

1-1 By: Jones of Dallas (Senate Sponsor - Lindsay) H.B. No. 543  
1-2 (In the Senate - Received from the House April 1, 2003;  
1-3 April 7, 2003, read first time and referred to Committee on  
1-4 Business and Commerce; May 8, 2003, reported favorably by the  
1-5 following vote: Yeas 8, Nays 0; May 8, 2003, sent to printer.)

1-6 A BILL TO BE ENTITLED  
1-7 AN ACT

1-8 relating to certain restrictions on the delivery or installation of  
1-9 a new or used manufactured home in a flood-prone area.

1-10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-11 SECTION 1. Subchapter K, Chapter 1201, Occupations Code, is  
1-12 amended by adding Section 1201.512 to read as follows:

1-13 Sec. 1201.512. PROHIBITED DELIVERY OR INSTALLATION OF  
1-14 MANUFACTURED HOME. (a) In this section, "homesite" means the land  
1-15 on which the foundation system for a manufactured home is or will be  
1-16 located.

1-17 (b) Unless the retailer, broker, or salesperson complies  
1-18 with the requirements of the National Flood Insurance Act of 1968  
1-19 (42 U.S.C. Section 4001 et seq.), Subchapter I, Chapter 16, Water  
1-20 Code, and any other applicable local, state, or federal law, and  
1-21 ensures the consumer's compliance with applicable law by requiring  
1-22 the evidence described by Subsection (c), a retailer, broker, or  
1-23 salesperson who sells, exchanges, or lease-purchases a new or used  
1-24 manufactured home to a consumer for use as a permanent dwelling in  
1-25 this state may not:

1-26 (1) deliver or arrange for the delivery of the home to  
1-27 a homesite in a special flood hazard area designated by the director  
1-28 of the Federal Emergency Management Agency;

1-29 (2) install or arrange for the installation of the  
1-30 home at a homesite in that area; or

1-31 (3) assist the consumer in the delivery or  
1-32 installation of, or in making arrangements for the delivery or  
1-33 installation of, the home to or at a homesite in that area.

1-34 (c) Before closing on the acquisition of a new or used  
1-35 manufactured home for use as a permanent dwelling in this state, a  
1-36 consumer seeking to acquire the home must provide to the retailer,  
1-37 broker, or salesperson selling, exchanging, or lease-purchasing  
1-38 the home satisfactory evidence that the home will not be located, in  
1-39 a manner that violates local, state, or federal law, on a homesite  
1-40 in a special flood hazard area designated by the director of the  
1-41 Federal Emergency Management Agency. A consumer may satisfy the  
1-42 evidentiary requirement of this subsection by providing the  
1-43 retailer, broker, or salesperson, as applicable, with a copy of any  
1-44 required permit to install a septic tank on the homesite.

1-45 (d) The following are exempt from the application of this  
1-46 section:

1-47 (1) a manufactured home that on August 31, 2003, was  
1-48 inhabited and located on real property zoned before September 1,  
1-49 2003, by a local political subdivision for the purpose of  
1-50 developing homesites in a special flood hazard area designated by  
1-51 the director of the Federal Emergency Management Agency, if the  
1-52 home will remain on or be relocated to real property zoned as  
1-53 described by this subsection; and

1-54 (2) real property zoned before September 1, 2003, by a  
1-55 local political subdivision for the purpose of developing homesites  
1-56 in a special flood hazard area designated by the director of the  
1-57 Federal Emergency Management Agency.

1-58 SECTION 2. The change in law made by this Act applies only  
1-59 to the sale, exchange, or lease-purchase of a new or used  
1-60 manufactured home on or after the effective date of this Act.

1-61 SECTION 3. This Act takes effect June 1, 2003, if it  
1-62 receives a vote of two-thirds of all the members elected to each  
1-63 house, as provided by Section 39, Article III, Texas Constitution.  
1-64 If this Act does not receive the vote necessary for effect on June

2-1 1, 2003, this Act takes effect September 1, 2003.

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