

1-1 By: Thompson of Harris, et al. H.B. No. 2803
1-2 (Senate Sponsor - Huffman)
1-3 (In the Senate - Received from the House May 12, 2021;
1-4 May 13, 2021, read first time and referred to Committee on
1-5 Jurisprudence; May 21, 2021, reported favorably by the following
1-6 vote: Yeas 5, Nays 0; May 21, 2021, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			

1-14 A BILL TO BE ENTITLED
1-15 AN ACT

1-16 relating to a commercial landlord's or tenant's remedies regarding
1-17 certain unlawful activities in a multiunit commercial property.

1-18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-19 SECTION 1. Section 93.013(a), Property Code, is amended to
1-20 read as follows:

1-21 (a) Notwithstanding a provision in a lease to the contrary,
1-22 a tenant's right of possession terminates and the landlord has a
1-23 right to recover possession of the leased premises if the tenant is
1-24 using the premises or allowing the premises to be used for the
1-25 purposes of:

1-26 (1) prostitution, promotion of prostitution,
1-27 aggravated promotion of prostitution, or compelling prostitution,
1-28 as prohibited by the Penal Code;

1-29 (2) [~~or~~] trafficking of persons as described by
1-30 Section 20A.02, Penal Code; or

1-31 (3) operating, maintaining, or advertising a massage
1-32 establishment, as defined by Section 455.001, Occupations Code,
1-33 that is not in compliance with:

1-34 (A) Chapter 455, Occupations Code; or

1-35 (B) an applicable local ordinance relating to the
1-36 licensing or regulation of a massage establishment.

1-37 SECTION 2. Chapter 93, Property Code, is amended by adding
1-38 Section 93.014 to read as follows:

1-39 Sec. 93.014. RIGHT TO VACATE DUE TO CERTAIN UNLAWFUL
1-40 ACTIVITIES IN MULTIUNIT COMMERCIAL PROPERTY. (a) In this section:

1-41 (1) "Multiunit commercial property" means a strip
1-42 mall, shopping center, office building, or other similar commercial
1-43 property with multiple contiguous or proximate rental units that
1-44 are owned or managed as a single property.

1-45 (2) "Unlawful activity" means:

1-46 (A) prostitution, promotion of prostitution,
1-47 aggravated promotion of prostitution, or compelling prostitution,
1-48 as prohibited under Chapter 43, Penal Code;

1-49 (B) trafficking of persons, as prohibited under
1-50 Section 20A.02, Penal Code; or

1-51 (C) operating, maintaining, or advertising a
1-52 massage establishment, as defined by Section 455.001, Occupations
1-53 Code, that is not in compliance with:

1-54 (i) Chapter 455, Occupations Code; or

1-55 (ii) an applicable local ordinance relating
1-56 to the licensing or regulation of a massage establishment.

1-57 (b) A landlord of a multiunit commercial property is in
1-58 breach of a lease with a tenant if:

1-59 (1) the tenant reasonably believes that another tenant
1-60 in the same multiunit commercial property is engaging in an
1-61 unlawful activity;

2-1 (2) the complaining tenant makes a report regarding
2-2 the activity described by Subdivision (1) to a local law
2-3 enforcement agency with jurisdiction over the unlawful activity;

2-4 (3) the complaining tenant gives the landlord written
2-5 notice of the offending tenant's engagement in the unlawful
2-6 activity, including:

2-7 (A) a statement of the basis for the complaining
2-8 tenant's reasonable belief that the offending tenant is engaging in
2-9 the activity; and

2-10 (B) a copy of the report described by Subdivision
2-11 (2); and

2-12 (4) the landlord does not file a forcible detainer
2-13 suit against the offending tenant under Section 93.013 before the
2-14 30th day after the date the notice is given.

2-15 (c) Notwithstanding a provision of the lease to the
2-16 contrary, if a landlord is in breach of a tenant's lease under
2-17 Subsection (b), the tenant may:

2-18 (1) terminate the tenant's rights and obligations
2-19 under the lease;

2-20 (2) vacate the leased premises; and

2-21 (3) avoid liability for future rent and any other sums
2-22 due under the lease for terminating the lease and vacating the
2-23 premises before the end of the lease term.

2-24 (d) This section does not prohibit a landlord from pursuing
2-25 a civil action against a complaining tenant for any amount due under
2-26 the complaining tenant's lease if, after the landlord investigates
2-27 the offending tenant, the landlord determines the complaining
2-28 tenant's belief regarding the unlawful activity, as stated in the
2-29 written notice under Subsection (b)(3), was not reasonable.

2-30 (e) In a civil action described by Subsection (d), there is
2-31 a rebuttable presumption that a complaining tenant's belief
2-32 regarding an offending tenant's engagement in unlawful activity is
2-33 reasonable if the complaining tenant gave the landlord the notice
2-34 required by Subsection (b)(3).

2-35 SECTION 3. The changes in law made by this Act apply only to
2-36 a commercial lease that is entered into or renewed on or after the
2-37 effective date of this Act. A commercial lease that is entered into
2-38 or renewed before the effective date of this Act is governed by the
2-39 law applicable to the lease immediately before the effective date
2-40 of this Act, and that law is continued in effect for that purpose.

2-41 SECTION 4. This Act takes effect September 1, 2021.

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