

BILL ANALYSIS

Senate Research Center

S.B. 521
By: Staples
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Enrolled

DIGEST AND PURPOSE

Legislation passed during the 77th Texas Legislature dramatically affected the manufactured housing industry. H.B. 1869, 77th Legislature, redefined manufactured housing as real property, with limited exceptions, and required the sale of a manufactured home to be conducted as a real estate transaction when the home is to be placed on land owned by the consumer. H.B. 1869 also provided consumer protection language. S.B. 521 restores consumer choice related to financing options while maintaining acquisition requirements and further clarifying when manufactured housing is to be defined as real property. This bill establishes requirements for taxation and the escrow of taxes on manufactured housing. This bill reduces legalese in disclosure documents and establishes provisions requiring certification and continuing education. S.B. 521 also clarifies the process for obtaining statements of ownership and location and declaring a manufactured home and the property on which it is installed from personal to real property. S.B. 521 also offers alternative changes in the law depending upon whether the Act of the 78th Legislature, Regular Session 2003, relating to nonsubstantive additions to and corrections in enacted codes takes effect.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Department of Housing and Community Affairs in SECTION 10 (Section 1201.163, Occupations Code) of this bill.

SECTION BY SECTION ANALYSIS

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

(2-a) Defines “attached.”

(23-a) Defines “statement of ownership and location.”

SECTION 2. Amends Section 1201.055(a), Occupations Code, to require the governing board (board) of the Texas Department of Housing and Community Affairs (TDHCA) to establish a fee for the inspection of a used manufactured home to determine whether the home is habitable for the issuance of a new statement of ownership and location. Deletes text referring to a home title.

SECTION 3. Amends Section 1201.059, Occupations Code, as follows:

Sec. 1201.059. New heading: FEES FOR STATEMENTS OF OWNERSHIP AND LOCATION. (a) Requires the board to set fees for issuing statements of ownership and location. Deletes text referring to titles.

(b) Requires ten dollars of the fee for each purchase, exchange, or lease-purchase of a manufactured home, rather than a title transaction, to be deposited to the credit of the trust fund and used for the protection programs described by Subchapter I.

SECTION 4. Amends Section 1201.101(g), Occupations Code, to make a conforming change.

SECTION 5. Amends Section 1201.113, Occupations Code, as follows:

Sec. 1201.113. CERTIFICATION AND CONTINUING EDUCATION PROGRAMS.

(a) Requires the governing board (board) of the Texas Department of Housing and Community Affairs (TDHCA), rather than authorizes TDHCA, to recognize, prepare, or administer certification and continuing education programs for persons regulated under this chapter. Deletes text making participation in a certification program voluntary.

(b) Deletes text referring to the board's required duties regarding continuing education programs. Requires a license holder to participate in both certification and continuing education programs as provided by Subsection (e). Deletes text referring to the extent participation is required.

(c) No changes to this subsection.

(d) Requires an organization or institution to submit an application to be considered for a contract under Subsection (c). Authorizes the board to set and charge a fee to cover the costs of processing the application.

(e) Require persons regulated under this chapter and directly involved in the sale of manufactured housing to complete eight hours of certification and continuing education programs each year. Requires the programs to address state and federal law applicable to all manufactured housing retailer practices and relevant consumer protection regulations and ethical standards.

(f) Creates this subsection from existing text. Requires TDHCA to issue an appropriate certificate to a person who completes a certification program and, rather than or, participates in a continuing education program under this program.

(g) Requires the board to suspend the license of a person regulated under this chapter who does not complete the programs as required by this section. Requires the board to reinstate the license on the person's completion of the programs.

SECTION 6. Amends Section 1201.153(a), Occupations Code, to make a conforming change.

SECTION 7. Amends Section 1201.159, Occupations Code, to make conforming changes and delete text referring to a permanent foundation.

SECTION 8. Amends Sections 1201.162(a) and (b), Occupations Code, as follows if the Act of the 78th Legislature, Regular Session 2003, relating to nonsubstantive additions to and corrections in enacted codes takes effect:

(a) Includes in the statement provided to the consumer in a certain format that municipalities, not a portion thereof, or subdivisions may restrict the placement of manufactured homes.

Deletes text referring to limited access to water lines and the possibility of having to drill a well. Provides that a consumer should inquire about the cost to join a water system, as well as the rates thereof, if water is available through, not provided by, certain entities.

Requires, instead of authorizes, a consumer to install an on-site sewer facility if the lot is not serviced by a municipal sewer or utility district. Specifies that a consumer should check with a licensed private installer to determine the requirements and costs of such an installation.

Includes text providing that a manufactured home will be appraised and subject to ad valorem taxes as other single-family residential structures. Requires the taxes to be escrowed with the monthly payment except that your lender is not obligated to impose an escrow requirement in a real property transaction involving a manufactured home if the lender is a federally insured financial institution and does not otherwise require the escrow of taxes or certain other fees and charges in connections with loans secured by residential

real property. Provides that the consumer will be notified of all provisions pertaining to federal Truth in Lending disclosures, upon closing.

Includes a section on insurance providing that a lender may require insurance and instructing the consumer in that process.

Includes a section on the types of mortgages available. Authorizes the acquisition of a manufactured home to be financed by a real estate mortgage or a chattel mortgage. Authorizes a real estate mortgage to have a lower interest rate than a chattel mortgage.

Includes a section on the right of rescission. Authorizes, not later than the third day after the acquisition of a manufactured home by certain methods, the rescission of the contract without penalty or charge. Deletes text referring to real property taxes and the homestead exemption.

SECTION 9. Amends Section 21(a), Texas Manufactured Housing Standards Act (Article 5221f, V.T.C.S.), as follows if the Act of the 78th Legislature, Regular Session 2003, relating to nonsubstantive additions to and corrections in enacted codes does not take effect:

(a) Includes in the statement provided to the consumer in a certain format that municipalities, not a portion thereof, or subdivisions may restrict the placement of manufactured homes.

Deletes text referring to limited access to water lines and the possibility of having to drill a well. Provides that a consumer should inquire about the cost to join a water system, as well as the rates thereof, if water is available through, not provided by, certain entities.

Requires, instead of authorizes, a consumer to install an on-site sewer facility if the lot is not serviced by a municipal sewer or utility district. Specifies that a consumer should check with a licensed private installer to determine the requirements and costs of such an installation.

Includes text providing that a manufactured home will be appraised and subject to ad valorem taxes as other single-family residential structures. Requires the taxes to be escrowed with the monthly payment except that your lender is not obligated to impose an escrow requirement in a real property transaction involving a manufactured home if the lender is a federally insured financial institution and does not otherwise require the escrow of taxes or certain other fees and charges in connections with loans secured by residential real property. Provides that the consumer will be notified of all provisions pertaining to federal Truth in Lending disclosures, upon closing.

Includes a section on insurance providing that a lender may require insurance and instructing the consumer in that process.

Includes a section on the types of mortgages available. Authorizes the acquisition of a manufactured home to be financed by a real estate mortgage or a chattel mortgage. Authorizes a real estate mortgage to have a lower interest rate than a chattel mortgage.

Includes a section on the right of rescission. Authorizes, not later than the third day after the acquisition of a manufactured home by certain methods, the rescission of the contract without penalty or charge. Deletes text referring to real property taxes and the homestead exemption.

SECTION 10. Amends Subchapter D, Chapter 1201, Occupations Code, by adding Sections 1201.1505 1201.1521, 1201.163, 1201.164, and 1201.165, as follows:

Sec. 1201.1505. DEPOSIT ON SPECIALLY ORDERED MANUFACTURED HOMES. Authorizes a retailer to require an earnest money deposit on a specially ordered manufactured home only under certain circumstances.

Sec. 1201.1521. RESCISSION OF CONTRACT FOR SALE, EXCHANGE, OR LEASE-PURCHASE OF HOME. Authorizes, not later than the third day after the acquisition of a manufactured home by certain methods, the rescission of the contract without penalty or charge.

Sec. 2101.163. CHATTEL MORTGAGE TRANSACTION: CONSUMER PROTECTION DISCLOSURES. (a) Requires TDHCA, in addition to the disclosure statement required by Section 1201.162, to adopt rules addressing consumer protection disclosures required in chattel mortgage transactions and to prescribe the form for the disclosure statement. Sets forth the required content of a consumer protection disclosure statement.

(b) Requires a retailer to 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) Requires the consumer, on receipt of the consumer protection disclosure statement, to execute a written acknowledgment of receipt.

(d) Provides that the installment contract, in addition to other rights of rescission provided by this chapter, is subject to rescission by the consumer within a certain time frame.

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

(f) Provides that this section does not apply to a real estate transaction.

Sec. 1201.164. ADVANCE COPY OF INSTALLMENT CONTRACT AND DISCLOSURE STATEMENTS; OFFER BY RETAILER. (a) Requires a retailer, in a chattel mortgage transaction involving an installment contract, to deliver to a consumer, at least 24 hours before the contract is fully executed, the disclosure statements required by this subchapter and the contract, with all required information included, signed by the retailer. Provides that the delivery of the disclosure statements and installment contract, with all required information included, signed by the retailer constitutes a firm offer by the retailer. Authorizes the consumer to accept the offer not earlier than 24 hours after the delivery of documents.

(b) Prohibits a consumer from waiving the right to receive the disclosure statements under this section.

Sec. 1201.165. NONBINDING ESTIMATE. Requires the estimate in a chattel mortgage transaction, if a retailer provides a nonbinding estimate regarding the contract price of a manufactured home or the monthly payments or interest rate applicable to a loan issued in connection with the home, to be made in writing and in good faith.

SECTION 11. Amends the heading to Subchapter E, Chapter 1201, Occupations Code, to read as follows:

SUBCHAPTER E. MANUFACTURED HOME STATEMENTS OF OWNERSHIP AND LOCATION

SECTION 12. Amends Sections 1201.201(2), (3), and (11), Occupations Code, as follows:

(2) Redefines “document of title.”

(3) Redefines “first retail sale.”

(11) Redefines “subsequent sale.”

SECTION 13. Amends Sections 1201.230, 1201.204, and 1201.205, Occupations Code, as follows:

Sec. 1201.203. FORMS; RULES. (a) and (b) Make conforming and nonsubstantive changes.

Sec. 1201.204. MANUFACTURER’S CERTIFICATE. (a) Creates this subsection from existing text. Requires a manufacturer’s certificate to show certain information on a director-prescribed form if the transfer from retailer to owner involves a completed application for the issuance of a statement of ownership and location, as well as certain other information. Deletes text referring to presenting a document of title.

(b) Provides that at the first retail sale of a manufactured home, a manufacturer’s certificate automatically converts to a document that does not evidence any ownership interest in the manufactured home described in the document. Provides that a security interest in inventory evidenced by the manufacturer’s certificate automatically converts to a security interest in proceeds and cash proceeds.

(c) Authorizes the retailer, after the first retail sale of a manufactured home, to submit the manufacturer’s certificate for that home to TDHCA.

Sec. 1201.205. New heading: STATEMENT OF OWNERSHIP AND LOCATION. Sets forth the required content of a statement of ownership and location.

SECTION 14. Amends Subchapter E, Chapter 1201, Occupations Code, by adding Section 1201.2055, as follows:

Sec. 1201.2055. ELECTION BY OWNER. (a) Requires an owner of a manufactured home, in completing an application for the issuance of a statement of ownership and location, to indicate whether the owner elects to treat the home as personal property or real property. Sets forth the prerequisites for when an owner is authorized to treat a manufactured home as real property.

(b) Requires a statement of election under Subsection (a) to be made by affidavit.

(c) Provides that if TDHCA 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 TDHCA is evidence of ownership of the home. Authorizes a lien, charge, or other encumbrance on a home treated as personal property to be made only by filing the appropriate document with TDHCA.

(d) Provides that if TDHCA 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 real property until a certified statement of ownership and location has been filed in the real property records of the county in which the home is located. Provides that 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. Provides that 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 15. Amends Sections 1201.206 and 1201.207, Occupations Code, as follows:

Sec. 1201.206. New heading: APPLICATION FOR ISSUANCE OF STATEMENT OF OWNERSHIP AND LOCATION. (a) Requires the retailer, before the first retail sale of a manufactured home, to 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) Creates this subsection from existing text. Requires the retailer, at the first retail sale of a manufactured home, to 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. Requires the consumer to return the completed application to the retailer.

(c) Requires the retailer, not later than the 30th day after the date of the retail sale, to provide the completed application for the issuance of a statement of ownership and location to TDHCA. Deletes text referring to a document of title and the original manufacture's certificate.

(d) Redesignates this subsection from Subsection (b). Requires the purchaser or the transferee, at a subsequent sale or transfer of the home, to apply for the issuance of a new statement of ownership and location. Deletes the seller as a person to apply for the new statement. Deletes text referring to the title.

(e) Provides that 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 TDHCA.

(f) Require the owner, if the owner of a manufactured home relocates the home, to 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. Requires TDHCA to require that the owner submit evidence that the home was relocated in accordance with the requirements of the Texas Department of Transportation (TxDOT).

Sec. 1201.207. New heading: ISSUANCE OF STATEMENT OF OWNERSHIP AND LOCATION. (a) Requires TDHCA to 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 TDHCA. Required TDHCA, if it rejects an application, to provide a clear and complete explanation for the rejection and instructions on how to cure any defects, if possible.

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

(c) Authorizes TDHCA, except with respect to any change in use, but subject to Section 1201.2075, if TDHCA as issued a statement of ownership and location for a manufactured home, to issue a subsequent statement of ownership and location for the home only if all parties reflected in TDHCA'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. Deletes text referring to original documents of title and liens.

SECTION 16. Amends Supchapter E, Chapter 1201, Occupations Code, by adding Section 1201.2075, as follows:

Sec. 1201.2075. CONVERSION FROM PERSONAL PROPERTY TO REAL PROPERTY. (a) Prohibits TDHCA, except as provided by Subsection (b), from issuing a statement of ownership and location for a manufactured home that is being converted from personal property to real property until certain criteria are fulfilled.

(b) Authorizes TDHCA to 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 TDHCA releases a certified copy of the statement to certain institutions.

SECTION 17. Amends the heading to Section 1201.208, Occupations Code, to read as follows:

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

SECTION 18. Amends Section 1201.208(a), Occupations Code, to make a conforming change.

SECTION 19. Amends Section 1201.209, Occupations Code, as follows:

Sec. 1201.209. New heading: GROUNDS FOR REFUSAL TO ISSUE OR FOR SUSPENSION OR REVOCATION OF STATEMENT OF OWNERSHIP AND LOCATION. Makes conforming changes.

SECTION 20. Amends the heading to Section 1201.210, Occupations Code, to read as follows:

Sec. 1201.210. PROCEDURE FOR REFUSAL TO ISSUE OR SUSPENSION OR REVOCATION OF STATEMENT OF OWNERSHIP AND LOCATION.

SECTION 21. Amends Section 1201.210(a), Occupations Code, to make a conforming change.

SECTION 22. Amends Section 1201.212, Occupations Code, as follows:

Sec. 1201.212. New heading: TRANSFER OF OWNERSHIP BY OPERATION OF LAW. Makes conforming changes.

SECTION 23. Amends Section 1201.213(b), Occupations Code, to make a conforming change.

SECTION 24. Amends Sections 1201.214, 1201.215, and 1201.216, Occupations Code, as follows:

Sec. 1201.214. New heading: DOCUMENT OF TITLE. (a) Provides that effective September 1, 2003, all outstanding documents of title are considered statements of ownership and location.

(b) Authorizes an owner or lienholder to provide TDHCA with the document of title and any additional information required by TDHCA and to request that TDHCA issue a statement of ownership and location to replace the document of title. Requires TDHCA to mail to the owner or lienholder a certified copy of the statement of ownership and location issued under this subsection.

(c) Requires an owner or lienholder who applies for the issuance of a statement of ownership and location to replace a lost or destroyed document of title to execute an affidavit on a director-prescribed form. Deletes text referring to restrictions on TDHCA's authority to issue replacement copies or title.

(d) Redesignated from Subsection (b). Deletes text referring to copies and original documents of title.

Sec. 1201.215. PREVIOUS OWNER OR LIENHOLDER UNAVAILABLE. Makes conforming changes.

Sec. 1201.216. CHANGE IN USE. (a) Requires TDHCA to indicate on the statement of ownership and location for a manufactured home whether the home has been sold, exchanged, or lease-purchased to a purchaser for the purchaser's business use. Requires TDHCA, for a home sold, exchanged, or lease-purchased as described by this subsection,

to issue a new statement of ownership and location that indicates that the home is reserved for business use.

(b) Requires a new statement of ownership and location to indicate that the home is no longer reserved for business use. Makes a conforming change.

(c) Requires TDHCA to issue a statement of ownership and location that indicates a that a home is salvaged for a salvaged manufactured home. Makes a conforming and a nonsubstantive change.

(d) Requires TDHCA, for a salvaged manufactured home that is rebuilt according to the director's rules, to issue a new statement of ownership and location, which is required to indicate that the home is no longer salvaged. Makes a conforming change.

SECTION 25. Amends Section 1201.219(d), Occupations Code, to make conforming changes.

SECTION 26. Amends Section 1201.220(a), Occupations Code, to make a conforming change.

SECTION 27. Amends Section 1201.221(b), Occupations Code, to make a conforming change.

SECTION 28. Amends Sections 2101.222(a), (b), and (c), Occupations Code, as follows if the Act of the 78th Legislature, Regular Session 2003, relating to nonsubstantive additions to and corrections in enacted codes takes effect:

(a) Provides that a manufactured home is treated as real property only if the owner of the home has elected to treat the home as real property as provided by Section 1201.2055 and 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. Deletes text referring to taxation of a manufactured home permanently attached to real property what constitutes real property.

(b) Includes the closing of a transaction for the acquisition of a manufactured home, rather than acquisition of a manufactured home, considered to be real property under this chapter, in the requirement to occur at certain offices. Requires the contract, if the real property is purchased under a contract for deed, rather than of sale, to be filed in the real property records of the county in which the home is installed.

(c) Makes a conforming change.

SECTION 29. Amends Sections 19A (a) and (b), Texas Manufactured Housing Standards Act (Article 5221f, V.T.C.S.), as follows if the Act of the 78th Legislature, Regular Session 2003, relating to nonsubstantive additions to and corrections in enacted codes does not take effect, to make conforming changes.

SECTION 30. Amends Section 1201.360(a), Occupations Code, to set forth the prerequisites for the seller of certain real property to provide the initial purchaser with a written warranty combining the manufacturer's and the retailer's warranties required by this subchapter.

SECTION 31. Amends Section 1201.451(b), Occupations Code, to require the seller or transferor, 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, to forward to the purchaser or transferee, rather than to TDHCA, the necessary executed documents. Requires the purchaser or transferee, on receipt of the documents, to apply for the issuance of a statement of ownership and location, rather than for a transfer of title.

SECTION 32. Amends Section 1201.457, Occupations Code, as follows:

Sec. 1201.457. HABITABILITY: CHANGE TO OR FROM BUSINESS USE. (a)

Requires the purchaser of the home to file with TDHCA an application for the issuance of a statement of ownership and location indicating that the home is reserved for business use. Deletes text referring to surrendering title for cancellation.

(b) Makes conforming changes.

SECTION 33. Amends Section 1201.459(c), Occupations Code, to make a conforming change.

SECTION 34. Amends Sections 1204.460(a) and (c), Occupations Code, as follows:

(a) Provides that a holder of a lien recorded on the statement of ownership and location of a manufactured home that has not been converted to real property who sells, exchanges, or lease-purchases a repossessed manufactured home covered by that statement of ownership and location is not required to comply with this chapter under certain circumstances. Makes conforming changes.

(c) Makes conforming changes.

SECTION 35. Amends Sections 1201.461(b), (c), (d), and (f), Occupations Code, to make conforming changes.

SECTION 36. Amends Section 1201.508, Occupations Code, by adding Subsection (d) to prohibit the retailer from requiring a consumer to make a down payment on the acquisition of a manufactured home from the retailer's inventory until the time the contract is executed.

SECTION 37. Amends Section 1201.511(a), Occupations Code, to delete text referring exemptions from this section for transactions in which a manufactured home is real property.

SECTION 38. Amends Section 1201.551(a), Occupations Code, to make a conforming change.

SECTION 39. Amends Section 1201.605, Occupations Code, as follows:

Section 1201.605. ADMINISTRATIVE PENALTY. (a) Creates this subsection from existing text. Authorizes TDHCA's executive director (director) to assess against a person, rather than assessing a person.

(b) Authorizes the director to assess against a retailer who fails to provide information to a consumer as required by this chapter an administrative penalty of certain amounts.

SECTION 40. Amends Section 347.254, Finance Code, by amending Subsection (a) and adding Subsection (c), as follows:

(a) Requires, rather than authorizes, a creditor to require a consumer to pay ad valorem taxes on the manufactured home through the creditor, except as provided by Subsection (c).

(c) Exempts from the escrow requirement of Subsection (a), a transaction involving a manufactured home if the creditor is a federally insured financial institution and does not otherwise require the escrow of taxes or certain other fees and charges in connections with loans secured by residential real property.

SECTION 41. Amends Section 2.001(a), Property Code, to define a manufactured home as personal, rather than real, property.

SECTION 42. Amends and reenacts Section 2.001(b), Property Code, as amended by Chapters 899 and 1055, Acts of the 77th Legislature, Regular Session, 2001, to make conforming changes.

SECTION 43. Amends Section 2.001, Property Code, by amending Subsections (c) and (i), as

follows:

(c) Defines “consumer,” “document of title,” “first retail sale,” “manufactured home,” and “mobile home” according to Chapter 1201 (Manufactured Housing), Occupations Code, rather than the Texas Manufactured Housing Standards Act (Article 5221f, V.T.C.S.).

(i) Replaces Article 6573a, V.T.C.S., with Chapter 1101 (Real Estate Brokers and Salespersons), Occupations Code, as the referenced code.

SECTION 44. Amends Section 11.432, Tax Code, as follows:

Sec. 11.432. HOMESTEAD EXEMPTION FOR MANUFACTURED HOME. (a) Specifies that the statement of ownership and location is issued by the manufactured and housing division of TDHCA. Makes conforming changes.

(b) Sets forth the prerequisites for the land on which a manufactured home is located to qualify for an exemption under Section 11.13 (Residence Homestead).

(c) Redefines “manufactured home.”

SECTION 45. Amends Section 25.08, Tax Code, by amending Subsection (a) and adding Subsections (e) and (f), as follows:

(a) Makes a conforming change.

(e) Requires a manufactured home to be listed together with the land on which the home is located under certain circumstances.

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

SECTION 46. Amends Section 32.014, Tax Code, by amending Subsections (a) and (b) and adding Subsection (d), as follows:

(a) Provides that if a manufactured home is listed together with the land on which the manufactured home is located under Section 25.08, the tax lien attaches to the land on which the manufactured home is affixed. Deletes text referring to ownership of real property and the taxing and appraising thereof.

(b) Provides that if a manufactured home is listed separately from the land on which the manufactured home is located, the tax lien on the manufactured home does not attach to the land on which the home is located. Deletes text referring to the kind of ownership of the manufactured home and appraisal and taxation on the same ad valorem basis.

(d) Authorizes a taxing unit with jurisdiction to impose taxes on the land, if a manufactured home is listed together with the land on which the manufactured home is located, to 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. Provides that 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.

(e) Provides that this section prevails over Chapter 2001 (Manufactured Housing), Occupations Code, to the extent of any conflict.

SECTION 47. Amends Section 32.03, Tax Code, by amending Subsection (c) and adding

Subsection (j), as follows:

(c) Includes the extent that a tax liability for a year exceeds the amount computed under Subsection (j)(2) as an exception of a certain purchaser not being required to pay any taxes under a certain circumstance.

(j) Sets forth the list that makes up unpaid taxes due a taxing unit, for purposes of this section.

SECTION 48. Amends Section 623.104, Transportation Code, by amending Subsection (d) and adding Subsection (e), as follows:

(d) Provides provisions of Subsection (e) as an exception and increases the fine amount from \$500 to \$1,000.

(e) Establishes certain fines if it is shown on the trial of an offense under Subsection (d) that the defendant has previously been punished under Subsection (d).

SECTION 49. Amends Subchapter E, Chapter 623, Transportation Code, by adding Section 623.105, as follows:

(a) Establishes what constitutes an offense.

(b) Provides that an offense under this section is a misdemeanor punishable by a fine of \$1,000.

SECTION 50. (a) Provides that in accordance with Section 311.031, Government Code, which give effect to a substantive amendment enacted by the same legislature that codifies the amended statute, the text of Sections 1201.113, 1201.209, 1201.220, and 1201.360, Occupations Code, as set out in this Act, gives effect to changes made by Chapters 899, 988, and 1367, Acts of the 77th Legislature, Regular Session, 2001.

(b) Provides that to the extent of any conflict, this Act prevails over another Act of the 78th Legislature relating to nonsubstantive additions to and corrections in enacted codes.

SECTION 51. Repealer: Sections, 1201.162(b) and (c), Occupations Code, and Section 1201.222(e), upon enactment of the Act of the 78th Legislature relating to nonsubstantive additions to an corrections in enacted codes.

Repealer: Sections 19A(e) and Sections 21(b) and (c) (Article 5221f, V.T.C.S.), if the Act of the 78th Legislature relating to nonsubstantive additions to an corrections in enacted codes is not enacted.

SECTION 52. Repealer: Sections 1201.211 (Transfer of Title), 1201.217 (Permanent Attachment of Manufactured Home: Cancellation of Title), and 1201.218 (Permanent Attachment of Manufactured Home: Exception to Cancellation of Title), Occupations Code, and Sections 2.001 (Manufactured Housing) (d) - (h), Property Code.

SECTION 53. (a) Makes application of this Act prospective.

(b) Makes application of changes in law made by this Act to Sections 25.08, 32.014, and 32.03, Tax Code, prospective to an ad valorem tax year that begins after January 1, 2004.

SECTION 54. (a) Effective date: June 1, 2003, September 1, 2003, except as provided by Subsection (b).

(b) Effective date for 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: January 1, 2004.