

AN ACT

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

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

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

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

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

(2) ~~or~~ trafficking of persons as described by Section 20A.02, Penal Code; or

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

(A) Chapter 455, Occupations Code; or

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

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

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

3 (1) "Multiunit commercial property" means a strip
4 mall, shopping center, office building, or other similar commercial
5 property with multiple contiguous or proximate rental units that
6 are owned or managed as a single property.

7 (2) "Unlawful activity" means:

8 (A) prostitution, promotion of prostitution,
9 aggravated promotion of prostitution, or compelling prostitution,
10 as prohibited under Chapter 43, Penal Code;

11 (B) trafficking of persons, as prohibited under
12 Section 20A.02, Penal Code; or

13 (C) operating, maintaining, or advertising a
14 massage establishment, as defined by Section 455.001, Occupations
15 Code, that is not in compliance with:

16 (i) Chapter 455, Occupations Code; or

17 (ii) an applicable local ordinance relating
18 to the licensing or regulation of a massage establishment.

19 (b) A landlord of a multiunit commercial property is in
20 breach of a lease with a tenant if:

21 (1) the tenant reasonably believes that another tenant
22 in the same multiunit commercial property is engaging in an
23 unlawful activity;

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

27 (3) the complaining tenant gives the landlord written

1 notice of the offending tenant's engagement in the unlawful
2 activity, including:

3 (A) a statement of the basis for the complaining
4 tenant's reasonable belief that the offending tenant is engaging in
5 the activity; and

6 (B) a copy of the report described by Subdivision
7 (2); and

8 (4) the landlord does not file a forcible detainer
9 suit against the offending tenant under Section 93.013 before the
10 30th day after the date the notice is given.

11 (c) Notwithstanding a provision of the lease to the
12 contrary, if a landlord is in breach of a tenant's lease under
13 Subsection (b), the tenant may:

14 (1) terminate the tenant's rights and obligations
15 under the lease;

16 (2) vacate the leased premises; and

17 (3) avoid liability for future rent and any other sums
18 due under the lease for terminating the lease and vacating the
19 premises before the end of the lease term.

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

26 (e) In a civil action described by Subsection (d), there is
27 a rebuttable presumption that a complaining tenant's belief

1 regarding an offending tenant's engagement in unlawful activity is
2 reasonable if the complaining tenant gave the landlord the notice
3 required by Subsection (b)(3).

4 SECTION 3. The changes in law made by this Act apply only to
5 a commercial lease that is entered into or renewed on or after the
6 effective date of this Act. A commercial lease that is entered into
7 or renewed before the effective date of this Act is governed by the
8 law applicable to the lease immediately before the effective date
9 of this Act, and that law is continued in effect for that purpose.

10 SECTION 4. This Act takes effect September 1, 2021.

President of the Senate

Speaker of the House

I certify that H.B. No. 2803 was passed by the House on May 11, 2021, by the following vote: Yeas 126, Nays 17, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2803 was passed by the Senate on May 27, 2021, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor