

## **BILL ANALYSIS**

H.B. 1153  
By: Vo  
Business & Industry  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

The Texas Fair Housing Act (TFHA) and the U.S. Fair Housing Act (FHA) protect Texans from discriminatory housing practices in the sale, rental, and financing of dwellings based on race, color, national origin, religion, sex, physical or mental disability, or familial status. The TFHA is enforced by the Texas Workforce Commission Civil Rights Division (CRD) and currently provides two exemptions for individual owners from liability resulting from the violation of certain anti-discrimination provisions. The first exemption generally involves an individual who does not own more than three single-family houses at any one time while the second exemption covers an individual who has a home with living quarters occupied by a maximum of four families. However, HUD stated in a recent letter to CRD that there are exceptions to these exemptions that exist in federal law but not state law and that failure to conform to federal law may result in CRD losing certification with HUD or federal funds. H.B. 1153 seeks to remedy this situation by bringing the TFHA into compliance with the federal FHA.

### **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. 1153 amends the Property Code to revise an exemption to certain anti-discrimination provisions of the Texas Fair Housing Act for certain sales or rentals of a single-family house by the house's owner as follows:

- requires the sale or rental to be accomplished without the facilities or services of any person in the business of selling or renting a dwelling;
- clarifies that the conditions of the exemption do not prohibit the use of attorneys, escrow agents, abstractors, title companies, and other professional assistants necessary to transfer title; and
- limits the scope of a provision restricting the use of the exemption to one transaction in a 24-month period, unless the owner was the most recent resident of the house, to apply only to sales and removes the applicability of that restriction to rentals.

H.B. 1153 establishes that a person is in the business of selling or renting a dwelling for purposes of the exemption if the person meets the following criteria:

- has participated in a specified minimum number of certain transactions within the preceding year, as follows:

- three or more transactions as the seller or landlord in the sale or rental of a dwelling or any interest in a dwelling; or
- two or more transactions as an agent providing sales or rental facilities or services involving the sale or rental of a dwelling or any interest in a dwelling, excluding transactions involving the person's own dwelling; or
- owns a dwelling designed or intended for occupancy by, or that is occupied by, five or more families.

**EFFECTIVE DATE**

September 1, 2021.