

By: Fierro

H.B. No. 3417

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of manufactured homes.

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

SECTION 1. Subchapter C, Chapter 1201, Occupations Code, is amended by adding Section 1201.1021 to read as follows:

Sec. 1201.1021. POWERS OF DIRECTOR DURING DECLARED EMERGENCY. (a) For purposes of this section, a declared emergency exists when an emergency declaration is issued by the governor or a federal agency.

(b) During a declared emergency that exceeds a period of 14 days, the director:

(1) shall waive all licensing requirements to ensure the continued and adequate supply of professionals to build, sell, transport, insure, finance, and install manufactured homes; and

(2) may require a person to register with the department before engaging in any activity regulated under this chapter.

(c) Following the cessation of a declared emergency, the director may require a person registered with the department under Subsection (b)(2) to comply with the criminal history background check requirements and other licensing requirements of this chapter.

(d) All actions regulated by this chapter and actions needed to construct, transport, install, sell, finance, rent, and insure

1 manufactured homes are essential services that must be allowed to  
2 continue to operate at a statewide level during a declared  
3 emergency.

4 SECTION 2. Section 1201.1025, Occupations Code, is amended  
5 by adding Subsection (a-1) and amending Subsection (c) to read as  
6 follows:

7 (a-1) A person is exempt from holding a retailer's license  
8 as required by Section 1201.101(b) if all manufactured homes sold  
9 or offered for sale by the person are:

10 (1) located in a manufactured home community, as  
11 defined by Section 94.001, Property Code; and

12 (2) sold or offered for sale to the same purchaser in  
13 connection with a sale of a lot or parcel of real property located  
14 in the community.

15 (c) A person who is eligible for an exemption under this  
16 section remains subject to the other applicable provisions of this  
17 subchapter and department rules regarding the sale or transfer of  
18 manufactured homes.

19 SECTION 3. Section 1201.1031(a), Occupations Code, is  
20 amended to read as follows:

21 (a) Except as provided by Section 1201.1021, the [The]  
22 department shall require that an applicant for a license or renewal  
23 of an unexpired license submit a complete and legible set of  
24 fingerprints, on a form prescribed by the board, to the department  
25 or to the Department of Public Safety for the purpose of obtaining  
26 criminal history record information from the Department of Public  
27 Safety and the Federal Bureau of Investigation. The applicant is

1 required to submit a set of fingerprints only once under this  
2 section unless a replacement set is otherwise needed to complete  
3 the criminal history check required by this section.

4 SECTION 4. Section 1201.104(g), Occupations Code, is  
5 amended to read as follows:

6 (g) Subsections (a), (a-2), (a-3), and (a-4) do not apply:

7 (1) to a license holder who applies:

8 (A) ~~[(1)]~~ for a license for an additional  
9 business location; or

10 (B) ~~[(2)]~~ to renew or reinstate a license; or

11 (2) during a declared emergency as described by  
12 Section 1201.1021.

13 SECTION 5. Section 1201.153(c), Occupations Code, is  
14 amended to read as follows:

15 (c) The notice must:

16 (1) contain the information required by:

17 (A) the United States Department of Housing and  
18 Urban Development; or

19 (B) the board; and

20 (2) be of the type, size, and format required by the  
21 director.

22 SECTION 6. Section 1201.201(5), Occupations Code, is  
23 amended to read as follows:

24 (5) "Inventory":

25 (A) means:

26 (i) new manufactured homes purchased by a  
27 retailer from a manufacturer; and

1                   (ii) used manufactured homes that:  
2                   (a) [~~A~~] a retailer has designated  
3 as the retailer's inventory for sale pursuant to the process  
4 implemented by the department; and  
5                   (b) [~~B~~] are not used as residential  
6 dwellings when so designated; and  
7                   (B) does not include manufactured homes used by a  
8 retailer as equipment, as defined by Section 9.102(a)(33), Business  
9 & Commerce Code.

10           SECTION 7. Section 1201.219(a), Occupations Code, is  
11 amended to read as follows:

12           (a) Notwithstanding Section 9.310, Business & Commerce  
13 Code, a [A] lien on manufactured homes in a retailer's inventory is  
14 perfected only by filing the lien with the department on the  
15 required form. Once perfected, the lien applies to the  
16 manufactured homes in the inventory as well as to any proceeds from  
17 the sale of those homes. The department may suspend or revoke the  
18 license of a retailer who fails to satisfy a perfected inventory  
19 lien.

20           SECTION 8. Section 1201.357(b), Occupations Code, is  
21 amended to read as follows:

22           (b) If the manufacturer, retailer, or installer, as  
23 applicable, fails or refuses to provide warranty service in  
24 accordance with the department order under Section 1201.356, the  
25 director may [~~shall~~] hold an informal meeting at which the  
26 manufacturer, retailer, or installer must show cause as to why the  
27 manufacturer's, retailer's, or installer's license should not be

1 suspended or revoked and at which the consumer may express the  
2 person's views. Following the meeting, the director shall either  
3 resolve the matter by agreed order, dismiss the matter if no  
4 violation is found to have occurred, or institute an administrative  
5 action, which may include license suspension or revocation, the  
6 assessment of administrative penalties, or a combination of such  
7 actions.

8 SECTION 9. This Act takes effect September 1, 2021.