

By: Staples, Estes, Lucio

S.B. No. 521

A BILL TO BE ENTITLED

AN ACT

relating to the acquisition and regulation of manufactured homes;  
providing penalties.

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

SECTION 1. Section 1201.113, Occupations Code, is amended  
to read as follows:

Sec. 1201.113. CERTIFICATION AND CONTINUING EDUCATION  
PROGRAMS. (a) The board shall ~~[department may]~~ recognize,  
prepare, or administer ~~[a]~~ certification and continuing education  
programs ~~[program]~~ for persons regulated under this chapter.  
~~[Participation in a certification program is voluntary.]~~

(b) ~~[The board shall recognize, prepare, or administer a~~  
~~continuing education program for its license holders.]~~ A license  
holder must participate in certification and ~~[a]~~ continuing  
education programs as provided by Subsection (e) ~~[program to the~~  
~~extent required by the board to retain the person's license].~~

(c) To prepare or administer a certification or continuing  
education program under this section, the board may contract with:

(1) a private, nonprofit organization that qualifies  
for an exemption from federal income taxation under Section 501(a),  
Internal Revenue Code of 1986, by being listed as an exempt  
organization under Section 501(c)(3) of that code; or

(2) an educational institution.

(d) To be considered for a contract under Subsection (c), an

1 organization or institution must submit an application. The board  
2 may charge an application fee to be set by the board in an amount  
3 necessary to pay the costs of processing the application.

4 (e) Persons regulated under this chapter and directly  
5 involved in the sale of manufactured housing must complete eight  
6 hours of certification and continuing education programs each year.  
7 The programs must address state and federal law applicable to all  
8 manufactured housing retailer practices and relevant consumer  
9 protection regulations and ethical standards.

10 (f) The department shall issue an appropriate certificate  
11 to a person who completes a certification program and [ex]  
12 participates in a continuing education program under this section.

13 (g) The board shall suspend the license of a person  
14 regulated under this chapter who does not complete the programs as  
15 required by this section. The board shall reinstate the license on  
16 the person's completion of the programs.

17 SECTION 2. If the Act of the 78th Legislature, Regular  
18 Session, 2003, relating to nonsubstantive additions to and  
19 corrections in enacted codes takes effect, Subsection (a), Section  
20 1201.162, Occupations Code, is amended to read as follows:

21 (a) Before the completion of a credit application, the  
22 retailer or agent must provide to the consumer the following  
23 statement that is printed in at least 12-point ~~[10-point]~~ type and  
24 not attached to or combined with any other written material:

25 "When buying a manufactured home, there are a number of  
26 important considerations, including price, quality of  
27 construction, features, floor plan, and financing alternatives.

"The United States Department of Housing and Urban Development (HUD) helps protect consumers through regulation and enforcement of HUD design and construction standards for manufactured homes. Manufactured homes that meet HUD standards are known as 'HUD-code manufactured homes.' The Texas Department of Housing and Community Affairs regulates Texas manufacturers, retailers, brokers, salespersons, installers, and rebuilders of manufactured homes.

"If you plan to place a manufactured home on land that you own or will buy, you should consider items such as:

"ZONING AND RESTRICTIVE COVENANTS. Municipalities [~~Some municipalities~~] or subdivisions may restrict placement of manufactured homes on certain lots, may prohibit the placement of homes within a certain distance from property lines, may require that homes be a certain size, and may impose certain construction requirements. You may need to obtain building permits and homeowner association approval before you place a manufactured home on a certain lot. Contact the local municipality, county, and subdivision manager to find out if you can place the manufactured home of your choice on a certain lot.

"WATER. [~~Not all lots have immediate access to water lines. You may have to drill a well.~~] Be sure that your lot has access to water. If you must drill a well, contact several drillers for bids. If water is available through [~~provided by~~] a municipality, utility district, water district, or cooperative, you should inquire about the rates you will have to pay and the costs necessary to join the water system.

1       "SEWER. If your lot is not serviced by a municipal sewer  
2 system or utility district, you will [~~may~~] have to install an  
3 on-site sewer facility (commonly known as a septic system). There  
4 are a number of concerns or restrictions that will determine if your  
5 lot is adequate to support an on-site sewer facility. Check with  
6 the local county or a licensed private installer to determine the  
7 requirements that apply to your lot and the cost to install such a  
8 system.

9       "HOMEOWNER ASSOCIATION FEES. Many subdivisions have  
10 mandatory assessments and fees that lot owners must pay. Check with  
11 the manager of the subdivision in which your lot is located to  
12 determine if any fees apply to your lot.

13       "TAXES. Your home will be appraised and subject to ad  
14 valorem taxes as are other single-family residential structures.  
15 These taxes must be escrowed with your monthly payment, except that  
16 your lender is not obligated to impose an escrow requirement in a  
17 real property transaction involving a manufactured home if the  
18 lender does not otherwise require the escrow of taxes, insurance  
19 premiums, fees, or other charges in connection with loans secured  
20 by residential real property. On closing, you will be notified of  
21 all provisions pertaining to federal truth in lending disclosures.

22       "INSURANCE. Your lender may require you to obtain insurance  
23 that meets lender requirements and protects your investment. You  
24 should request quotes from the agent of your choice to obtain the  
25 insurance.

26       "TYPES OF MORTGAGES AVAILABLE. The acquisition of a  
27 manufactured home may be financed by a real estate mortgage or a

chattel mortgage. A real estate mortgage may have a lower interest rate than a chattel mortgage.

"RIGHT OF RESCISSION. If you acquire a manufactured home, by purchase, exchange, or lease-purchase, you may, not later than the third day after the date the applicable contract is signed, rescind the contract without penalty or charge." [In Texas, real property is taxed annually based on its market value. Attaching a manufactured home to a lot improves the lot's value and will increase the taxes assessed on the lot. You are liable for the payment of all ad valorem taxes assessed against your home by the municipality, county, school district, and other tax authorities (utility district, community college, etc.). As with other residential structures, the applicable tax rate will apply to the market value of the home. You should contact the local chief appraiser or the county tax assessor-collector for specific tax information. They will need to know the price you paid for, and the specific location of, the home. If the manufactured home is your principal place of residence, you should be able to claim a HOMESTEAD EXEMPTION. You should also make certain that the lot or land you are purchasing is not subject to any rollback tax liability because of the change in use of the property.]"

SECTION 3. If the Act of the 78th Legislature, Regular Session, 2003, relating to nonsubstantive additions to and corrections in enacted codes does not take effect, Subsection (a), Section 21, Texas Manufactured Housing Standards Act (Article 5221f, Vernon's Texas Civil Statutes), is amended to read as follows:

1 (a) Prior to the completion of a credit application, the  
2 retailer or agent must provide to the consumer the following  
3 statement that is printed in at least 12-point ~~[10-point]~~ type and  
4 not attached to or combined with any other written material:

5 "When buying a manufactured home, there are a number of  
6 important considerations, including price, quality of  
7 construction, features, floor plan, and financing alternatives.

8 "The United States Department of Housing and Urban  
9 Development (HUD) helps protect consumers through regulation and  
10 enforcement of HUD design and construction standards for  
11 manufactured homes. Manufactured homes that meet HUD standards are  
12 known as 'HUD-code manufactured homes.' The Texas Department of  
13 Housing and Community Affairs regulates Texas manufacturers,  
14 retailers, brokers, salespersons, installers, and rebuilders of  
15 manufactured homes.

16 "If you plan to place a manufactured home on land that you own  
17 or will buy, you should consider items such as:

18 "ZONING AND RESTRICTIVE COVENANTS. Municipalities ~~[Some~~  
19 ~~municipalities]~~ or subdivisions may restrict placement of  
20 manufactured homes on certain lots, may prohibit the placement of  
21 homes within a certain distance from property lines, may require  
22 that homes be a certain size, and may impose certain construction  
23 requirements. You may need to obtain building permits and  
24 homeowner association approval before you place a manufactured home  
25 on a certain lot. Contact the local municipality, county, and  
26 subdivision manager to find out if you can place the manufactured  
27 home of your choice on a certain lot.

"WATER. [~~Not all lots have immediate access to water lines. You may have to drill a well.~~] Be sure that your lot has access to water. If you must drill a well, contact several drillers for bids. If water is available through [~~provided by~~] a municipality, utility district, water district, or cooperative, you should inquire about the rates you will have to pay and the costs necessary to join the water system.

"SEWER. If your lot is not serviced by a municipal sewer system or utility district, you will [~~may~~] have to install an on-site sewer facility (commonly known as a septic system). There are a number of concerns or restrictions that will determine if your lot is adequate to support an on-site sewer facility. Check with the local county or a licensed private installer to determine the requirements that apply to your lot and the cost to install such a system.

"HOMEOWNER ASSOCIATION FEES. Many subdivisions have mandatory assessments and fees that lot owners must pay. Check with the manager of the subdivision in which your lot is located to determine if any fees apply to your lot.

"TAXES. Your home will be appraised and subject to ad valorem taxes as are other single-family residential structures. These taxes must be escrowed with your 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 does not otherwise require the escrow of taxes, insurance premiums, fees, or other charges in connection with loans secured by residential real property. On closing, you will be notified of

1 all provisions pertaining to federal truth in lending disclosures.

2 "INSURANCE. Your lender may require you to obtain insurance  
3 that meets lender requirements and protects your investment. You  
4 should request quotes from the agent of your choice to obtain the  
5 insurance.

6 "TYPES OF MORTGAGES AVAILABLE. The acquisition of a  
7 manufactured home may be financed by a real estate mortgage or a  
8 chattel mortgage. A real estate mortgage may have a lower interest  
9 rate than a chattel mortgage.

10 "RIGHT OF RESCISSION. If you acquire a manufactured home, by  
11 purchase, exchange, or lease-purchase, you may, not later than the  
12 third day after the date the applicable contract is signed, rescind  
13 the contract without penalty or charge." ~~[In Texas, real property~~  
14 ~~is taxed annually based on its market value. Attaching a~~  
15 ~~manufactured home to a lot improves the lot's value and will~~  
16 ~~increase the taxes assessed on the lot. You are liable for the~~  
17 ~~payment of all ad valorem taxes assessed against your home by the~~  
18 ~~municipality, county, school district, and other tax authorities~~  
19 ~~(utility district, community college, etc.). As with other~~  
20 ~~residential structures, the applicable tax rate will apply to the~~  
21 ~~market value of the home. You should contact the local chief~~  
22 ~~appraiser or the county tax assessor-collector for specific tax~~  
23 ~~information. They will need to know the price you paid for, and the~~  
24 ~~specific location of, the home. If the manufactured home is your~~  
25 ~~principal place of residence, you should be able to claim a~~  
26 ~~HOMESTEAD EXEMPTION. You should also make certain that the lot or~~  
27 ~~land you are purchasing is not subject to any rollback tax liability~~



1 ~~because of the change in use of the property."]~~

2 SECTION 4. Subchapter D, Chapter 1201, Occupations Code, is  
3 amended by adding Sections 1201.1505, 1201.1521, 1201.163, and  
4 1201.164 to read as follows:

5 Sec. 1201.1505. DEPOSIT ON SPECIALLY ORDERED MANUFACTURED  
6 HOMES. A retailer may require an earnest money deposit on a  
7 specially ordered manufactured home only if:

8 (1) an earnest money contract has been signed by all  
9 parties;

10 (2) if applicable, the original binding loan  
11 commitment letter issued by the lender is delivered to the  
12 consumer; and

13 (3) the consumer has not rescinded the contract under  
14 Section 1201.1521.

15 Sec. 1201.1521. RESCISSION OF CONTRACT FOR SALE, EXCHANGE,  
16 OR LEASE-PURCHASE OF HOME. A person who acquires a manufactured  
17 home by purchase, exchange, or lease-purchase may, not later than  
18 the third day after the date the applicable contract is signed,  
19 rescind the contract without penalty or charge.

20 Sec. 1201.163. ADVANCE COPY OF INSTALLMENT CONTRACT AND  
21 DISCLOSURE STATEMENT; OFFER BY RETAILER. In a chattel mortgage  
22 transaction involving an installment contract, a retailer shall  
23 deliver to a consumer at least 24 hours before the contract is fully  
24 executed the disclosure statement required by this subchapter and  
25 the contract, with all required information included, signed by the  
26 retailer. The delivery of the disclosure statement and installment  
27 contract, with all required information included, signed by the

1 retailer constitutes a firm offer by the retailer. The consumer may  
 2 accept the offer not earlier than 24 hours after the delivery of the  
 3 documents.

4 Sec. 1201.164. NONBINDING ESTIMATE. In a chattel mortgage  
 5 transaction, if a retailer provides a nonbinding estimate regarding  
 6 the contract price of a manufactured home or the monthly payments or  
 7 interest rate applicable to a loan issued in connection with the  
 8 home, the estimate must be made in writing and in good faith.

9 SECTION 5. Subsections (a) through (d), Section 1201.217,  
 10 Occupations Code, are amended to read as follows:

11 (a) Except as provided by Section 1201.218, if a  
 12 manufactured home is permanently attached [~~or becomes an~~  
 13 ~~improvement~~] to real property, as defined by Section 2306.004,  
 14 Government Code, the manufacturer's certificate or the original  
 15 document of title may [~~shall~~] be surrendered to the department for  
 16 cancellation. [~~This requirement does not apply to an owner who is~~  
 17 ~~not issued a title under Section 2.001(e) or (f), Property Code.~~]

18 (b) The legal description or the appropriate tract or parcel  
 19 number of the real property must be given to the department when the  
 20 manufacturer's certificate or original document of title is  
 21 surrendered. A [~~If a notice of attachment is to be filed, a~~] copy of  
 22 the notice of attachment filed under Subsection (d) must be  
 23 submitted with the manufacturer's certificate or the original  
 24 document of title [~~surrendered for cancellation~~]. The director may  
 25 require the filing of other information.

26 (c) The department shall issue a certificate of attachment  
 27 to real property to the person who surrenders the manufacturer's

1 certificate or original document of title. The certificate of  
2 attachment to real property must:

3 (1) contain:

4 (A) the legal description or the appropriate  
5 tract or parcel number of the real property; and

6 (B) the identification number of the home; and

7 (2) certify that the manufacturer's certificate or  
8 original document of title has been canceled.

9 (d) Before the department issues a certificate of  
10 attachment, ~~÷~~

11 ~~[(1)]~~ a title insurance company ~~[insurer]~~ authorized  
12 to engage in ~~[do]~~ business in this state or other person who ~~[that]~~  
13 surrenders the manufacturer's certificate or the original document  
14 of title to the department shall ~~[must]~~ file a notice of  
15 ~~[improvement]~~ attachment in the real property records of the county  
16 in which the home is located~~[, and~~

17 ~~[(2) a person who surrenders the manufacturer's~~  
18 ~~certificate or the original document of title to the department may~~  
19 ~~file a notice of attachment in the real property records of the~~  
20 ~~county in which the home is located].~~

21 SECTION 6. Subsection (a), Section 1201.218, Occupations  
22 Code, is amended to read as follows:

23 (a) The department may not cancel a manufacturer's  
24 certificate or an original ~~[a]~~ document of title under Section  
25 1201.217 if a lien on the manufactured home has been recorded with  
26 the department.

27 SECTION 7. If the Act of the 78th Legislature, Regular

1 Session, 2003, relating to nonsubstantive additions to and  
2 corrections in enacted codes takes effect, Subsections (a), (b),  
3 and (c), Section 1201.222, Occupations Code, are amended to read as  
4 follows:

5 (a) A manufactured home that is permanently attached to real  
6 property and titled in the name of the consumer under a deed or  
7 contract for sale is classified ~~[and taxed]~~ as real property if the  
8 manufacturer's certificate of origin or the original document of  
9 title is surrendered for cancellation and a notice of attachment or  
10 a certificate of attachment, as described by Section 1201.217, is  
11 filed in the real property records of the county in which the home  
12 is located ~~[the real property to which the home is attached is~~  
13 ~~titled in the name of the consumer under a deed or contract for~~  
14 ~~sale]~~. A manufactured home is considered permanently attached to  
15 real property if the home is secured to a foundation and connected  
16 to a utility, including a utility providing water, electric,  
17 natural gas, propane or butane gas, or wastewater service.

18 (b) The closing of a transaction for the acquisition of real  
19 property and a manufactured home considered to be real property  
20 under this section must occur at the office of a federally insured  
21 financial institution, a title insurer, or an attorney at law. If  
22 the real property is purchased under a contract of sale, the  
23 contract must be filed in the real property records of the county in  
24 which the home is attached ~~[installed]~~.

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

1 Housing Administration (FHA), Fannie Mae, or Freddie Mac for  
2 long-term mortgage loans or for FHA insurance. In addition, the  
3 attachment ~~[The installation]~~ of a new manufactured home must  
4 meet~~[, in addition to applicable state standards,]~~ the  
5 manufacturer's specifications required to validate the  
6 manufacturer's warranty.

7 SECTION 8. If the Act of the 78th Legislature, Regular  
8 Session, 2003, relating to nonsubstantive additions to and  
9 corrections in enacted codes does not take effect, Subsections (a),  
10 (b), and (c), Section 19A, Texas Manufactured Housing Standards Act  
11 (Article 5221f, Vernon's Texas Civil Statutes), are amended to read  
12 as follows:

13 (a) A manufactured home that is permanently attached to real  
14 property and titled in the name of the consumer under a deed or  
15 contract for sale is classified ~~[and taxed]~~ as real property if the  
16 manufacturer's certificate of origin or the original document of  
17 title is surrendered for cancellation and a notice of attachment or  
18 a certificate of attachment, as described by Section 1201.217,  
19 Occupations Code, is filed in the real property records of the  
20 county in which the home is located ~~[the real property to which the~~  
21 ~~home is attached is titled in the name of the consumer under a deed~~  
22 ~~or contract for sale]~~. A manufactured home is considered  
23 permanently attached to real property if the home is secured to a  
24 foundation and connected to a utility, including a utility  
25 providing water, electric, natural gas, propane or butane gas, or  
26 wastewater services.

27 (b) The closing of a transaction for the acquisition of real

1 property and a manufactured home considered to be real property  
 2 under this section must occur at the office of a federally insured  
 3 financial institution, a title company, or an attorney at law. If  
 4 the real property is purchased under a contract of sale, the  
 5 contract must be filed in the real property records of the county in  
 6 which the home is attached [~~installed~~].

7 (c) Attachment [~~Installation~~] of a manufactured home  
 8 considered to be real property under this section must occur in a  
 9 manner that satisfies the lending requirements of the Federal  
 10 Housing Administration (FHA), Fannie Mae, or Freddie Mac for  
 11 long-term mortgage loans or for FHA insurance. In addition, the  
 12 attachment [~~The installation~~] of a new manufactured home must  
 13 meet[, ~~in addition to applicable state standards,~~] the  
 14 manufacturer's specifications required to validate the  
 15 manufacturer's warranty.

16 SECTION 9. Section 1201.508, Occupations Code, is amended  
 17 by adding Subsection (d) to read as follows:

18 (d) The retailer may not require a consumer to make a down  
 19 payment on the acquisition of a manufactured home from the  
 20 retailer's inventory until the time the installment contract is  
 21 executed.

22 SECTION 10. Section 1201.605, Occupations Code, is amended  
 23 to read as follows:

24 Sec. 1201.605. ADMINISTRATIVE PENALTY. (a) The director  
 25 may assess against a person who fails to obtain or maintain a  
 26 license as required by this chapter an administrative penalty in an  
 27 amount not to exceed \$10,000 for each violation of this chapter and:

- (1) reasonable attorney's fees;
- (2) administrative costs;
- (3) witness fees;
- (4) investigative costs; and
- (5) deposition expenses.

(b) The director may assess against a retailer who fails to provide information to a consumer as required by this chapter an administrative penalty in an amount not to exceed:

- (1) \$1,000 for the first violation;
- (2) \$2,000 for the second violation; and
- (3) \$4,000 for each subsequent violation.

SECTION 11. Section 347.254, Finance Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) Except as provided by Subsection (c), a ~~[A]~~ creditor shall ~~[may]~~ require a consumer to pay ad valorem taxes on the manufactured home through the creditor.

(c) The escrow requirement of Subsection (a) does not apply to a real property transaction involving a manufactured home if the creditor does not otherwise require the escrow of taxes, insurance premiums, fees, or other charges in connection with loans secured by residential real property.

SECTION 12. Subsection (a), Section 2.001, Property Code, is amended to read as follows:

(a) Except as provided by Subsection (b), a manufactured home is personal ~~[real]~~ property.

SECTION 13. Subsection (b), Section 2.001, Property Code,

as amended by Chapters 899 and 1055, Acts of the 77th Legislature, Regular Session, 2001, is reenacted and amended to read as follows:

(b) A manufactured home is real property if~~+~~  
[~~(1)~~] the home is permanently attached to real property~~+~~ and if:

(1) [~~(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 Section 1201.217, Occupations Code [~~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; or

(2) the owner of the home has entered into a lease for the real property on which the home is located and the lease specifically permits the recording of a notice of attachment or a certificate of attachment.

SECTION 14. Section 2.001, Property Code, is amended by amending Subsections (c), (e), and (i) and adding Subsection (e-1) to read as follows:

(c) In this section, "consumer," "document of title," "first retail sale," "manufactured home," and "mobile home" have the meanings assigned by Chapter 1201, Occupations Code [~~the Texas Manufactured Housing Standards Act (Article 5221f, Vernon's Texas Civil Statutes)~~].

(e) Except for a manufactured home that is real property as provided by Subsection (b), the [~~The~~] Texas Department of Housing and Community Affairs shall [~~may not~~] issue a document of title for



a new and untitled manufactured home at the first retail sale of the home or for a titled manufactured home at a subsequent sale of the home, regardless of whether ~~[if]~~ the home is to be temporarily or permanently installed by a retailer directly on real property titled in the name of the consumer under a deed or contract for sale.

(e-1) In a real property transaction described by Section 1201.222, Occupations Code ~~[Before installation]~~, the consumer must provide the retailer with a legible copy of the deed containing a legal description of the real property. The retailer is not required to determine the validity of the legal description of the real property. ~~[A title company or attorney at law conducting the closing of a transaction under Section 19A, Texas Manufactured Housing Standards Act (Article 5221f, Vernon's Texas Civil Statutes), or the retailer or retailer's agent shall file in the public land records for the county in which the real property is located a notice of installation not later than the 30th working day after the date the installation is completed and shall forward the manufacturer's certificate of origin and a copy of the notice of installation to the Texas Department of Housing and Community Affairs. The notice of installation serves as a completed cancellation application.]~~

(i) This section does not require a retailer or retailer's agent to obtain a license under Chapter 1101, Occupations Code ~~[The Real Estate License Act (Article 6573a, Vernon's Texas Civil Statutes)]~~.

SECTION 15. Section 25.08, Tax Code, is amended by amending

Subsection (a) and adding Subsections (e) and (f) to read as follows:

(a) Except as provided by Subsections (b) through (f) [~~(d)~~ ~~of this section~~], an improvement may be listed in the name of the owner of the land on which the improvement is located.

(e) Regardless of its classification under the Property Code or this title, a manufactured home shall be listed together with the land on which the manufactured home is affixed if:

(1) the owner of the manufactured home has been issued a certificate of attachment for that manufactured home by the Texas Department of Housing and Community Affairs;

(2) the owner of the land on which the manufactured home is affixed owns the manufactured home; and

(3) the land is not encumbered by a mortgage, deed of trust, or other interest securing payment or performance of an obligation.

(f) A manufactured home shall be listed separately from the land on which the manufactured home is affixed if:

(1) the owner of the manufactured home has not been issued a certificate of attachment for that manufactured home by the Texas Department of Housing and Community Affairs;

(2) the owner of the land on which the manufactured home is affixed does not own the manufactured home; or

(3) the land is encumbered by a mortgage, deed of trust, or other interest securing payment or performance of an obligation.

SECTION 16. Section 32.014, Tax Code, is amended by

amending Subsections (a) and (b) and adding Subsection (d) to read as follows:

(a) If a manufactured home is listed together with the land on which the manufactured home is affixed, ~~[the ownership of the real property on which a manufactured home is affixed and the manufactured home are the same, the manufactured home shall be appraised and taxed as an improvement to the real property, and]~~ the tax lien attaches to the land ~~[real property]~~ on which the manufactured home is affixed ~~[located]~~ regardless of the classification of the manufactured home under the Property Code.

(b) If a manufactured home is listed separately from the land on which the manufactured home is affixed, the ~~[ownership of the manufactured home, whether by deed or contract for sale, and the real property on which the manufactured home is affixed are not the same, the personal property manufactured home shall be separately appraised and taxed at the same rate and on the same ad valorem basis as other single-family residential structures. The]~~ tax lien on the manufactured home does not attach to the land on which the home is affixed ~~[real property when the ownership of the manufactured home and real property are different]~~.

(d) This section prevails over Chapter 1201, Occupations Code, to the extent of any conflict.

SECTION 17. Section 32.03, Tax Code, is amended by amending Subsection (c) and adding Subsection (j) to read as follows:

(c) Except to the extent that tax liability for a year exceeds the amount computed under Subsection (j)(2), a ~~[A]~~ bona fide purchaser for value or the holder of a lien recorded on a

1 manufactured home document of title is not required to pay any taxes  
 2 imposed on the manufactured home in a tax year that begins on or  
 3 after January 1, 2001, or penalties or interest on those taxes, if  
 4 the chief appraiser of the appraisal district established for the  
 5 county in which the manufactured home is located, in connection  
 6 with an application for a permit to transport the manufactured home  
 7 under Section 623.093(d), Transportation Code, has issued a written  
 8 statement that no unpaid taxes have been reported on the  
 9 manufactured home due any taxing unit for which the appraisal  
 10 district appraises property.

11 (j) For purposes of this section, unpaid taxes due a taxing  
 12 unit include:

13 (1) all unpaid taxes and any penalty and interest due  
 14 that taxing unit for a tax year preceding the current tax year; and

15 (2) for a manufactured home that was located in the  
 16 taxing unit on January 1 of the current tax year:

17 (A) taxes due for the current tax year; or  
 18 (B) if taxes for the current tax year have not  
 19 been levied by the taxing unit, an estimated amount of taxes  
 20 computed by multiplying the taxable value of the manufactured home,  
 21 according to the most recent certified appraisal roll for the  
 22 taxing unit, by the taxing unit's adopted tax rate for the preceding  
 23 tax year.

24 SECTION 18. Section 623.104, Transportation Code, is  
 25 amended by amending Subsection (d) and adding Subsections (e) and  
 26 (f) to read as follows:

27 (d) Except as provided by Subsection (e), if ~~if~~ the

1 offense involves the movement of a manufactured house over a  
2 highway, road, or street in this state without a permit issued by  
3 the department, the offense is a misdemeanor punishable by a fine of  
4 \$1,000 [~~\$500~~].

5 (e) If it is shown on the trial of an offense under  
6 Subsection (a) that the defendant has previously been punished  
7 under Subsection (d):

8 (1) one time, the offense is punishable by a fine of  
9 \$2,000; or

10 (2) two or more times, the offense is punishable by a  
11 fine of \$4,000.

12 (f) A person commits an offense if the person knowingly  
13 provides compensation for the movement of a manufactured home to a  
14 person who is in violation of this subchapter. The offense is a  
15 misdemeanor punishable by a fine of \$1,000.

16 SECTION 19. (a) In accordance with Subsection (c), Section  
17 311.031, Government Code, which gives effect to a substantive  
18 amendment enacted by the same legislature that codifies the amended  
19 statute, the text of Sections 1201.113 and 1201.217, Occupations  
20 Code, as set out in this Act, gives effect to changes made by  
21 Chapters 899, 1055, and 1367, Acts of the 77th Legislature, Regular  
22 Session, 2001.

23 (b) To the extent of any conflict, this Act prevails over  
24 another Act of the 78th Legislature, Regular Session, 2003,  
25 relating to nonsubstantive additions and corrections in enacted  
26 codes.

27 SECTION 20. If the Act of the 78th Legislature, Regular

1 Session, 2003, relating to nonsubstantive additions to and  
2 corrections in enacted codes takes effect, Subsections (b) and (c),  
3 Section 1201.162, Occupations Code, are repealed. If that Act does  
4 not take effect, Subsections (b) and (c), Section 21, Texas  
5 Manufactured Housing Standards Act (Article 5221f, Vernon's Texas  
6 Civil Statutes), are repealed.

7 SECTION 21. Subsections (f), (g), and (h), Section 2.001,  
8 Property Code, are repealed.

9 SECTION 22. (a) The change in law made by this Act in  
10 amending Section 623.104, Transportation Code, applies only to an  
11 offense committed on or after the effective date of this Act. An  
12 offense committed before the effective date of this Act is governed  
13 by the law in effect on the date the offense was committed, and the  
14 former law is continued in effect for that purpose. For purposes of  
15 this section, an offense was committed before the effective date of  
16 this Act if any element of the offense occurred before that date.

17 (b) The changes in law made by this Act to Sections 25.08,  
18 32.014, and 32.03, Tax Code, apply only to an ad valorem tax year  
19 that begins on or after January 1, 2004. The changes in law made to  
20 those sections do not affect a tax lien that attached to property  
21 for a tax year that began before January 1, 2004, and the law in  
22 effect immediately before January 1, 2004, is continued in effect  
23 for purposes of the tax lien.

24 SECTION 23. (a) Except as provided by Subsection (b) of  
25 this section:

26 (1) this Act takes effect immediately if it receives a  
27 vote of two-thirds of all the members elected to each house, as

1 provided by Section 39, Article III, Texas Constitution; and

2 (2) if this Act does not receive the vote necessary for  
3 immediate effect, this Act takes effect September 1, 2003.

4 (b) Sections 1, 15, 16, and 17 of this Act take effect  
5 January 1, 2004.