

BILL ANALYSIS

H.B. 3405
By: Bryant
Business & Industry
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Legal practitioners, renters and property owners have raised concerns over the archaic statutory language regarding tenant repairs and security deposits. Under current law, tenants are required to use a contractor or repairman who is listed in the yellow pages or in the classified advertising section of a newspaper when making certain permitted repairs; when tenants leave a property upon termination of a lease, a forwarding address is required for the delivery of certain notices and for the return of a tenant's security deposit. However, these antiquated requirements do not comport with modern online leasing practices and need to be updated to reflect modern practices. H.B. 3405 seeks to address this issue by updating language in provisions relating to rental unit repairs and returning security deposits.

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

H.B. 3405 amends the Property Code to revise provisions relating to repairs made to a rental unit under a residential tenancy and a manufactured home tenancy by doing the following:

- requiring repairs made pursuant to a tenant's notice of intent to repair to be made by an independent company, contractor, or repairman that is licensed in accordance with the municipality's requirements in which the rental unit is located, if applicable; and
- removing a requirement that the company, contractor, or repairman be listed in the yellow or business pages of the telephone directory or in the classified advertising section of a newspaper of the local city, county, or adjacent county at the time of the tenant's notice of intent to repair.

H.B. 3405 authorizes a tenant of a residential rental property or of a lot in a manufactured home community to satisfy the requirement to provide to a landlord a written statement of the tenant's forwarding address for the purpose of refunding the security deposit in the following ways:

- providing the statement in accordance with the lease; or
- regardless of the lease terms, hand delivering the statement to the landlord or landlord's property manager if rent has been paid in that manner or sending the statement to the landlord or landlord's property manager or to an address where the tenant has paid rent under the lease through certain delivery services.

The bill establishes that a tenant who complies with the authorized methods of delivery has satisfied the requirement, even if the landlord fails to claim or refuses delivery of the written

statement of the tenant's forwarding address. The bill includes a tenant's satisfaction of the forwarding address requirement among the conditions that must be met in order for a landlord to be presumed to have acted in bad faith if the landlord fails either to return a security deposit or to provide a written description and itemization of deductions on or before the 30th day after the date the tenant has met the applicable conditions.

H.B. 3405 applies only to a lease entered into or renewed on or after the bill's effective date.

EFFECTIVE DATE

September 1, 2023.