

By: Bryant

H.B. No. 5166

A BILL TO BE ENTITLED

AN ACT

relating to housing; providing property tax exemptions and relief relating to housing; providing a civil penalty; authorizing a fee.

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

ARTICLE 1. PROGRAMS AND FINANCIAL ASSISTANCE FOR AFFORDABLE

HOUSING

SECTION 1.01. Section 2306.202, Government Code, is amended to read as follows:

Sec. 2306.202. USE OF HOUSING TRUST FUND. (a) The department, through the housing finance division, shall use the housing trust fund to provide loans, grants, or other comparable forms of assistance to local units of government, public housing authorities, nonprofit organizations, land trusts, and income-eligible individuals, families, and households to:

(1) finance, acquire, rehabilitate, adapt, preserve, and develop decent, safe, and sanitary housing, including cooperative housing, assisted housing, and transitional or emergency housing;

(2) provide down payment assistance and rental assistance; and

(3) provide financial assistance for weatherization, emergency repairs, or other housing-related services.

(b) In each biennium the first \$2.6 million available through the housing trust fund for loans, grants, or other

1 comparable forms of assistance shall be set aside and made
2 available exclusively for local units of government, public housing
3 authorities, and nonprofit organizations. Any additional funds may
4 also be made available to for-profit organizations provided that at
5 least 45 percent of available funds, as determined on September 1 of
6 each state fiscal year, in excess of the first \$2.6 million shall be
7 made available to nonprofit organizations for the purpose of
8 acquiring, rehabilitating, and developing decent, safe, and
9 sanitary housing. The remaining portion shall be distributed to
10 nonprofit organizations, for-profit organizations, and other
11 eligible entities.

12 (c) Notwithstanding any other section of this chapter, but
13 subject to the limitations in Section 2306.251(c), the department
14 may also use the fund to acquire property to endow the fund.

15 (d) [~~(b)~~] Use of the fund is limited to providing:

16 (1) assistance for individuals and families of
17 extremely low and very low income;

18 (2) technical assistance and capacity building to
19 nonprofit organizations engaged in developing housing for
20 individuals and families of extremely low and very low income; and

21 (3) security for repayment of revenue bonds issued to
22 finance housing for individuals and families of extremely low and
23 very low income.

24 SECTION 1.02. Subchapter K, Chapter 2306, Government Code,
25 is amended by adding Sections 2306.2515 and 2306.2516 to read as
26 follows:

27 Sec. 2306.2515. DOWN PAYMENT ASSISTANCE PROGRAM. (a) In

1 this section, "first-time homebuyer" means a person who:

2 (1) resides in this state on the date on which an
3 application is filed; and

4 (2) has not owned a home during the three years
5 preceding the date on which an application under this section is
6 filed.

7 (b) The department shall establish a program to provide down
8 payment assistance in the form of a \$10,000 grant to first-time
9 homebuyers.

10 (c) To be eligible for down payment assistance provided
11 under this section, a homebuyer must:

12 (1) qualify as a first-time homebuyer under this
13 section;

14 (2) have paid rent on time for the two years preceding
15 the date on which an application under this section is filed;

16 (3) submit an application to the department; and

17 (4) meet any additional requirements or limitations
18 prescribed by the department.

19 (d) The department shall adopt rules necessary to implement
20 the program established by this section.

21 Sec. 2306.2516. TEXAS RENT RELIEF PROGRAM. (a) The
22 department shall establish and administer the Texas rent relief
23 program to provide financial assistance to residents of this state
24 who live in rental housing and who have unpaid rent or utility
25 bills.

26 (b) The department shall adopt rules necessary to implement
27 the program established by this section, including rules

1 establishing eligibility requirements for participation in the
2 program.

3 SECTION 1.03. Section 2306.6711(f-1), Government Code, is
4 amended to read as follows:

5 (f-1) The board may allocate housing tax credits to more
6 than one development in a single community only if the community is
7 part of a high opportunity area and each development is located in
8 the area or if:

9 (1) the community is located in:

10 (A) a municipality with a population of two
11 million or more; and

12 (B) an area that is a federally declared disaster
13 area; and

14 (2) the governing body of the municipality containing
15 the development:

16 (A) has by vote specifically authorized the
17 allocation of housing tax credits for the development; and

18 (B) is authorized to administer disaster
19 recovery funds as a subgrant recipient.

20 SECTION 1.04. Section 2306.6725(a), Government Code, is
21 amended to read as follows:

22 (a) In allocating low income housing tax credits, the
23 department shall score each application using a point system based
24 on criteria adopted by the department that are consistent with the
25 department's housing goals, including criteria addressing the
26 ability of the proposed project to:

27 (1) provide quality social support services to

1 residents;

2 (2) demonstrate community and neighborhood support as
3 defined by the qualified allocation plan;

4 (3) consistent with sound underwriting practices and
5 when economically feasible, serve individuals and families of
6 extremely low income by leveraging private and state and federal
7 resources, including federal HOPE VI grants received through the
8 United States Department of Housing and Urban Development;

9 (4) serve traditionally underserved areas;

10 (5) demonstrate support from local political
11 subdivisions based on the subdivisions' commitment of development
12 funding;

13 (6) rehabilitate or perform an adaptive reuse of a
14 certified historic structure, as defined by Section [172.101\(b\)\(1\)](#)
15 [~~171.901(1)~~], Tax Code, as part of the development;

16 (7) remain affordable to qualified tenants for an
17 extended, economically feasible period; ~~and~~

18 (8) comply with the accessibility standards that are
19 required under Section 504, Rehabilitation Act of 1973 (29 U.S.C.
20 Section 794), and specified under 24 C.F.R. Part 8, Subpart C;

21 (9) implement eviction prevention policies;

22 (10) reduce the vulnerability of tenants to hazards
23 affecting the habitability of the unit;

24 (11) reduce barriers to accessing supportive housing;

25 and

26 (12) for a project that rehabilitates an existing
27 development, provide opportunities for tenant participation in the

1 decision-making process regarding the rehabilitation.

2 SECTION 1.05. Subchapter D, Chapter 392, Local Government
3 Code, is amended by adding Section 392.0556 to read as follows:

4 Sec. 392.0556. HOUSING CHOICE VOUCHER PROGRAM ASSISTANCE
5 POLICIES. (a) In this section, "housing voucher" means a
6 tenant-based housing choice voucher provided through the housing
7 choice voucher program established under Section 8, United States
8 Housing Act of 1937 (42 U.S.C. Section 1437f).

9 (b) An authority shall provide to each adult tenant detailed
10 guidance on how to complete all forms and worksheets that are
11 necessary to obtain a housing voucher.

12 (c) An authority shall establish and maintain an
13 Internet-based portal that allows:

14 (1) landlords to list available rental properties
15 where housing vouchers are accepted; and

16 (2) prospective tenants to sort by zip code listings
17 made under Subdivision (1).

18 (d) A listing made under Subsection (c)(1) must include
19 recent photographs of the unit and information about the unit,
20 including the square footage of the unit, the number of bedrooms and
21 bathrooms in the unit, the main amenities in the unit, and whether
22 the unit has heating or air conditioning.

23 (e) An authority may charge a fee to landlords for use of the
24 portal to list available rental properties where housing vouchers
25 are accepted.

26 ARTICLE 2. CORPORATE OWNERSHIP OF SINGLE-FAMILY HOMES

27 SECTION 2.01. Subchapter C, Chapter 86, Education Code, is

1 amended by adding Sections 86.531 and 86.532 to read as follows:

2 Sec. 86.531. ANNUAL STUDY AND REPORT ON SINGLE-FAMILY HOME
3 PURCHASES, RENTALS, AND SALES BY CERTAIN CORPORATE OWNERS. (a) In
4 this section, "corporate owner," "rental property," and
5 "single-family home" have the meanings assigned by Section 5.251,
6 Property Code.

7 (b) Using existing available data and deed records, the
8 center shall compile information related to corporate owners'
9 purchases, rentals, and sales of single-family homes in this state
10 for each calendar year. The information must include:

11 (1) the number of single-family homes each corporate
12 owner had an interest in during the calendar year;

13 (2) the number of single-family homes purchased by
14 each corporate owner during the calendar year and the total number
15 purchased in each county and municipality;

16 (3) the number of single-family homes described by
17 Subdivisions (1) and (2) acquired through foreclosure;

18 (4) the number of single-family homes described by
19 Subdivisions (1) and (2) sold by each corporate owner during the
20 calendar year;

21 (5) the number of single-family homes described by
22 Subdivisions (1) and (2) used as rental properties during the
23 calendar year;

24 (6) the municipality and county in which each
25 single-family home described by Subdivisions (1) and (2) is
26 located;

27 (7) the appraised value of each single-family home

1 described by Subdivisions (1) and (2);

2 (8) the name, assumed name, business association type,
3 registered office address, telephone number, and registered agent
4 of each corporate owner of a single-family home; and

5 (9) the name, address, and contact information for the
6 landlord or third-party lessor, sublessor, management company, or
7 managing agent of each single-family home described by Subdivision
8 (5).

9 (c) In addition to the information required by Subsection
10 (b), the center may compile additional information at the
11 recommendation of the legislature or that the center determines is
12 relevant based on market trends.

13 (d) Not later than June 1 of each year, the center shall
14 submit a report to the lieutenant governor, the speaker of the house
15 of representatives, and each member of the legislature. The report
16 must contain:

17 (1) a summary of the information compiled under
18 Subsection (b) for the preceding calendar year;

19 (2) an assessment of any trends or patterns relating
20 to the relative number of purchases by corporate owners, including
21 whether the corporate owners fall into any readily observable
22 groups based on the number of purchases or other appropriate
23 criteria; and

24 (3) an analysis of:

25 (A) the impact of corporate owners on the cost of
26 housing; and

27 (B) the advantages and disadvantages, if any,

1 that corporate owners have over individual buyers in the real
2 estate market.

3 (e) After completing the initial report under this section,
4 the center may compile information from any calendar years
5 preceding 2025 to create and submit reports for those years that
6 include the information listed in Subsections (b) and (d).

7 Sec. 86.532. DATABASE OF CORPORATE OWNERS. (a) The center
8 shall create and maintain a statewide database that retains and
9 shows the cumulative information from each category described by
10 Section 86.531(b). The center shall make the database available in
11 a searchable format on its Internet website in a conspicuous
12 location.

13 (b) The center shall update information in the database each
14 month. The center shall enter into the database for access by the
15 public the updated information described by Section 86.531(b) not
16 later than the 30th business day after the date the center finds or
17 obtains the information.

18 (c) The center may consult with the appropriate agent of, or
19 other person representing, each corporate owner to obtain the
20 information necessary to operate and update the database.

21 (d) The center may consult with a state agency or political
22 subdivision to obtain assistance with collecting, aggregating, and
23 updating the data required by this section.

24 (e) The center may not charge a fee to the public to access
25 the database.

26 SECTION 2.02. Chapter 5, Property Code, is amended by
27 adding Subchapter H to read as follows:

1 SUBCHAPTER H. CORPORATE OWNERSHIP OF SINGLE-FAMILY HOMES

2 Sec. 5.251. DEFINITIONS. In this section:

3 (1) "Corporate owner" means a corporation, limited or
4 general partnership, limited liability company, business trust,
5 investment asset manager, real estate investment trust, joint
6 venture, joint stock company, or bank that holds an interest in
7 multiple single-family homes in this state that are offered or used
8 as a rental property to produce income directly or indirectly from a
9 residential tenant. The term includes an entity engaged in the
10 business of investing the pooled capital of investors in financial
11 securities.

12 (2) "Rental property" means real property used or
13 intended to be used:

14 (A) as a primary residence for 30 or more
15 consecutive days by a residential tenant under an oral or written
16 lease or rental agreement; or

17 (B) for occupancy for tourist or transient
18 accommodations for fewer than 30 consecutive days, where the
19 property does not serve as a residential tenant's primary
20 residence.

21 (3) "Residential tenant" means any person who does not
22 own but is authorized to use a single-family home in exchange for
23 consideration paid to a corporate owner or to a third-party lessor,
24 sublessor, management company, managing agent, or operator of a
25 hosting platform that derives revenues, including booking fees or
26 advertising revenues, from providing or maintaining a marketplace
27 that is used to facilitate the rental of a single-family home.

1 (4) "Single-family home" means a residential
2 structure with a yard or public way on not less than two sides that
3 is separated from any adjacent housing unit by a ground-to-roof
4 wall, does not share a heating, air-conditioning, or utility system
5 or a backyard, and does not have a housing unit located above or
6 below. The term does not include a mobile home or manufactured
7 home.

8 Sec. 5.252. LIMITATION ON PURCHASE OF SINGLE-FAMILY HOMES.

9 (a) A corporate owner may not enter into an executory contract to
10 purchase a single-family home that is listed for sale before the
11 30th day after the date the home is listed.

12 (b) A corporate owner may not enter into an executory
13 contract to purchase a single-family home if the corporate owner
14 has purchased 50 or more homes within the boundaries of the tax
15 appraisal district in which the home is located during the calendar
16 year.

17 (c) A contract entered into in violation of this section is
18 voidable by the seller at any time before the contract is fully
19 executed.

20 (d) This section does not apply to ownership of
21 single-family homes by:

22 (1) an agency of this state, a political subdivision
23 of this state, or the United States;

24 (2) a nonprofit organization exempt from federal
25 income taxation under Section 501(a), Internal Revenue Code of
26 1986, as a charitable organization under Section 501(c)(3) of that
27 code; or

1 (3) a person licensed to own and operate group homes
2 for people with disabilities and special health care needs.

3 Sec. 5.253. CORPORATE OWNER REPORT. (a) In this section,
4 "department" means the Texas Department of Housing and Community
5 Affairs.

6 (b) A corporate owner who purchases more than 15
7 single-family homes during a calendar year shall not later than
8 January 15 of the following year file a report with the department.

9 A report filed under this section must include:

10 (1) the number of single-family homes purchased by the
11 corporate owner during the calendar year;

12 (2) the number of single-family homes purchased during
13 the calendar year by the corporate owner that the corporate owner
14 sold during the same year;

15 (3) the number of single-family homes purchased by the
16 corporate owner during the calendar year that the corporate owner
17 uses as rental properties;

18 (4) the city and county where each single-family home
19 purchased by the corporate owner during the calendar year is
20 located;

21 (5) the number of single-family homes purchased by the
22 corporate owner during the calendar year in each city and county;

23 (6) the appraised value of each single-family home
24 purchased by the corporate owner during the calendar year; and

25 (7) the corporate owner's name, registered office
26 address, and telephone number and the name of the corporate owner's
27 registered agent, as applicable.

1 (c) The department shall make a report filed under
2 Subsection (b) available on its Internet website not later than
3 seven days after the report is filed.

4 (d) The department shall compile all reports submitted
5 under Subsection (b) into a single final report showing the
6 cumulative data from each category described in Subsection (b). The
7 department shall make the final report available on its Internet
8 website not later than February 15 of the year in which the reports
9 under Subsection (b) are due.

10 (e) The department shall adopt rules as necessary to
11 implement this section.

12 Sec. 5.254. ENFORCEMENT. (a) The attorney general, a
13 county or district attorney, independently or on behalf of an
14 affected municipality or county, or an appropriate agency of an
15 affected municipality or county may investigate an alleged
16 violation if there is reason to believe that a corporate owner has
17 violated Section 5.252 or has taken substantial steps to purchase a
18 single-family home in violation of Section 5.252.

19 (b) A corporate owner who violates Section 5.252 is liable
20 for a civil penalty of \$50,000 for each single-family home
21 purchased in excess of the amount allowed under Section 5.252.

22 (c) A county attorney, a district attorney, or the attorney
23 general may bring an action to collect a civil penalty under this
24 section in the district court in which any single-family home
25 related to the violation is located and may recover reasonable
26 expenses, including court costs, attorney's fees, investigative
27 costs, witness fees, and deposition expenses, incurred in relation

1 to the action. A county or district attorney may bring the action
2 in the name of the state or on behalf of an affected municipality or
3 county.

4 (d) Except as provided by this subsection, a civil penalty
5 recovered in an action brought under this section shall be
6 deposited in the state treasury to the credit of the general revenue
7 fund. A civil penalty recovered by a county or district attorney in
8 an action brought on behalf of a municipality or county under this
9 section shall be divided equally between the state and the
10 municipality or county, with 50 percent of the recovery to be paid
11 to the general revenue fund and the other 50 percent to be paid to
12 the municipality or county on whose behalf the suit was brought.

13 (e) The parties in an action under this section may agree to
14 a settlement that allows the corporate owner to achieve compliance
15 with Section 5.252(a) by selling any rental property owned by the
16 corporate owner, regardless of whether the corporate owner was in
17 violation of Section 5.252 when the property was purchased.

18 SECTION 2.03. (a) As soon as practicable after the
19 effective date of this Act, the Texas Real Estate Research Center at
20 Texas A&M University shall take any actions necessary to implement
21 Sections 86.531 and 86.532, Education Code, as added by this Act,
22 and submit the initial report required under Section 86.531(d),
23 Education Code, as added by this Act, not later than June 1, 2026.

24 (b) The Texas Real Estate Research Center at Texas A&M
25 University shall establish and make available the database required
26 by Section 86.532, Education Code, as added by this Act, not later
27 than the seventh day after the date the initial report under Section

1 86.531 is completed.

2 SECTION 2.04. Section 5.252, Property Code, as added by
3 this Act, applies only to an executory contract entered into on or
4 after the effective date of this Act.

5 ARTICLE 3. TENANT PROTECTIONS

6 SECTION 3.01. Subchapter A, Chapter 27, Government Code, is
7 amended by adding Section 27.007 to read as follows:

8 Sec. 27.007. ACCESS TO JUSTICE COURTS FOR PROVISION OF PRO
9 BONO LEGAL SERVICES. On request of a legal aid office or other
10 provider of pro bono legal services, each justice of the peace shall
11 permit one or more representatives of the office or provider to be
12 present in the justice court, including during in-person or remote
13 proceedings, to conduct intakes or provide information, referrals,
14 or other legal services to eligible litigants in residential
15 eviction suits.

16 SECTION 3.02. Section 38.12, Penal Code, is amended by
17 adding Subsection (h-1) to read as follows:

18 (h-1) It is a defense to prosecution under Subsection (d)
19 that the attorney is engaged in conduct authorized under Section
20 27.007, Government Code.

21 SECTION 3.03. The heading to Section 24.005, Property Code,
22 is amended to read as follows:

23 Sec. 24.005. NOTICE TO CURE DEFAULT FOR NONPAYMENT OF RENT;
24 NOTICE TO VACATE PRIOR TO FILING EVICTION SUIT.

25 SECTION 3.04. Section 24.005, Property Code, is amended by
26 amending Subsection (a) and adding Subsections (a-1), (a-2), and
27 (a-3) to read as follows:

1 (a) Except as provided by Subsections (a-1) and (a-2), if
2 [If] the occupant is a tenant under a written lease or oral rental
3 agreement, the landlord must give a tenant who defaults or holds
4 over beyond the end of the rental term or renewal period at least
5 three days' written notice to vacate the premises before the
6 landlord files a forcible detainer suit, unless the parties have
7 contracted for a shorter or longer notice period in a written lease
8 or agreement. A landlord who files a forcible detainer suit on
9 grounds that the tenant is holding over beyond the end of the rental
10 term or renewal period must also comply with the tenancy
11 termination requirements of Section 91.001.

12 (a-1) The landlord must give a residential tenant who
13 defaults for nonpayment of rent 10 days' written notice and an
14 opportunity to cure the default by paying any delinquent rent
15 before issuing the notice to vacate under Subsection (a-2). The
16 written notice must include, in all capital letters in an easily
17 readable font and type size, the words "YOU ARE IN DEFAULT OF THE
18 LEASE FOR NONPAYMENT OF RENT. YOU HAVE 10 DAYS AFTER THE DATE THIS
19 NOTICE WAS DELIVERED TO PAY THE RENT BEFORE A NOTICE TO VACATE MAY
20 BE ISSUED. CALL THE STATE BAR OF TEXAS TOLL-FREE AT 1-877-9TEXBAR
21 IF YOU NEED HELP LOCATING AN ATTORNEY. IF YOU CANNOT AFFORD TO HIRE
22 AN ATTORNEY, YOU MAY BE ELIGIBLE FOR FREE OR LOW-COST LEGAL
23 ASSISTANCE."

24 (a-2) After a landlord gives a tenant an opportunity to cure
25 under Subsection (a-1), the landlord must give the tenant at least
26 14 days' written notice to vacate the premises before the landlord
27 files a forcible detainer suit. The notice to vacate must state the

1 reason for the notice and must include, in all capital letters in an
2 easily readable font and type size, the words "THIS IS NOT AN
3 EVICTION ORDER. THIS IS A DEMAND FOR POSSESSION OF THE PROPERTY.
4 AN EVICTION CASE MAY BE FILED AGAINST YOU 14 DAYS AFTER THE DATE
5 THIS NOTICE WAS DELIVERED. CALL THE STATE BAR OF TEXAS TOLL-FREE AT
6 1-877-9TEXBAR IF YOU NEED HELP LOCATING AN ATTORNEY. IF YOU CANNOT
7 AFFORD TO HIRE AN ATTORNEY, YOU MAY BE ELIGIBLE FOR FREE OR LOW-COST
8 LEGAL ASSISTANCE."

9 (a-3) If applicable, the written notice to vacate must
10 inform a residential tenant of the tenant's right to cure the
11 default for nonpayment of rent under Section 24.00605.

12 SECTION 3.05. Chapter 24, Property Code, is amended by
13 adding Sections 24.00605, 24.012, and 24.013 to read as follows:

14 Sec. 24.00605. RESIDENTIAL TENANT'S RIGHT TO CURE BEFORE
15 WRIT OF POSSESSION EXECUTED. (a) Except as provided by Subsection
16 (b), a residential tenant who is in default for nonpayment of rent
17 under a written or oral lease may cure the default and reinstate the
18 lease by paying all rent, court costs, and attorney's fees not later
19 than the date a writ of possession is executed.

20 (b) Unless the lease provides otherwise, a tenant may not
21 cure a default if the tenant cured a default under this section in
22 the 12-month period preceding the date the writ of possession is
23 executed.

24 Sec. 24.012. ACCESS TO EVICTION CASE INFORMATION. (a) In
25 this section:

26 (1) "Eviction case" means a lawsuit brought under this
27 chapter to recover possession of leased or rented residential real

1 property from a tenant.

2 (2) "Eviction case information" means all records and
3 files related to a filing of an eviction case, including petitions
4 and dispositions.

5 (b) This section applies to an eviction case in which an
6 order granting limited dissemination of eviction case information
7 has not been entered under Section 24.013.

8 (c) The court clerk shall allow access to eviction case
9 information only to:

10 (1) a party to the action, including a party's
11 attorney;

12 (2) a person who provides the clerk with:

13 (A) the names of at least one plaintiff and one
14 defendant; and

15 (B) the address of the premises, including any
16 apartment or unit number;

17 (3) a resident of the premises who:

18 (A) provides the clerk with the name of one of the
19 parties or the case number; and

20 (B) shows proof of residency;

21 (4) a person in accordance with a court order, which
22 may be granted ex parte, issued on a showing of good cause;

23 (5) a person in accordance with a court order issued at
24 the time the judgment in the case is entered, if the judgment is
25 entered:

26 (A) for the plaintiff after a trial; and

27 (B) after the 60th day after the date the

1 complaint was filed; or

2 (6) any other person after the 60th day after the date
3 the complaint was filed:

4 (A) if the plaintiff prevailed in the action
5 before the 60th day after the date the complaint was filed; or

6 (B) if the case involved residential real
7 property purchased at a foreclosure sale and judgment against all
8 defendants was entered for the plaintiff after a trial.

9 (d) If a default or default judgment is set aside after the
10 60th day after the date the complaint was filed, this section
11 applies as if the complaint had been filed on the date the default
12 or default judgment is set aside.

13 (e) This section may not be construed to prohibit the court
14 from issuing an order that bars access to eviction case information
15 if stipulated by the parties to the case.

16 (f) For purposes of this section, good cause for access to
17 eviction case information includes the gathering of:

18 (1) newsworthy facts by a journalist as defined by
19 Article 38.11, Code of Criminal Procedure; and

20 (2) evidence by a party to the eviction case solely for
21 the purpose of filing a request for judicial notice.

22 (g) After the filing of an eviction case, the court clerk
23 shall mail notice to each defendant named in the case. The notice
24 must be mailed to the address provided in the complaint. The notice
25 must contain a statement that an eviction case has been filed
26 against the defendant and that access to the eviction case
27 information will be delayed for 60 days except to a party, an

1 attorney for one of the parties, a person who has good cause for
2 access as determined by a court, or any other person who provides to
3 the clerk:

4 (1) the names of at least one plaintiff and one
5 defendant in the case and provides to the clerk the address,
6 including any applicable apartment or unit number, of the subject
7 premises; or

8 (2) the name of one of the parties in the case or the
9 case number and can establish through proper identification that
10 the person resides at the address identified in the case.

11 (h) The notice must also contain:

12 (1) the name and telephone number of the county bar
13 association for the county in which the case is filed;

14 (2) the name and telephone number of any entity that
15 requests inclusion on the notice and demonstrates to the
16 satisfaction of the court that the entity has been certified by the
17 State Bar of Texas as a lawyer referral service and maintains a
18 panel of attorneys qualified in the practice of landlord-tenant law
19 under the minimum standards for a lawyer referral service
20 established by the State Bar of Texas and Chapter 952, Occupations
21 Code;

22 (3) the following statement: "The State Bar of Texas
23 certifies lawyer referral services in Texas and publishes a list of
24 certified lawyer referral services. To locate a lawyer referral
25 service in your area, access the State Bar's Internet website at
26 www.texasbar.com or call 1-877-9TEXBAR.";

27 (4) the names and telephone numbers of offices that

1 provide legal services at low or no cost to low-income persons in
2 the county in which the action is filed; and

3 (5) a statement that a person receiving the notice may
4 call the telephone numbers described in the notice for legal advice
5 regarding the case.

6 (i) The court clerk shall mail a notice required under this
7 section not earlier than the 24th hour and not later than the 48th
8 hour after the time the eviction case is filed, excluding weekends
9 and holidays.

10 (j) The court clerk shall mail separately to the subject
11 premises one copy of the notice addressed to "all occupants." The
12 notice does not constitute service of the summons and complaint.

13 Sec. 24.013. LIMITED DISSEMINATION OF EVICTION CASE
14 INFORMATION. (a) In this section, "eviction case" and "eviction
15 case information" have the meanings assigned by Section 24.012.

16 (b) Concurrently with a final judgment or dismissal in an
17 eviction case or on petition of a defendant in an eviction case
18 after a final judgment or dismissal in the case, a court shall enter
19 an order of limited dissemination of the eviction case information
20 pertaining to the defendant if:

21 (1) the judgment is or was entered in favor of the
22 defendant;

23 (2) the eviction case is or was dismissed without any
24 relief granted to the plaintiff;

25 (3) the defendant is or was a tenant not otherwise in
26 default and the eviction case was brought by the landlord's
27 successor in interest following foreclosure; or

1 (4) at least three years have elapsed from the date of
2 the final judgment in the eviction case.

3 (c) Concurrently with a final judgment or dismissal in an
4 eviction case or on petition of a defendant in an eviction case
5 after a final judgment or dismissal in the case, a court may order
6 the limited dissemination of eviction case information pertaining
7 to the defendant if the court finds that:

8 (1) the limited dissemination of the eviction case
9 information is in the interest of justice; and

10 (2) the interest of justice is not outweighed by the
11 public's interest in knowing the eviction case information.

12 (d) If an order is entered granting limited dissemination of
13 eviction case information pertaining to a defendant under this
14 section:

15 (1) all courts or court clerks shall delete or redact
16 all index references to the name of the defendant that relate to the
17 eviction case information from the public records; and

18 (2) except to the extent permitted by federal law, a
19 credit reporting agency, a person who regularly collects and
20 disseminates eviction case information, or a person who sells
21 eviction case information may not:

22 (A) disclose the existence of the eviction case;
23 or

24 (B) use the eviction case information as a factor
25 in determining a score or recommendation in a tenant screening
26 report regarding the defendant.

27 (e) A person who knowingly violates Subsection (d) is liable

1 to an injured party for:

- 2 (1) actual damages;
- 3 (2) exemplary damages of \$1,000; and
- 4 (3) reasonable attorney's fees and court costs.

5 (f) Notwithstanding Section 41.004(a), Civil Practice and
6 Remedies Code, a court shall award exemplary damages under
7 Subsection (e)(2) to the injured party irrespective of whether the
8 party is awarded actual damages.

9 SECTION 3.06. The heading to Section 92.011, Property Code,
10 is amended to read as follows:

11 Sec. 92.011. [~~CASH~~] RENTAL PAYMENTS.

12 SECTION 3.07. Section 92.011, Property Code, is amended by
13 adding Subsection (b-1) to read as follows:

14 (b-1) A landlord shall apply any payment received from a
15 tenant to unpaid rent before applying the payment to a fee, charge,
16 or other sum of money the tenant owes that is not rent. This
17 subsection applies without regard to the method of payment.

18 SECTION 3.08. Section 92.019(a-1), Property Code, is
19 amended to read as follows:

20 (a-1) For purposes of this section, a late fee is considered
21 reasonable if[+]

22 [~~(1)~~] the late fee is not more than the lesser of [+]

23 [~~(A)~~ ~~12 percent of the amount of rent for the~~
24 ~~rental period under the lease for a dwelling located in a structure~~
25 ~~that contains not more than four dwelling units; or~~

26 [~~(B)~~] 10 percent of the amount of rent for the
27 rental period under the lease or \$75 [~~for a dwelling located in a~~

1 ~~structure that contains more than four dwelling units, or~~
2 ~~[(2) the late fee is more than the applicable amount~~
3 ~~under Subdivision (1), but not more than uncertain damages to the~~
4 ~~landlord related to the late payment of rent, including direct or~~
5 ~~indirect expenses, direct or indirect costs, or overhead associated~~
6 ~~with the collection of late payment].~~

7 SECTION 3.09. The changes in law made by this article to
8 Chapters 24 and 92, Property Code, apply only to a lease or rental
9 agreement entered into or renewed on or after the effective date of
10 this article. A lease or rental agreement entered into or renewed
11 before the effective date of this article is governed by the law in
12 effect immediately before the effective date of this article, and
13 the former law is continued in effect for that purpose.

14 SECTION 3.10. Not later than January 1, 2026, the Texas
15 Supreme Court shall adopt the rules necessary to implement Sections
16 24.012 and 24.013, Property Code, as added by this article.

17 ARTICLE 4. PROPERTY TAX RELIEF TO RENTAL HOUSEHOLDS

18 SECTION 4.01. Chapter 5, Tax Code, is amended by adding
19 Section 5.17 to read as follows:

20 Sec. 5.17. PROPERTY TAX RELIEF TO RENTAL HOUSEHOLDS. (a)

21 In this section:

22 (1) "Fund" means the property tax relief to rental
23 households fund established under Section 30, Article VIII, Texas
24 Constitution.

25 (2) "Rental household" means a household that rents
26 the household's primary residence.

27 (b) The comptroller by rule shall establish a program to

1 provide annual payments to eligible rental households in an amount
2 determined under this section from money appropriated to the
3 comptroller for that purpose from the fund.

4 (c) A rental household is eligible to receive a payment
5 under this section if the rental household:

6 (1) has paid rent for the rental household's primary
7 residence to the same person for all 12 calendar months of the year
8 for which the rental household applies for the payment; and

9 (2) submits an application for the payment before a
10 date prescribed by comptroller rule.

11 (d) Not later than February 1 of each year, each person who
12 owns real property and leases that property to a rental household
13 for use as that household's primary residence shall file with the
14 comptroller an affidavit stating the amount of rent received by the
15 person from the rental household during the preceding calendar
16 year.

17 (e) Subject to Subsection (f), an eligible rental household
18 is entitled to receive a payment under this section each year on a
19 date prescribed by comptroller rule in an amount equal to 10 percent
20 of the total amount of rent the rental household paid for its
21 primary residence during the preceding calendar year.

22 (f) If the comptroller determines that the total amount of
23 payments from the fund to eligible rental households in a year as
24 determined under Subsection (e) would exceed an amount equal to 50
25 percent of the balance of the fund, the comptroller shall
26 proportionally reduce the amount of the payment to each eligible
27 rental household for that year by the amount necessary to prevent

1 the total amount of payments from the fund in that year from
2 exceeding 50 percent of the balance of the fund.

3 (g) The comptroller:

4 (1) by rule shall establish the procedure and
5 prescribe a form to be used by a rental household to apply for a
6 payment authorized by this section; and

7 (2) may adopt additional rules necessary for the
8 implementation and administration of this section.

9 ARTICLE 5. LEASED RESIDENTIAL REAL PROPERTY EXEMPTION

10 SECTION 5.01. Subchapter B, Chapter 11, Tax Code, is
11 amended by adding Section 11.136 to read as follows:

12 Sec. 11.136. LEASED RESIDENTIAL REAL PROPERTY. (a) In
13 this section:

14 (1) "Department" means the Texas Department of Housing
15 and Community Affairs.

16 (2) "Qualified residential real property" means real
17 property that:

18 (A) is a multifamily residential property that is
19 at least 15 years old and consists of or includes residential units
20 leased by the owner to lessees and used by those lessees as a
21 primary residence; and

22 (B) satisfies the eligibility requirements
23 prescribed by this section and department rule.

24 (b) Subject to Subsection (c), a person is entitled to an
25 exemption from taxation by a school district of:

26 (1) 50 percent of the appraised value of qualified
27 residential real property the person owns, excluding the portion of

1 the appraised value of the property described by Subdivision (2),
2 if applicable; and

3 (2) any increase in the appraised value of the
4 property that is attributable to the rehabilitation of the
5 property.

6 (c) An exemption authorized under this section for
7 qualified residential real property:

8 (1) is for a period of 15 consecutive tax years and may
9 be renewed as provided by department rule;

10 (2) once allowed, need not be claimed in subsequent
11 years and continues to apply to the property until the property
12 changes ownership or no longer qualifies as qualified residential
13 real property; and

14 (3) applies only to the value of that portion of the
15 property used for residential purposes of the lessee or lessees,
16 including common areas.

17 (d) The department shall adopt rules necessary to implement
18 and administer this section. The rules adopted by the department
19 must:

20 (1) designate the authority responsible for
21 determining eligibility for the exemption authorized by this
22 section in each appraisal district;

23 (2) require a property owner to submit an eligibility
24 application on a form prescribed by the department to the
25 designated authority not later than January 15 of the tax year for
26 which the person first applies for the exemption;

27 (3) require the designated authority to determine a

1 person's eligibility for the exemption, subject to the requirements
2 of Subsection (e); and

3 (4) require the designated authority to provide to the
4 property owner not later than April 30 of the tax year for which the
5 person first applies for the exemption a certificate demonstrating
6 that the owner is eligible for the exemption, which must be
7 submitted by the owner with the application for the exemption filed
8 with the applicable chief appraiser.

9 (e) The designated authority may not issue a certificate
10 described by Subsection (d)(4) to a property owner unless the owner
11 agrees in writing that, for the property that is the subject of the
12 eligibility application:

13 (1) the monthly rent for at least 20 percent of the
14 residential rental units in the property may not:

15 (A) exceed 30 percent of 60 percent of the area
16 monthly median income, adjusted for family size; or

17 (B) annually increase for an existing tenant by
18 more than the product of the rent in the preceding year and the
19 greater of three percent or the percentage increase in the consumer
20 price index in this state as determined by the comptroller;

21 (2) if applicable, the rental units described by
22 Subdivision (1) are distributed proportionally across different
23 unit types based on the number of bedrooms;

24 (3) a tenant may not be evicted without cause;

25 (4) the property owner will accept as tenants persons
26 who hold a voucher under Section 8, United States Housing Act of
27 1937 (42 U.S.C. Section 1437f), and market the property as

1 available for rent to persons who hold those vouchers;

2 (5) the department will conduct a comprehensive annual
3 inspection to determine if the property complies with local and
4 state building standards and, if the property fails the exemption,
5 the owner is not entitled to the exemption authorized under this
6 section in that tax year unless the identified violations are cured
7 within 90 days of the failed inspection;

8 (6) the owner will pay to the department an annual
9 compliance fee of \$30 per residential rental unit subject to the
10 agreement to cover the costs associated with annual inspections and
11 monitoring;

12 (7) the owner will secure an independent annual audit
13 to establish compliance with the provisions of Subdivision (1),
14 following the procedures for audits under Section 11.1826;

15 (8) the owner will file in the real property records of
16 the county in which the property is located the agreement
17 prescribed by this subsection, which will constitute a restrictive
18 covenant for the property for each tax year the property receives an
19 exemption under this section; and

20 (9) the owner will satisfy any additional requirements
21 prescribed by department rule.

22 (f) The department may enter into an agreement or contract
23 with a county, municipality, or housing authority for the purpose
24 of administering the exemption authorized under this section.

25 (g) Except as provided by Subsection (h), a property owner
26 who receives an exemption authorized under this section for
27 qualified residential real property for a tax year must deliver a

1 copy of the notice of appraised value for the property required by
2 Section 25.19 for that tax year and a copy of the tax bill for the
3 property required by Section 31.01 for that tax year to each
4 residential lessee of the property. The owner must deliver the
5 copies of the appraisal notice and tax bill not later than the 30th
6 day after the date the owner receives each of those documents.

7 (h) The department may prescribe a form to be used by a
8 property owner who receives an exemption authorized by this section
9 for qualified residential real property to provide notice to a
10 lessee of the property of the appraised value of and taxes due on
11 the property for a tax year. If the department prescribes the form
12 described by this subsection, the property owner shall, not later
13 than November 1 of each tax year, deliver a copy of that form
14 applicable to the current tax year to each lessee instead of
15 delivering the notices required to be delivered under Subsection
16 (g).

17 SECTION 5.02. Section 11.43(b), Tax Code, is amended to
18 read as follows:

19 (b) Except as provided by Subsection (c) and by Sections
20 11.136, 11.184, and 11.437, a person required to apply for an
21 exemption must apply each year the person claims entitlement to the
22 exemption.

23 SECTION 5.03. Not later than January 1, 2026, the Texas
24 Department of Housing and Community Affairs shall adopt the rules
25 and forms necessary to implement Section 11.136, Tax Code, as added
26 by this article.

27 SECTION 5.04. The change in law made by this article applies

1 only to an ad valorem tax year that begins on or after January 1,
2 2026.

3 ARTICLE 6. EFFECTIVE DATES

4 SECTION 6.01. (a) Except as otherwise provided by this
5 section, this Act takes effect September 1, 2025.

6 (b) Except as provided by Subsection (c) of this section,
7 Article 3 of this Act takes effect January 1, 2026.

8 (c) Sections 3.01, 3.02, and 3.10 of this Act take effect
9 September 1, 2025.

10 (d) Articles 4 and 5 of this Act take effect January 1, 2026,
11 but only if the constitutional amendment proposed by the 89th
12 Legislature, Regular Session, 2025, to authorize the legislature to
13 provide for an exemption from ad valorem taxation by a school
14 district of a portion of the market value of certain leased
15 residential real properties, to establish and prescribe the
16 permissible uses of the property tax relief to rental households
17 fund, and to include payments from the property tax relief to rental
18 households fund in the exception of certain appropriations to pay
19 for ad valorem tax relief from the constitutional limitation on the
20 rate of growth of appropriations is approved by the voters. If that
21 amendment is not approved by the voters, Articles 4 and 5 of this
22 Act have no effect.