and court costs. The bill expressly does not prohibit a party to an eviction case from abstracting the judgment in the case.

EFFECTIVE DATE

September 1, 2023.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 1450 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 includes a provision absent from the introduced defining a consumer reporting agency by reference for purposes of the bill's provisions. The substitute revises a prohibition in the introduced against disclosing the existence of the eviction case or using the eviction case information as a factor in determining a score or recommendation in a tenant screening report regarding the defendant by replacing a credit reporting agency with a consumer reporting agency.