

BILL ANALYSIS

C.S.H.B. 3276
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Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Current law does not provide enough transparency regarding the recurring fixed fees a tenant may incur after signing a lease, such as fees for parking, package delivery, trash collection, or maintenance. All expenses related to the rental unit should be clear to a person before the person agrees to a lease, with landlords providing full transparency regarding such costs, because these undisclosed recurring fixed fees may pose budgetary challenges for a tenant and result in a total monthly cost higher than the basic rent payment. There are calls for action to ensure comprehensive leasing transparency for all tenants in Texas. C.S.H.B. 3276 seeks to address these concerns by requiring a landlord to disclose a fixed recurring fee to a tenant before a lease is signed by the tenant and establishing that a tenant is not obligated to pay such a fee that is not disclosed.

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. 3276 amends the Property Code to require a landlord to disclose to a tenant a fixed, recurring fee other than rent for a dwelling that the landlord intends to charge the tenant under a written lease before the tenant signs the lease for the dwelling. The bill establishes that disclosure of the amount of a fee in a written lease or an amendment to a written lease satisfies the requirement. A tenant is not obligated to pay such a fee that is not disclosed. Nothing in the bill's provisions may be construed to limit the ability of a landlord and tenant to enter into an agreement during a lease term under which the landlord charges a recurring fee to the tenant for goods or services.

C.S.H.B. 3276 applies only to a fee under a lease entered into or renewed on or after the bill's effective date.

EFFECTIVE DATE

September 1, 2023.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 3276 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 the following provisions absent from the introduced:

- a provision establishing that the disclosure of the amount of a fee in a written lease or an amendment to a lease satisfies the requirement for a written lease to disclose a fixed, recurring, or other fee other than rent to a tenant before the tenant signs the lease; and
- a provision establishing that nothing in the bill's provisions may be construed to limit the ability of a landlord and tenant to enter into an agreement during a lease term under which the landlord charges a recurring fee for goods and services.