

Amend SB 521 (House Committee Printing) as follows:

(1) Between the enacting clause and SECTION 1 of the bill (page 1, between lines 4 and 5), insert new SECTIONS 1-4 to read as follows and renumber subsequent SECTIONS accordingly:

SECTION 1. Section 1201.003, Occupations Code, is amended by adding Subdivisions (2-a) and (23-a) to read as follows:

(2-a) "Attached" in reference to a manufactured home means that the home has been:

(A) installed in compliance with the rules of the department; and

(B) connected to a utility, including a utility providing water, electric, natural gas, propane or butane gas, or wastewater service.

(23-a) "Statement of ownership and location" means a statement issued by the department and setting forth:

(A) the ownership and location of a manufactured home that has been sold at a retail sale or installed in this state as provided by Section 1201.205; and

(B) other information required by this chapter.

SECTION 2. Subsection (a), Section 1201.055, Occupations Code, is amended to read as follows:

(a) With guidance from the federal Housing and Community Development Act of 1974 (42 U.S.C. Section 5301 et seq.) and from the rules and regulations adopted under the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. Section 5401 et seq.), the board shall establish fees as follows:

(1) if the department acts as a design approval primary inspection agency, a schedule of fees for the review of HUD-code manufactured home blueprints and supporting information, to be paid by the manufacturer seeking approval of the blueprints and supporting information;

(2) except as provided by Subsection (e), a fee for the inspection of each HUD-code manufactured home manufactured or assembled in this state, to be paid by the manufacturer of the home;

(3) a fee for the inspection of an alteration made to the structure or plumbing, heating, or electrical system of a HUD-code manufactured home, to be charged on an hourly basis and to

be paid by the person making the alteration;

(4) a fee for the inspection of the rebuilding of a salvaged manufactured home, to be paid by the rebuilder;

(5) a fee for the inspection of a used manufactured home [~~for which the title has been canceled,~~] to determine whether the home is habitable for the issuance of a new statement of ownership and location [~~title~~]; and

(6) a fee for the issuance of a seal for a used mobile or HUD-code manufactured home.

SECTION 3. Section 1201.059, Occupations Code, is amended to read as follows:

Sec. 1201.059. [~~TITLE~~] FEES FOR STATEMENTS OF OWNERSHIP AND LOCATION. (a) The board shall set fees for issuing statements of ownership and location [~~and canceling titles to manufactured housing~~].

(b) Ten dollars of the fee for each purchase, exchange, or lease-purchase of a manufactured home [~~title transaction~~] shall be deposited to the credit of the trust fund and used for the protection programs described by Subchapter I.

SECTION 4. Subsection (g), Section 1201.101, Occupations Code, is amended to read as follows:

(g) A person may not make an announcement concerning the sale, exchange, or lease-purchase of, or offer to sell, exchange, or lease-purchase, a manufactured home to a consumer in this state through an advertisement unless the person holds a manufacturer's, retailer's, or broker's license. This subsection does not apply to:

(1) a person to whom a statement of ownership and location [~~certificate or other document of title~~] has been issued showing the person to be the owner of the home if the person does not offer to sell, exchange, or lease-purchase two or more manufactured homes in a 12-month period; or

(2) an advertisement concerning real property to which a manufactured home has been permanently attached.

(2) Between SECTION 1 and SECTION 2 of the bill (page 2, between lines 16 and 17), insert the following appropriately numbered SECTIONS and renumber subsequent SECTIONS accordingly:

SECTION __. Subsection (a), Section 1201.153, Occupations

Code, is amended to read as follows:

(a) A retailer or manufacturer may not transfer ownership of ~~[title to]~~ a HUD-code manufactured home or otherwise sell, assign, or convey a HUD-code manufactured home to a consumer unless the retailer or manufacturer delivers to the consumer a formaldehyde health notice, subject to the director's rules concerning the notice.

SECTION __. Section 1201.159, Occupations Code, is amended to read as follows:

Sec. 1201.159. BROKER. (a) A broker may but is not required to be the agent of a party involved in the sale, exchange, or lease-purchase of a manufactured home for which a statement of ownership and location ~~[certificate or other document of title]~~ has been issued and is outstanding.

(b) A person is not required to be a broker licensed under this chapter but may be required to be a real estate broker or salesperson licensed under Chapter 1101 if:

(1) the manufactured home is attached ~~[to a permanent foundation]~~; and

(2) ~~[the manufacturer's certificate or the document of title is canceled; and~~

~~[(3)]~~ the home is offered as real property.

(3) In SECTION 4 of the bill, in the introductory language (page 9, lines 3 and 4), strike "and 1201.164" and substitute "1201.164, and 1201.165".

(4) In SECTION 4 of the bill, between proposed Sections 1201.1521 and 1201.163, Occupations Code (page 9, between lines 19 and 20), insert a new Section 1201.163, Occupations Code, to read as follows:

Sec. 1201.163. CHATTEL MORTGAGE TRANSACTION: CONSUMER PROTECTION DISCLOSURES. (a) In addition to the disclosure statement required by Section 1201.162, the department shall adopt rules addressing consumer protection disclosures required in chattel mortgage transactions and prescribe the form for the disclosure statement. A consumer protection disclosure statement under this subsection must include the following:

(1) a statement of the significant differences between

chattel mortgages and real estate mortgages;

(2) an itemization of estimated closing costs, if any;

(3) an estimate of the total amount of monthly payments, including:

(A) principal and interest payments;

(B) costs of any required insurance; and

(C) costs for payment of ad valorem taxes, based on the current tax rate of each taxing unit in which the manufactured home will be located as applied to the sales price of the manufactured home;

(4) a statement of the roles of the retailer and any affiliated parties in the financing of the first retail sale, as defined by Section 1201.201, and the estimated compensation that they will receive for providing or arranging the financing; and

(5) any other disclosures required by state or federal law, including the Real Estate Settlement Procedures Act of 1974 (12 U.S.C. Section 2601 et seq.) and the Truth in Lending Act (15 U.S.C. Section 1601 et seq.).

(b) A retailer shall provide the consumer protection disclosure statement to the consumer at least 24 hours before the installment contract is fully executed, as provided by Section 1201.164.

(c) On receipt of the consumer protection disclosure statement, the consumer shall execute a written acknowledgment that the consumer has received the statement.

(d) In addition to other rights of rescission provided by this chapter, the installment contract is subject to rescission by the consumer until the earlier of:

(1) the expiration of the two-year period following the date the contract was fully executed; or

(2) the consumer's execution of a written acknowledgment that the consumer has received the consumer protection disclosure statement required by this section.

(e) If the payment was made under the contract, a consumer who rescinds an installment contract as provided by this section is entitled to receive a refund of all money paid to any person by the consumer, except money paid to obtain a credit report.

(f) This section does not apply to a real estate transaction.

(5) In SECTION 4 of the bill, in proposed Section 1201.163, Occupations Code (page 9, lines 20 and 21), strike "1201.163. ADVANCE COPY OF INSTALLMENT CONTRACT AND DISCLOSURE STATEMENT; OFFER BY RETAILER. In" and substitute "1201.164. ADVANCE COPY OF INSTALLMENT CONTRACT AND DISCLOSURE STATEMENTS; OFFER BY RETAILER. (a) In".

(6) In SECTION 4 of the bill, in proposed Section 1201.163, Occupations Code (page 9, line 24), strike "statement" and substitute "statements".

(7) In SECTION 4 of the bill, in proposed Section 1201.163, Occupations Code (page 9, line 26), strike "statement" and substitute "statements".

(8) In SECTION 4 of the bill, between proposed Sections 1201.163 and 1201.164, Occupations Code (page 10, between lines 3 and 4), insert the following:

(b) A consumer may not waive the right to receive the disclosure statements under this section.

(9) In SECTION 4 of the bill, in proposed Section 1201.164, Occupations Code (page 10, line 4), strike "1201.164" and substitute "1201.165".

(10) Between SECTIONS 4 and 5 of the bill (page 10, between lines 8 and 9), insert the following appropriately numbered SECTIONS and renumber subsequent SECTIONS accordingly:

SECTION __. Amend the heading to Subchapter E, Chapter 1201, Occupations Code, to read as follows:

SUBCHAPTER E. MANUFACTURED HOME STATEMENTS OF OWNERSHIP AND LOCATION [~~TITLES~~]

SECTION __. Subdivisions (2), (3), and (11), Section 1201.201, Occupations Code, are amended to read as follows:

(2) "Document of title" means a written instrument issued solely by and under the authority of the director before September 1, 2003, that provides the information required by Section 1201.205, as that section existed before that date. Beginning September 1, 2003, a document of title is considered to be a statement of ownership and location and may be exchanged for a

statement of ownership and location as provided by Section 1201.214.

(3) "First retail sale" means a consumer's initial acquisition of a new manufactured home from a retailer by purchase, exchange, or lease-purchase. The term includes a bargain, sale, transfer, or delivery of a manufactured home for which the director has not previously issued a statement of ownership and location [~~document of title~~], with intent to pass an interest in the home, other than a lien.

(11) "Subsequent sale" means a bargain, sale, transfer, or delivery of a manufactured home, with intent to pass an interest in the home, other than a lien, from one person to another after the first retail sale and initial issuance of a statement of ownership and location [~~document of title~~].

SECTION __. Sections 1201.203, 1201.204, and 1201.205, Occupations Code, are amended to read as follows:

Sec. 1201.203. FORMS; RULES. (a) The director shall prescribe forms and adopt rules relating to:

- (1) the manufacturer's certificate;
- (2) the statement of ownership and location;
- (3) the application for a statement of ownership and location [~~document of title~~]; and
- (4) [~~(3)~~] the issuance of a statement of ownership and location [~~document of title~~] at the first retail sale and for a subsequent sale or transfer of a manufactured home.

(b) The director shall adopt rules for the documenting of the ownership and location [~~titling~~] of a manufactured home that has been previously owned [~~registered or titled~~] in this state or another state. The rules must protect a lienholder recorded on a statement of ownership and location, a certificate, or other document of title.

Sec. 1201.204. MANUFACTURER'S CERTIFICATE. (a) A manufacturer's certificate must show:

- (1) on a form prescribed by the director or on another document, the original transfer of a manufactured home from the manufacturer to the retailer; and
- (2) on a form prescribed by the director, each

subsequent transfer of a manufactured home between retailers and from retailer to owner, if the transfer from retailer to owner involves a completed [~~presented with an~~] application for the issuance of a statement of ownership and location [~~document of title~~].

(b) At the first retail sale of a manufactured home, a manufacturer's certificate automatically ceases to be a document of title. A security interest in inventory evidenced by the manufacturer's certificate automatically converts to a security interest in proceeds and cash proceeds.

(c) After the first retail sale of a manufactured home, the retailer may submit the manufacturer's certificate for that home to the department.

Sec. 1201.205. STATEMENT OF OWNERSHIP AND LOCATION [~~DOCUMENT OF TITLE CONTENTS~~]. A statement of ownership and location [~~document of title~~] must provide:

- (1) the names and addresses of~~+~~
 - ~~[(A)] the purchaser and seller [at the first retail sale; or~~
 - ~~[(B) the transferee and transferor at any subsequent sale or transfer];~~
- (2) the manufacturer's name and address and any model designation;
- (3) in accordance with the director's rules:
 - (A) the outside dimensions of the manufactured home when installed for occupancy, as measured to the nearest one-half foot at the base of the home, exclusive of the tongue or other towing device; and
 - (B) the approximate square footage of the home when installed for occupancy;
- (4) the identification number for each section or module of the home;
- (5) the county of this state in which the home is installed for occupancy;
- (6) in chronological order of recordation, the date of each lien on the home and the name and address of each lienholder, or, if a lien is not recorded, a statement of that fact;

(7) the signature of the owner in ink, given on receipt of the document;

(8) a statement that if two or more eligible persons, as determined by Section 1201.213, file with the application for the issuance of a statement of ownership and location [~~document of title~~] an agreement signed by all the persons providing that the home is to be held jointly with a right of survivorship, the director shall issue the statement of ownership and location [~~document of title~~] in all the names; [~~and~~]

(9) the location of the home;

(10) a statement of whether the owner has elected to treat the home as real property or personal property;

(11) statements of whether the home is a salvaged manufactured home and whether the home is reserved for business use only; and

(12) any other information the director requires.

SECTION __. Subchapter E, Occupations Code, is amended by adding Section 1201.2055 to read as follows:

Sec. 1201.2055. ELECTION BY OWNER. (a) In completing an application for the issuance of a statement of ownership and location, an owner of a manufactured home shall indicate whether the owner elects to treat the home as personal property or real property. An owner may elect to treat a manufactured home as real property only if the home is attached to:

(1) real property that is owned by the owner of the home; or

(2) land leased to the owner of the home under a long-term lease, as defined by department rule.

(b) A statement of election under Subsection (a) must be made by affidavit.

(c) If the department issues a statement of ownership and location to an owner who has elected to treat a manufactured home as personal property, the statement of ownership and location on file with the department is evidence of ownership of the home. A lien, charge, or other encumbrance on a home treated as personal property may be made only by filing the appropriate document with the department.

(d) If the department issues a statement of ownership and location to an owner who has elected to treat a manufactured home as real property, the manufactured home is not considered to be real property until a certified copy of the statement of ownership and location has been filed in the real property records of the county in which the home is located. After the certified copy has been filed in the real property records of the county, the home is considered to be real property in the form of an improvement to the underlying real property on which the home is located. If a real property election has been made but a certified copy of the statement of ownership and location has not been filed as required by this subsection, the home continues to be treated as personal property until the certified copy is filed.

SECTION __. Sections 1201.206 and 1201.207, Occupations Code, are amended to read as follows:

Sec. 1201.206. APPLICATION FOR ISSUANCE OF STATEMENT OF OWNERSHIP AND LOCATION [~~TITLE~~]. (a) Before the first retail sale of a manufactured home, the retailer shall timely provide to the consumer an application for the issuance of a statement of ownership and location and any information necessary to complete the application.

(b) At the first retail sale of a manufactured home, the retailer shall provide for the installation of the home and ensure that the application for the issuance of a statement of ownership and location is properly completed. The consumer shall return the completed application to the retailer.

(c) Not later than the 30th day after the date of the retail sale, the retailer shall provide to the department the completed application for the issuance of a statement of ownership and location [~~and purchaser shall apply for the issuance of a document of title. As part of the application, the retailer must surrender the original manufacturer's certificate~~].

(d) [(b)] At a subsequent sale or transfer of the home, the [~~seller and~~] purchaser or [~~the transferor and~~] transferee[, ~~as applicable,~~] shall apply for the issuance of a new statement of ownership and location [~~document of title. As part of the application, the seller or transferor must surrender the original~~

~~document of title].~~

(e) Ownership of a manufactured home does not pass or vest at a sale or transfer of the home until a completed application for the issuance of a statement of ownership and location is filed with the department.

(f) If the owner of a manufactured home relocates the home, the owner shall apply for the issuance of a new statement of ownership and location not later than the 30th day after the date the home is relocated. The department shall require that the owner submit evidence that the home was relocated in accordance with the requirements of the Texas Department of Transportation.

Sec. 1201.207. ISSUANCE OF STATEMENT OF OWNERSHIP AND LOCATION ~~[TITLE]~~. (a) The department shall process any completed application for the issuance of a statement of ownership and location not later than the 10th working day after the date the application is received by the department. If the department rejects an application, the department shall provide a clear and complete explanation of the reason for the rejection and instructions on how to cure any defects, if possible.

(b) If the department issues a statement of ownership and location for a manufactured home, the department shall place in its files the original statement of ownership and location and shall mail a certified copy to the owner of the home and to any lienholder.

(c) Except with respect to any change in use, but subject to Section 1201.2075, if the department has issued a statement of ownership and location for a manufactured home, the department may issue a subsequent statement of ownership and location for the home only if all parties reflected in the department's records as having an interest in the manufactured home give their written consent or release their interest, either in writing or by operation of law ~~[Except as otherwise provided by this subchapter, if a lien is not recorded, the department shall:~~

~~[(1) issue a document of title marked "ORIGINAL" on the face of the document of title, and~~

~~[(2) send the original by first class mail to the purchaser or transferee at the address on the application.~~

~~[(b) Except as otherwise provided by this subchapter, if a lien is shown in the application or recorded with the department, the department shall:~~

~~[(1) issue a document of title marked "ORIGINAL" on the face of the document of title and send the original by first class mail to the first lienholder, and~~

~~[(2) send a copy of the document of title conspicuously marked "NONTRANSFERABLE COPY" on the face of the document of title by first class mail to the purchaser or transferee and any other lienholder at the address on the application].~~

SECTION __. Subchapter E, Chapter 1201, Occupations Code, is amended by adding Section 1201.2075 to read as follows:

Sec. 1201.2075. CONVERSION FROM PERSONAL PROPERTY TO REAL PROPERTY. (a) Except as provided by Subsection (b), the department may not issue a statement of ownership and location for a manufactured home that is being converted from personal property to real property until:

(1) each lien on the home is released by the lienholder; or

(2) each lienholder gives written consent, to be placed on file with the department.

(b) The department may issue a statement of ownership and location before the release of any liens or the consent of any lienholders as required by this section only if the department releases a certified copy of the statement to:

(1) a licensed title insurance company that has issued a title insurance policy covering all prior liens on the home; or

(2) a federally insured financial institution or licensed attorney who has obtained from a licensed title insurance company a title insurance policy covering all prior liens on the home.

SECTION __. The heading to Section 1201.208, Occupations Code, is amended to read as follows:

Sec. 1201.208. PAYMENT OF TAXES REQUIRED FOR ISSUANCE OF STATEMENT OF OWNERSHIP AND LOCATION [TITLE].

SECTION __. Subsection (a), Section 1201.208, Occupations Code, is amended to read as follows:

(a) The department may not issue a statement of ownership and location [~~document of title~~] for a new manufactured home installed for occupancy in this state unless the state sales and use tax has been paid.

SECTION __. Section 1201.209, Occupations Code, is amended to read as follows:

Sec. 1201.209. GROUNDS FOR REFUSAL TO ISSUE OR FOR SUSPENSION OR REVOCATION OF STATEMENT OF OWNERSHIP AND LOCATION [~~TITLE~~]. The department may not refuse to issue a statement of ownership and location [~~document of title~~] and may not suspend or revoke a statement of ownership and location [~~document of title~~] unless:

(1) the application for issuance of the statement of ownership and location [~~document of title~~] contains a false or fraudulent statement, the applicant failed to provide information required by the director, or the applicant is not entitled to issuance of the statement of ownership and location [~~document of title~~];

(2) the director has reason to believe that the manufactured home is stolen or unlawfully converted, or the issuance of a statement of ownership and location [~~document of title~~] would defraud the owner or a lienholder of the manufactured home;

(3) the director has reason to believe that the manufactured home is salvaged, and an application for the issuance of a new statement of ownership and location that indicates that the home is salvaged [~~salvage title~~] has not been filed;

(4) the required fee has not been paid;

(5) the state sales and use tax has not been paid in accordance with Chapter 158, Tax Code, and Section 1201.208; or

(6) a local tax lien was filed before September 1, 2001, and recorded under Section 32.015, Tax Code, as that section existed on the date the lien was filed, and the lien has not been extinguished.

SECTION __. The heading to Section 1201.210, Occupations Code, is amended to read as follows:

Sec. 1201.210. PROCEDURE FOR REFUSAL TO ISSUE OR SUSPENSION

OR REVOCATION OF STATEMENT OF OWNERSHIP AND LOCATION [~~TITLE~~].

SECTION __. Subsection (a), Section 1201.210, Occupations Code, is amended to read as follows:

(a) If the director refuses to issue or suspends or revokes a statement of ownership and location [~~document of title~~], the director shall give, by certified mail, written notice of that action to:

(1) the seller and purchaser or transferor and transferee, as applicable; and

(2) the holder of a lien or security interest of record.

SECTION __. Section 1201.212, Occupations Code, is amended to read as follows:

Sec. 1201.212. TRANSFER OF OWNERSHIP [~~TITLE~~] BY OPERATION OF LAW. (a) If the ownership of a manufactured home in this state is transferred by inheritance, devise, or bequest, by bankruptcy, receivership, judicial sale, or other involuntary divestiture of ownership, or by any other operation of law, the department shall issue a new statement of ownership and location [~~document of title~~] after receiving a certified copy of:

(1) the order or bill of sale from an officer making a judicial sale;

(2) the order appointing a temporary administrator;

(3) the probate proceedings;

(4) the letters testamentary or the letters of administration; or

(5) if administration of an estate is not necessary, an affidavit by all of the heirs at law showing:

(A) that administration is not necessary; and

(B) the name in which the statement of ownership and location [~~certificate~~] should be issued.

(b) The department may issue a new statement of ownership and location [~~document of title~~] in the name of the purchaser at a foreclosure sale:

(1) for a lien or security interest foreclosed according to law by nonjudicial means, if the lienholder or secured party files an affidavit showing the nonjudicial foreclosure

according to law; or

(2) for a foreclosed constitutional or statutory lien, if the person entitled to the lien files an affidavit showing the creation of the lien and the resulting divestiture of title according to law.

(c) The department shall issue a new statement of ownership and location [~~document of title~~] to a survivor if:

(1) an agreement providing for a right of survivorship is signed by two or more eligible persons, as determined under Section 1201.213; and

(2) on the death of one of the persons, the department is provided with a copy of the death certificate of that person.

SECTION __. Subsection (b), Section 1201.213, Occupations Code, is amended to read as follows:

(b) If the statement of ownership and location [~~title~~] is being issued in connection with the sale of the home, the seller is not eligible to sign a right of survivorship agreement under this subchapter unless the seller is the child, grandchild, parent, grandparent, or sibling of each other person signing the agreement. A family relationship required by this subsection may be a relationship established by adoption.

SECTION __. Sections 1201.214, 1201.215, and 1201.216, Occupations Code, are amended to read as follows:

Sec. 1201.214. [~~LOST OR DESTROYED~~] DOCUMENT OF TITLE. (a) Effective September 1, 2003, all outstanding documents of title are considered to be statements of ownership and location.

(b) An owner or lienholder may provide to the department the document of title and any additional information required by the department and request that the department issue a statement of ownership and location to replace the document of title. The department shall mail to the owner or lienholder a certified copy of the statement of ownership and location issued under this subsection.

(c) An owner or lienholder who applies for the issuance of a statement of ownership and location to replace a [~~If an original document of title is~~] lost or destroyed document of title must execute [~~, the owner or lienholder may obtain a certified copy of the~~]

~~original from the department by making] an affidavit on a form prescribed by the director. [The department may issue the certified copy only to the first lienholder if a lien is disclosed on the original. The certified copy must be conspicuously marked "CERTIFIED COPY OF ORIGINAL" on the face of the copy.]~~

(d) ~~[(b)]~~ If the original document of title is recovered, the owner or lienholder shall immediately surrender the original to the department ~~[with the certified copy of the original, and the department shall issue a new original document of title].~~

Sec. 1201.215. PREVIOUS OWNER OR LIENHOLDER UNAVAILABLE. If information establishing ownership ~~[an original document of title]~~ is unavailable because a previous owner or lienholder cannot be located or because a manufactured home has been abandoned, a person may apply to the department for the issuance of a statement of ownership and location and may receive a certified copy of that statement only ~~[replacement title]~~ by presenting:

(1) evidence satisfactory to the department that the effort to locate the previous owner or lienholder has been unsuccessful; and

(2) an affidavit stating that to the best of the applicant's knowledge, the applicant is entitled to a good and marketable title to the manufactured home.

Sec. 1201.216. CHANGE IN USE. (a) The department shall indicate on the statement of ownership and location for ~~[cancel a title to]~~ a manufactured home whether the home ~~[that]~~ has been sold, exchanged, or lease-purchased to a purchaser for the purchaser's business use. For a home sold, exchanged, or lease-purchased as described by this subsection, the department shall issue a new statement of ownership and location that indicates that the home is reserved for business use.

(b) On application, the department may issue a new statement of ownership and location for ~~[title to]~~ the home after an inspection and determination that the home is habitable. The statement must indicate that the home is no longer reserved for business use.

(c) The department shall issue a statement of ownership and location that indicates that a home is salvaged ~~[salvage title]~~ for

a salvaged manufactured home.

(d) For a salvaged manufactured home that is rebuilt according to the director's rules, the department shall ~~[and may]~~ issue a new statement of ownership and location, which must indicate that the home is no longer salvaged ~~[title for a new home rebuilt according to the director's rules]~~.

(11) Strike SECTIONS 5 and 6 of the bill (page 10, line 9, through page 11, line 26) and renumber subsequent SECTIONS accordingly.

(12) Between SECTION 6 and SECTION 7 of the bill (page 11, between lines 26 and 27), insert the following appropriately numbered SECTIONS and renumber subsequent SECTIONS accordingly:

SECTION _____. Subsection (d), Section 1201.219, Occupations Code, is amended to read as follows:

(d) The department shall print on each statement of ownership and location ~~[document of title]~~ issued under this subchapter a notice that:

(1) the statement of ownership and location ~~[document of title]~~ may not reflect the existence of a tax lien notice filed for the manufactured home after the date the statement of ownership and location ~~[document of title]~~ was issued; and

(2) information about a tax lien for which notice has been filed may be obtained from the department on written request.

SECTION _____. Subsection (a), Section 1201.220, Occupations Code, is amended to read as follows:

(a) The department shall provide to each county tax assessor-collector in this state a monthly report that, for each manufactured home installed in the county during the preceding month and for each manufactured home previously installed in the county for which a transfer of ownership was recorded by the issuance of a statement of ownership and location ~~[document of title]~~ during the preceding month, lists:

- (1) the name of the owner of the home;
- (2) the name of the manufacturer of the home;
- (3) the model designation of the home;
- (4) the identification number of each section or module of the home;

(5) the address or location where the home is installed; and

(6) the date of the installation of the home.

SECTION ____ . Subsection (b), Section 1201.221, Occupations Code, is amended to read as follows:

(b) A request under Subsection (a) must contain:

(1) the name of the owner of the home as reflected on the statement of ownership and location [~~who has a document of title~~]; or

(2) the identification number of the home.

(13) In SECTION 7 of the bill (page 12, line 5, through page 13, line 6), strike amended Subsections (a), (b), and (c), Section 1201.222, Occupations Code, and substitute the following:

(a) A manufactured home [~~that~~] is treated [~~permanently attached to real property is classified and taxed~~] as real property only if:

(1) the owner of the home has elected to treat the home as real property as provided by Section 1201.2055; and

(2) a certified copy of the statement of ownership and location for the home has been filed in the real property records of the county in which the home is located [~~the real property to which the home is attached is titled in the name of the consumer under a deed or contract for sale. A manufactured home is considered permanently attached to real property if the home is secured to a foundation and connected to a utility, including a utility providing water, electric, natural gas, propane or butane gas, or wastewater service~~].

(b) The closing of a transaction for the acquisition of a manufactured home considered to be real property under this chapter [~~section~~] must occur at the office of a federally insured financial institution, a title insurance company [~~insurer~~], or an attorney at law. If the real property is purchased under a contract for deed [~~of sale~~], the contract must be filed in the real property records of the county in which the home is installed.

(c) Installation of a manufactured home considered to be real property under this chapter [~~section~~] must occur in a manner that satisfies the lending requirements of the Federal Housing

Administration (FHA), Fannie Mae, or Freddie Mac for long-term mortgage loans or for FHA insurance. The installation of a new manufactured home must meet, in addition to applicable state standards, the manufacturer's specifications required to validate the manufacturer's warranty.

(14) In SECTION 8 of the bill, in the introductory language (page 13, lines 9 and 10), strike "(a), (b), and (c)" and substitute "(a) and (b)".

(15) In SECTION 8 of the bill (page 13, line 13, through page 14, line 15), strike amended Subsections (a), (b), and (c), Section 19A, Texas Manufactured Housing Standards Act (Article 5221f, Vernon's Texas Civil Statutes), and substitute the following:

(a) A manufactured home [~~that~~] is treated [~~permanently attached to real property is classified and taxed~~] as real property only if:

(1) the owner of the home has elected to treat the home as real property as provided by Section 1201.2055, Occupations Code; and

(2) a certified copy of the statement of ownership and location for the home has been filed in the real property records of the county in which the home is located [~~the real property to which the home is attached is titled in the name of the consumer under a deed or contract for sale. A manufactured home is considered permanently attached to real property if the home is secured to a foundation and connected to a utility, including a utility providing water, electric, natural gas, propane or butane gas, or wastewater service~~].

(b) The closing of a transaction for the acquisition of a manufactured home considered to be real property under this section must occur at the office of a federally insured financial institution, a title insurance company, or an attorney at law. If the real property is purchased under a contract for deed [~~of sale~~], the contract must be filed in the real property records of the county in which the home is installed.

(16) Between SECTION 8 and SECTION 9 of the bill (page 14, between lines 15 and 16), insert the following appropriately numbered SECTIONS and renumber subsequent SECTIONS accordingly:

SECTION ____ . Subsection (a), Section 1201.360, Occupations Code, is amended to read as follows:

(a) The seller of real property to which a new HUD-code manufactured home is permanently attached may give the initial purchaser a written warranty that combines the manufacturer's warranty and the retailer's warranty required by this subchapter if:

(1) the statement of ownership and location reflects that the owner has elected to treat the home as real property [~~the manufacturer's certificate under Section 1201.204 is surrendered for cancellation~~]; [~~and~~]

(2) the home is actually located where the statement of ownership and location reflects that it is located; and

(3) a certified copy of the statement of ownership and location has been filed in the real property records for the county in which the home is located [~~a notice of attachment or certificate of attachment is filed in the real property records of the county~~].

SECTION ____ . Subsection (b), Section 1201.451, Occupations Code, is amended to read as follows:

(b) Not later than the 30th day after the effective date of the transfer of ownership or the date the seller or transferor obtains possession of the necessary and properly executed documents, the seller or transferor shall forward to the purchaser or transferee the necessary, executed [~~department properly completed~~] documents. On receipt of the documents, the purchaser or transferee shall apply for the issuance of a statement of ownership and location [~~for the transfer of title~~].

SECTION ____ . Section 1201.457, Occupations Code, is amended to read as follows:

Sec. 1201.457. HABITABILITY: CHANGE TO OR FROM BUSINESS USE. (a) If the sale, exchange, or lease-purchase of a used manufactured home is to a purchaser for the purchaser's business use, the home is not required to be habitable. The purchaser of the home shall file with the department an application for the issuance of a statement of ownership and location indicating that the home is reserved for business use [~~The seller must surrender the title to the home to the department for cancellation~~].

(b) The purchaser of a used manufactured home for business use may not sell, exchange, or lease-purchase the home for use as a dwelling unless the director issues a new statement of ownership and location indicating that the home is no longer reserved for business use [~~title to the home~~]. On the purchaser's application to the department for issuance of a new statement of ownership and location [~~title~~], the department shall inspect the home and, if the department determines that the home is habitable, issue the statement of ownership and location [~~title~~].

SECTION __. Subsection (c), Section 1201.459, Occupations Code, is amended to read as follows:

(c) The seal issued to the tax collector is for identification purposes only and does not imply that:

(1) the home is habitable; or

(2) a purchaser of the home at a tax sale may obtain a new statement of ownership and location [~~document of title~~] from the department without an inspection for habitability.

SECTION __. Subsections (a) and (c), Section 1201.460, Occupations Code, are amended to read as follows:

(a) A holder of a lien recorded on the statement of ownership and location of a [~~department-issued~~] manufactured home that has not been converted to real property [~~document of title~~] who sells, exchanges, or lease-purchases a repossessed manufactured home covered by that statement of ownership and location [~~document of title~~] is not required to comply with this chapter if the sale, exchange, or lease-purchase is:

(1) to or through a licensed retailer; or

(2) to a purchaser for the purchaser's business use.

(c) If the sale, exchange, or lease-purchase of the repossessed manufactured home is to a purchaser for the purchaser's business use, the lienholder shall apply to the department for the issuance of a new statement of ownership and location indicating that the home is reserved for business use [~~surrender the title to the department for cancellation~~].

SECTION __. Subsections (b), (c), (d), and (f), Section 1201.461, Occupations Code, are amended to read as follows:

(b) A person who owns [~~possesses the original document of~~

~~title to]~~ a used manufactured home that is salvaged shall apply
~~[surrender the document of title]~~ to the director for the issuance
of a new statement of ownership and location that indicates that the
home is salvaged ~~[cancellation of the title and issuance of a~~
~~salvage title]~~.

(c) If a new manufactured home is salvaged, the retailer shall remove the label and surrender the label and the manufacturer's certificate under Section 1201.204 to the director for issuance of a statement of ownership and location that indicates that the home is salvaged ~~[salvage title]~~.

(d) A person may not sell, convey, or otherwise transfer to a consumer in this state a manufactured home that is salvaged ~~[for which a salvage title has been issued]~~. A salvaged manufactured home may be sold only to a licensed retailer or licensed rebuilder.

(f) If a salvaged manufactured home is rebuilt in accordance with this chapter and the rules of the director, the director shall, on application, issue a new statement of ownership and location that indicates that the home is no longer salvaged ~~[document of title to replace the salvage title]~~.

(17) Between SECTION 9 and SECTION 10 (page 14, between lines 21 and 22), insert the following appropriately numbered SECTIONS and renumber subsequent SECTIONS accordingly:

SECTION __. Subsection (a), Section 1201.511, Occupations Code, is amended to read as follows:

(a) This section applies to a transaction in which a manufactured home is sold as personal property ~~[and titled under Subchapter E. This section does not apply to a real estate transaction in which a manufactured home is real property under Section 2.001, Property Code]~~.

SECTION __. Subsection (a), Section 1201.551, Occupations Code, is amended to read as follows:

(a) The director, after notice as provided for under Section 1201.054 and a hearing as provided by Sections 1201.054 and 1201.060, may deny, permanently revoke, or suspend for a definite period and specified sales location or geographic area a license if the director determines that the applicant or license holder:

(1) knowingly and wilfully violated this chapter or a

rule adopted or order issued under this chapter;

(2) unlawfully retained or converted money, property, or any other thing of value from a consumer in the form of a down payment, sales or use tax, deposit, or insurance premium;

(3) failed to timely provide to a consumer an application for a statement of ownership and location and any information necessary to complete the application [~~deliver a proper certificate or other document of title to a consumer~~];

(4) failed to give or breached a manufactured home warranty required by this chapter or by the Federal Trade Commission;

(5) engaged in a false, misleading, or deceptive act or practice as described by Subchapter E, Chapter 17, Business & Commerce Code;

(6) failed to provide or file a report required by the department for the administration or enforcement of this chapter;

(7) provided false information on an application, report, or other document filed with the department;

(8) acquired a criminal record during the five-year period preceding the application date that, in the opinion of the director, makes the applicant unfit for licensing; or

(9) failed to file a bond or other security for each location as required by Subchapter C.

(18) In SECTION 13 of the bill (page 16, lines 3-16), strike reenacted and amended Subsection (b), Section 2.001, Property Code, and substitute the following:

(b) A manufactured home is real property if:

(1) the statement of ownership and location for the home issued under Section 1201.207, Occupations Code, reflects that the owner has elected to treat the home as real property; and

(2) a certified copy of the statement of ownership and location has been filed in the real property records in the county in which the home is located [+

~~(1) the home is permanently attached to real property; and~~

~~(2) the manufacturer's certificate of origin or the original document of title is surrendered for cancellation and a~~

~~notice of attachment or a certificate of attachment, as described by the Texas Manufactured Housing Standards Act (Article 5221f, Vernon's Texas Civil Statutes), is filed in the real property records of the county in which the home is located].~~

(19) In SECTION 14 of the bill, in the introductory language (page 16, lines 17 and 18), strike "Section 2.001, Property Code, is amended by amending Subsections (c), (e), and (i) and adding Subsection (e-1)" and substitute "Subsections (c) and (i), Section 2.001, Property Code, are amended".

(20) In SECTION 14 of the bill, in amended Section 2.001, Property Code (page 16, line 25, through page 17, line 22), strike amended Subsection (e) and proposed Subsection (e-1), Section 2.001, Property Code.

(21) Between SECTION 14 and SECTION 15 of the bill (page 17, between lines 26 and 27), insert the following appropriately numbered SECTION and renumber subsequent SECTIONS accordingly:

SECTION __. Section 11.432, Tax Code, is amended to read as follows:

Sec. 11.432. HOMESTEAD EXEMPTION FOR MANUFACTURED HOME.

(a) For a manufactured home to qualify for an exemption under Section 11.13 of this code, the application for the exemption must be accompanied by a copy of the statement of ownership and location for [a document of title to] the manufactured home issued by the manufactured housing division of the Texas Department of Housing and Community Affairs under Section 1201.207 [~~Subchapter E, Chapter 1201~~], Occupations Code, showing that the individual applying for the exemption is the owner of the manufactured home or be accompanied by a verified copy of the purchase contract showing that the applicant is the purchaser of the manufactured home.

(b) The land on which a manufactured home is located qualifies for an exemption under Section 11.13 only if:

(1) the manufactured home qualifies for an exemption as provided by Subsection (a); and

(2) the manufactured home is listed together with the land on which it is located under Section 25.08.

(c) In this section, "manufactured home" has the meaning assigned by Section 1201.003, Occupations Code[, however, the term

~~does not apply to any manufactured home which has been attached to real estate and for which the document of title has been canceled pursuant to Section 1201.217 of that code].~~

(22) In SECTION 15 of the bill (page 18, lines 6-26), strike proposed Subsections (e) and (f), Section 25.08, Tax Code, and substitute the following:

(e) A manufactured home shall be listed together with the land on which the home is located if:

(1) the statement of ownership and location for the home issued under Section 1201.207, Occupations Code, reflects that the owner has elected to treat the home as real property; and

(2) a certified copy of the statement of ownership and location has been filed in the real property records in the county in which the home is located.

(f) A manufactured home shall be listed separately from the land on which the home is located if either of the conditions provided by Subsection (e) is not satisfied.

(23) In SECTION 16 of the bill, in the introductory language (page 19, line 1), strike "Subsection (d)" and substitute "Subsections (d) and (e)".

(24) In SECTION 16 of the bill, in amended Subsection (a), Section 32.014, Tax Code (page 19, line 4), strike "affixed" and substitute "located under Section 25.08".

(25) In SECTION 16 of the bill, in amended Subsection (a), Section 32.014, Tax Code (page 19, lines 9-10), strike "affixed [~~located~~] regardless of the classification of the manufactured home under the Property Code." and substitute "located [~~regardless of the classification of the manufactured home under the Property Code~~].".

(26) In SECTION 16 of the bill, in amended Subsection (b), Section 32.014, Tax Code (page 19, line 12), strike "affixed" and substitute "located".

(27) In SECTION 16 of the bill, in amended Subsection (b), Section 32.014, Tax Code (page 19, line 19), strike "affixed" and substitute "located".

(28) In SECTION 16 of the bill, between amended Subsection (b) and proposed Subsection (d), Section 32.014, Tax Code (page 19,

between lines 20 and 21), insert the following:

(d) If a manufactured home is listed together with the land on which the manufactured home is located, a taxing unit with jurisdiction to impose taxes on the land may place a lien on the manufactured home to secure payment of those taxes to the same extent that it can place a lien on the land. If a home is moved from its location and a new statement of ownership and location is not issued under Section 1201.207, Occupations Code, a taxing unit with jurisdiction to impose taxes on the land on which the manufactured home was located retains the right to record and enforce liens on that home to secure the payment of taxes, regardless of where the home is currently located.

(29) In SECTION 16 of the bill, in proposed Subsection (d), Section 32.014, Tax Code (page 19, line 21), strike "(d)" and substitute "(e)".

(30) In SECTION 19 of the bill (page 21, line 19), strike "1201.113 and 1201.217" and substitute "1201.003, 1201.113, 1201.209, 1201.220, 1201.360, and 1201.511".

(31) In SECTION 20 of the bill (page 22, line 3), between "Code," and "are", insert "and Subsection (e), Section 1201.222, Occupations Code,".

(32) In SECTION 20 of the bill (page 22, line 4), between "effect," and "Subsections", insert "Subsection (e), Section 19A, and".

(33) Strike SECTION 21 of the bill (page 22, lines 7 and 8) and substitute the following:

SECTION __. The following laws are repealed:

(1) Sections 1201.211, 1201.217, and 1201.218, Occupations Code; and

(2) Subsections (d)-(h), Section 2.001, Property Code.

(34) In SECTION 23 of the bill (page 23, lines 4 and 5), strike Subsection (b) and substitute the following:

(b) The changes in law made by this Act to Section 1201.113, Occupations Code, and Sections 11.432, 25.08, 32.014, and 32.03, Tax Code, take effect January 1, 2004.