By: Haggerty, Quintanilla H.B. No. 2438

A BILL TO BE ENTITLED

1	AN ACT
2	relating to the acquisition and regulation of manufactured homes.

- relating to the acquisition and regulation of manufactured homes.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
- 4 SECTION 1. Section 1201.101(f), Occupations Code, is 5 amended to read as follows:
- 6 (f) A person may not act as a salesperson of manufactured housing unless the person holds a salesperson's license [is a 7 license holder]. A retailer or broker may not employ or otherwise 8 use the services of a salesperson who is not licensed. A licensed 9 salesperson may not participate in a sale of a manufactured home 10 unless the sale is through the retailer who sponsored the 11
- 12 salesperson's application as required by Section 1201.103(d).
- SECTION 2. Section 1201.103(d), Occupations Code, is 13 14 amended to read as follows:
- (d) An applicant for a salesperson's license must: 15
- (1) file with the director an application that 16 provides [providing] any information the director considers 17 necessary [+] and that is sponsored by a licensed, bonded retailer; 18 19 and
- (2) pay the required fee. 20
- 21 SECTION 3. Section 1201.106(a), Occupations Code, 22 amended to read as follows:
- (a) An applicant for a license or a license holder shall 23 file a bond or other security under Section 1201.105 for the 24

- 1 issuance or renewal of a license in the following amount:
- 2 (1) \$100,000 for a manufacturer;
- 3 (2) \$50,000 for a retailer;
- 4 (3) \$30,000 for a rebuilder;
- 5 (4) $$50,000 \left[\frac{$20,000}{} \right]$ for a broker; or
- 6 (5) \$10,000 for an installer.
- 7 SECTION 4. Section 1201.107, Occupations Code, is amended
- 8 by adding Subsection (d) to read as follows:
- 9 <u>(d) If a retailer or broker offers for sale or participates</u>
- 10 <u>in any way in the sale of a manufactured home at a location other</u>
- 11 than an undivided parcel of real property where more than one
- 12 manufactured home is located and offered for sale, exchange, or
- 13 <u>lease-purchase by a retailer or broker to the public, the retailer</u>
- or broker must:
- 15 <u>(1) identify the bond on file with the department in</u>
- 16 <u>conjunction with that person's license; and</u>
- 17 (2) provide contractually in the sales transaction
- 18 that the identified bond applies to the sale.
- 19 SECTION 5. Sections 1201.113(a), (b), (e), and (g),
- 20 Occupations Code, are amended to read as follows:
- 21 (a) The board shall recognize, prepare, or administer
- 22 certification and continuing education programs for salespersons
- 23 [persons] regulated under this chapter.
- 24 (b) A <u>person who holds a salesperson's</u> license [holder] must
- 25 participate in certification and continuing education programs as
- 26 provided by Subsection (e).
- 27 (e) A salesperson must complete eight hours of

- certification and continuing education programs not later than the 1 2 90th day after the date the salesperson's initial license is issued. To renew a salesperson's license, a salesperson [Persons] 3 regulated under this chapter [and directly involved in the sale of 4 5 manufactured housing] must complete an additional eight hours of 6 certification and continuing education programs for each renewal [each year]. The programs must be presented by a board-approved 7 organization or educational institution and must include 8 9 instruction in applicable [address] state and federal law, [applicable to all manufactured housing retailer practices and 10 relevant] consumer protection regulations, and ethical standards. 11
- (g) The board shall suspend the license of a <u>salesperson</u>
 [person] regulated under this chapter who does not complete the
 programs as required by this section. The board shall reinstate the
 license on the <u>salesperson's</u> [person's] completion of the programs.
- SECTION 6. Section 1201.114(a), Occupations Code, is amended to read as follows:
- 18 (a) A manufacturer's, retailer's, broker's, or installer's

 19 license is valid for one year. A salesperson's license is valid for

 20 two years. A license [and] may be renewed as provided by the

 21 director. A person whose license has been suspended or revoked or

 22 whose license has expired may not engage in activities that require

 23 a license until the license has been reinstated or renewed.
- SECTION 7. Section 1201.151(d), Occupations Code, is amended to read as follows:
- 26 (d) This section does not apply to:
- 27 (1) a deposit held in escrow in a real estate

- 1 transaction; or
- 2 (2) money stated to be a down payment in an executed
- 3 retail [installment] sales contract.
- 4 SECTION 8. Section 1201.159(a), Occupations Code, is
- 5 amended to read as follows:
- 6 (a) A broker shall ensure that the seller gives the buyer
- 7 the applicable disclosures and warranties that the buyer would have
- 8 received if the buyer had purchased the manufactured home through a
- 9 licensed retailer [may but is not required to be the agent of a
- 10 party involved in the sale, exchange, or lease-purchase of a
- 11 manufactured home for which a statement of ownership and location
- 12 has been issued and is outstanding].
- SECTION 9. Sections 1201.163(a) and (b), Occupations Code,
- 14 are amended to read as follows:
- 15 (a) In addition to the disclosure statement required by
- 16 Section 1201.162, the department shall adopt rules <u>creating a</u>
- 17 one-page form printed in at least 12-point type that addresses
- 18 [addressing] consumer protection disclosures required in chattel
- 19 mortgage transactions and shall prescribe the form for the
- 20 disclosure statement. A consumer protection disclosure statement
- 21 under this subsection may not contain any blank lines and must
- 22 contain only [include] the following:
- 23 (1) a statement of the significant differences between
- 24 chattel mortgages and real estate mortgages;
- 25 (2) an itemization of typical [estimated closing]
- 26 costs associated with a chattel mortgage purchase of a manufactured
- 27 home [, if any];

- 1 (3) an example [estimate of the total amount] of
 2 monthly payments in three typical chattel mortgage transactions,
 3 including an estimate of the amount of the [+
- 4 [(A)] principal, [and] interest, [payments;
- 5 [(B) costs of any] required insurance
- 6 premium, [+] and
- 7 $\left[\frac{(C) \text{ costs for payment of}}{}\right]$ ad valorem taxes $\left[\frac{1}{2}\right]$
- 8 based on the current tax rate of each taxing unit in which the
- 9 manufactured home will be located as applied to the sales price of
- 10 the manufactured home];
- 11 (4) a statement of the roles of the retailer and any
- 12 affiliated parties in the financing of the first retail sale, as
- 13 defined by Section 1201.201, and the estimated compensation that
- they will receive for providing or arranging the financing; and
- 15 (5) any other disclosures required by state or federal
- 16 law, including the Real Estate Settlement Procedures Act of 1974
- 17 (12 U.S.C. Section 2601 et seq.) and the Truth in Lending Act (15
- 18 U.S.C. Section 1601 et seq.).
- 19 (b) A retailer shall provide the consumer protection
- 20 disclosure statement to the consumer [at least 24 hours] before the
- 21 completion of the first credit application [installment contract is
- 22 <u>fully executed, as provided by Section 1201.164</u>].
- SECTION 10. Section 1201.164(a), Occupations Code, is
- 24 amended to read as follows:
- 25 (a) In a chattel mortgage transaction involving an
- 26 installment contract, a retailer shall deliver to a consumer at
- 27 least 24 hours before the contract is fully executed [the

- 1 disclosure statements required by this subchapter and] the
- 2 contract, with all required information included, signed by the
- 3 retailer. The delivery of the [disclosure statements and]
- 4 installment contract, with all required information included,
- 5 signed by the retailer constitutes a firm offer by the retailer.
- 6 The consumer may accept the offer not earlier than 24 hours after
- 7 the delivery of the <u>contract</u> [<u>documents</u>]. <u>If the consumer has not</u>
- 8 accepted the offer within 72 hours after the delivery of the
- 9 contract, the retailer may withdraw the offer.
- 10 SECTION 11. Section 1201.2055, Occupations Code, is amended
- 11 by amending Subsection (d) and adding Subsections (e), (f), (g),
- 12 and (h) to read as follows:
- 13 (d) If [the department issues a statement of ownership and
- 14 location to] an owner elects [who has elected] to treat a
- 15 manufactured home as real property, the department shall issue to
- 16 the owner a certified copy of the statement of ownership and
- 17 location that on its face reflects that the owner has elected to
- treat the manufactured home as real property at the location listed
- 19 on the statement. Not later than the 60th day after the date the
- 20 department issues a certified copy of the statement of ownership
- 21 <u>and location to the owner, the owner must:</u>
- 22 <u>(1) file the certified copy in the real property</u>
- 23 records of the county in which the home is located; and
- 24 (2) notify the department that the certified copy has
- 25 <u>been fi</u>led.
- 26 (e) A [the] manufactured home is not considered to be real
- 27 property until a certified copy of the statement of ownership and

- 1 location has been filed <u>and the department has been notified of the</u>
- 2 filing as provided by Subsection (d).
- 3 (f) If the department is notified under Subsection (d), the
- 4 <u>department in a timely manner shall note in its records that a real</u>
- 5 property election has been perfected. If the department is not
- 6 notified as described by Subsection (d), the department shall note
- 7 <u>in its records that a real property election has not been perfected</u>
- 8 and that the home remains personal property [in the real property
- 9 records of the county in which the home is located].
- 10 <u>(g)</u> After the <u>department notes in its records that a real</u>
- 11 property election has been perfected [certified copy has been filed
- 12 in the real property records of the county], the home is considered
- 13 to be real property <u>for all purposes</u> [in the form of an improvement
- 14 to the underlying real property on which the home is located. If a
- 15 real property election has been made but a certified copy of the
- 16 statement of ownership and location has not been filed as required
- 17 by this subsection, the home continues to be treated as personal
- 18 property until the certified copy is filed].
- 19 (h) The provisions of this chapter relating to the
- 20 construction or installation of a manufactured home or to
- 21 warranties for a manufactured home apply to a home regardless of
- 22 whether the home is considered to be real or personal property.
- SECTION 12. Sections 1201.206(d) and (e), Occupations Code,
- 24 are amended to read as follows:
- 25 (d) Not later than the 30th day after the date of each [At a]
- subsequent sale or transfer of a [the] home that is considered to be
- 27 personal property, the seller [purchaser] or transferor

- 1 [transferee] shall provide to the department a completed
- 2 application [apply] for the issuance of a new statement of
- 3 ownership and location. The subsequent sale or transfer of a home
- 4 that is considered to be real property is treated as a sale or
- 5 transfer of real property and is not subject to regulation by the
- 6 department.
- 7 (e) Ownership of a manufactured home does not pass or vest
- 8 at the first retail [a] sale [artransfer] of the home until a
- 9 completed application for the issuance of a statement of ownership
- 10 and location is filed with the department. $\underline{\text{Ownership of a}}$
- 11 manufactured home that is considered to be personal property does
- 12 not pass or vest at a subsequent sale or transfer of the home until a
- 13 completed application for the issuance of a statement of ownership
- 14 and location is filed with the department.
- 15 SECTION 13. Section 1201.207(a), Occupations Code, is
- 16 amended to read as follows:
- 17 (a) The department shall process any completed application
- 18 for the issuance of a statement of ownership and location not later
- 19 than the 15th [10th] working day after the date the application is
- 20 received by the department. If the department rejects an
- 21 application, the department shall provide a clear and complete
- 22 explanation of the reason for the rejection and instructions on how
- 23 to cure any defects, if possible.
- SECTION 14. Subchapter E, Chapter 1201, Occupations Code,
- is amended by adding Section 1201.2076 to read as follows:
- Sec. 1201.2076. CONVERSION FROM REAL PROPERTY TO PERSONAL
- 27 PROPERTY. The department may not issue a statement of ownership and

- 1 location for a manufactured home that is being converted from real
- property to personal property until:
- 3 (1) each lien on the home is released by the
- 4 lienholder; or
- 5 (2) each lienholder gives written consent, to be
- 6 placed on file with the department.
- 7 SECTION 15. Section 1201.209, Occupations Code, is amended
- 8 to read as follows:
- 9 Sec. 1201.209. GROUNDS FOR REFUSAL TO ISSUE OR FOR
- 10 SUSPENSION OR REVOCATION OF STATEMENT OF OWNERSHIP AND LOCATION.
- 11 The department may not refuse to issue a statement of ownership and
- 12 location and may not suspend or revoke a statement of ownership and
- 13 location unless:
- 14 (1) the application for issuance of the statement of
- ownership and location contains a false or fraudulent statement,
- 16 the applicant failed to provide information required by the
- 17 director, or the applicant is not entitled to issuance of the
- 18 statement of ownership and location;
- 19 (2) the director has reason to believe that the
- 20 manufactured home is stolen or unlawfully converted, or the
- 21 issuance of a statement of ownership and location would defraud the
- owner or a lienholder of the manufactured home;
- 23 (3) the director has reason to believe that the
- 24 manufactured home is salvaged, and an application for the issuance
- of a new statement of ownership and location that indicates that the
- 26 home is salvaged has not been filed;
- 27 (4) the required fee has not been paid;

- 1 (5) the state sales and use tax has not been paid in
- 2 accordance with Chapter 158, Tax Code, and Section 1201.208; or
- 3 (6) a [local] tax lien was filed [before September 1,
- 4 2001,] and recorded under Section 1201.219 [32.015, Tax Code, as
- 5 that section existed on the date the lien was filed, and the lien
- 6 has not been extinguished.
- 7 SECTION 16. Sections 1201.216(a) and (b), Occupations Code,
- 8 are amended to read as follows:
- 9 (a) <u>If the owner of a manufactured home notifies the</u>
- department that the owner intends to treat the home as real property
- or to reserve its use for a business purpose or salvage, the [The]
- 12 department shall indicate on the statement of ownership and
- 13 location for the [a manufactured] home that:
- 14 (1) the owner of the home has elected to treat the home
- as real property or to reserve its use for a business purpose or
- 16 salvage; and
- 17 (2) except as provided by Section 1201.2055(h), the
- department no longer considers the home to be a manufactured home
- 19 for purposes of regulation under this chapter [whether the home has
- 20 been sold, exchanged, or lease-purchased to a purchaser for the
- 21 purchaser's business use. For a home sold, exchanged, or
- 22 lease-purchased as described by this subsection, the department
- 23 shall issue a new statement of ownership and location that
- 24 indicates that the home is reserved for business use].
- 25 (b) On application and subject to Sections 1201.2076 and
- 26 1201.209, the department shall [may] issue for the structure
- 27 described in the application a new statement of ownership and

- H.B. No. 2438
- 1 location restoring the structure's designation as a manufactured
- 2 [for the] home only after an inspection and determination that the
- 3 <u>structure</u> [home] is habitable <u>as provided by Section 1201.453</u>.
- 4 [The statement must indicate that the home is no longer reserved for
- 5 business use.
- 6 SECTION 17. Subchapter E, Chapter 1201, Occupations Code,
- 7 is amended by adding Section 1201.217 to read as follows:
- 8 Sec. 1201.217. MANUFACTURED HOME ABANDONED. (a) The owner
- 9 of real property on which a manufactured home owned by another is
- 10 located may declare the home abandoned as provided by this section
- 11 if the home has been continuously unoccupied for at least six
- months.
- 13 (b) Before declaring a manufactured home abandoned, the
- 14 owner of real property on which the home is located must send a
- 15 <u>notice of intent to declare the home abandoned to the owner of the</u>
- home and all lienholders at the addresses listed on the home's
- 17 statement of ownership and location on file with the department.
- 18 Mailing of the notice by certified mail, return receipt requested,
- 19 postage prepaid, to the persons required to be notified by this
- 20 subsection constitutes conclusive proof of compliance with this
- 21 <u>subsection</u>.
- (c) On receipt of a notice of intent to declare a
- 23 <u>manufactured home abandoned</u>, the owner of the home or a lienholder
- 24 may freely enter the real property on which the home is located to
- 25 remove the home.
- 26 (d) If the manufactured home remains on the real property
- 27 for at least 45 days after the date the notice is postmarked:

- 1 (1) all liens on the home are extinguished; and
- 2 (2) the real property owner may declare the home
- 3 <u>abandoned</u> and may apply to the department for a statement of
- 4 ownership and location listing the real property owner as the owner
- 5 of the manufactured home.
- 6 (e) A new statement of ownership and location issued by the
- 7 department under this section transfers, free of any liens, title
- 8 to the manufactured home to the real property owner.
- 9 SECTION 18. Section 1201.219(b), Occupations Code, is
- 10 amended to read as follows:
- 11 (b) Except as provided by Subsection (a), a lien on a
- 12 manufactured home is perfected only by filing with the department
- 13 the notice of lien on a form provided by the department. The
- 14 recordation of a lien with the department is notice to all persons
- 15 that the lien exists. Except as expressly provided by Chapter 32,
- 16 Tax Code, a lien recorded with the department has priority,
- 17 according to the chronological order of recordation, over another
- 18 lien or claim against the manufactured home.
- 19 SECTION 19. Section 1201.221(a), Occupations Code, is
- 20 amended to read as follows:
- 21 (a) On written request, the department shall provide
- 22 information held by the department on:
- 23 (1) the current ownership <u>and location</u> of a
- 24 manufactured home; and
- 25 (2) the existence of any tax lien on that home for
- 26 which notice has been filed with the department.
- SECTION 20. Sections 1201.352(c) and (d), Occupations Code,

- 1 are amended to read as follows:
- 2 (c) Before the signing of a binding retail installment sales
- 3 contract or other binding purchase agreement, the retailer must
- 4 give the consumer a copy [or a general description] of:
- 5 (1) the manufacturer's warranty; [and
- 6 [(2) the retailer's warranty.
- 7 [(d) At the time of the initial installation at the
- 8 consumer's homesite, the retailer shall deliver to the consumer:
- 9 [(1) the manufacturer's warranty;
- 10 (2) the retailer's warranty;
- 11 (3) the warranties given by the manufacturers of
- 12 appliances or equipment included with the home; and
- 13 (4) the name and address of the manufacturer or
- 14 retailer to whom the consumer is to give notice of a warranty
- 15 service request.
- SECTION 21. Section 1201.357, Occupations Code, is amended
- 17 by adding Subsection (c) to read as follows:
- 18 (c) If the manufacturer or retailer is unable to provide
- 19 warranty service in accordance with the department order under
- 20 Section 1201.356 as a result of an action of the consumer, the
- 21 <u>manufacturer or retailer must make that allegation in the written</u>
- 22 statement required by Subsection (a). The department shall
- 23 <u>investigate the allegation</u>, and if the department determines that
- the allegation is credible, the department shall issue a new order
- 25 specifying the date and time of the proposed corrective action. The
- 26 department shall send the order to the consumer and the
- 27 manufacturer or retailer, as applicable, by certified mail, return

- 1 receipt requested. If the consumer refuses to comply with the
- 2 department's new order, the manufacturer or retailer, as
- 3 <u>applicable:</u>
- 4 (1) is discharged from the obligations imposed by the
- 5 relevant department orders;
- 6 (2) has no liability to the consumer; and
- 7 (3) is not subject to an action by the department for
- 8 failure to provide warranty service.
- 9 SECTION 22. Section 1201.361, Occupations Code, is amended
- 10 to read as follows:
- 11 Sec. 1201.361. INSTALLER'S WARRANTY. (a) For all secondary
- installations not covered by the retailer's warranty described by
- 13 Section 1201.352 and for the installation of all used manufactured
- 14 homes, the installer shall give the manufactured home owner a
- written warranty that the installation of the home was performed in
- 16 accordance with all department standards, rules, orders, and
- 17 requirements.
- 18 (b) The warranty must conspicuously disclose the
- 19 requirement that the consumer notify the installer of any claim in
- 20 writing in accordance with the terms of the warranty. Unless the
- 21 warranty provides for a longer period, the installer has no
- 22 <u>obligation or liability for any defect described in a written</u>
- 23 <u>notice received from the consumer more than two years after the date</u>
- 24 of the installation.
- 25 SECTION 23. Section 1201.405, Occupations Code, is amended
- 26 by adding Subsection (e) to read as follows:
- (e) In determining the amount of actual damages under this

- 1 section, the director shall make an independent inquiry as to the
- 2 damages actually incurred, unless the damages have been established
- 3 by a contested jury trial.
- 4 SECTION 24. Section 1201.451(a), Occupations Code, is
- 5 amended to read as follows:
- 6 (a) Except as otherwise provided by this subchapter, a
- 7 person may not sell, exchange, or lease-purchase a used
- 8 manufactured home without the appropriate transfer of good and
- 9 marketable title to the home [unless the sale, exchange, or
- 10 lease-purchase is to:
- 11 [(1) a purchaser for the purchaser's business use; or
- 12 [(2) a rebuilder for the purpose of rebuilding a
- 13 salvaged manufactured home].
- 14 SECTION 25. Section 1201.455, Occupations Code, is amended
- 15 to read as follows:
- Sec. 1201.455. WARRANTY OF HABITABILITY REQUIRED. (a)
- 17 Except as otherwise provided by this subchapter, a person may not
- 18 sell, exchange, or lease-purchase a used manufactured home to a
- 19 consumer for use as a dwelling without providing a written warranty
- that the home is and will remain habitable until the 60th day after
- 21 the later of the installation date or the date of the purchase
- 22 agreement.
- (b) Unless, not later than the 65th [60th] day after the
- 24 later of the installation date or the date of the purchase [sale,
- 25 exchange, or lease-purchase] agreement, the consumer notifies the
- seller in writing of a defect that makes the home not habitable, any
- 27 obligation or liability of the seller under this subchapter is

- 1 terminated. The warranty must conspicuously disclose that notice
- 2 requirement to the consumer.
- 3 (c) If negotiations related to the sale, exchange, or
- 4 lease-purchase agreement are conducted primarily in a language
- 5 other than English, the written warranty and disclosure must be
- 6 provided to the consumer in the language in which the negotiations
- 7 are conducted.
- 8 SECTION 26. The heading to Section 1201.457, Occupations
- 9 Code, is amended to read as follows:
- 10 Sec. 1201.457. HABITABILITY: CHANGE TO OR FROM BUSINESS USE
- 11 OR SALVAGE.
- 12 SECTION 27. Section 1201.457(b), Occupations Code, is
- 13 amended to read as follows:
- 14 (b) The purchaser of a used manufactured home for business
- use or the purchaser of a salvaged manufactured home may not sell,
- 16 exchange, or lease-purchase the home for use as a dwelling or allow
- 17 any person to occupy or use the home as a dwelling unless the
- 18 director issues a new statement of ownership and location
- indicating that the home is no longer reserved for business use or
- 20 salvage. On the purchaser's application to the department for
- 21 issuance of a new statement of ownership and location, the
- 22 department shall inspect the home and, if the department determines
- 23 that the home is habitable, issue the statement of ownership and
- 24 location.
- 25 SECTION 28. Subchapter Z, Chapter 2306, Government Code, is
- amended by adding Section 2306.591 to read as follows:
- 27 <u>Sec. 2306.591. MANUFACTURED HOMES INSTALLED IN COLONIAS.</u>

- 1 (a) For a manufactured home to be approved for installation and use
- 2 as a dwelling in a colonia:
- 3 (1) the home must be a HUD-code manufactured home, as
- 4 defined by Section 1201.003, Occupations Code;
- 5 (2) the home must be habitable, as described by
- 6 Section 1201.453, Occupations Code; and
- 7 (3) ownership of the home must be properly recorded
- 8 with the manufactured housing division of the department.
- 9 (b) An owner of a manufactured home is not eligible to
- 10 participate in a grant loan program offered by the department,
- 11 <u>including the single-family mortgage revenue bond program under</u>
- 12 Section 2306.142, unless the owner complies with Subsection (a).
- SECTION 29. Section 32.015(a), Tax Code, is amended to read
- 14 as follows:
- 15 (a) On payment of the taxes, penalties, and interest for a
- 16 year for which a valid tax lien [filed before September 1, 2001,
- 17 has been recorded on the title records of the department, the
- 18 collector for the taxing unit shall issue a tax certificate showing
- 19 no taxes due or a tax paid receipt for such year to the person making
- 20 payment. When the tax certificate showing no taxes due or tax paid
- 21 receipt is filed with the department, the tax lien is extinguished
- 22 and canceled and shall be removed from the title records of the
- 23 manufactured home. The collector for a taxing unit may not refuse
- 24 to issue a tax paid receipt to the person who offers to pay the
- 25 taxes, penalties, and interest for a particular year or years, even
- though taxes may also be due for another year or other years.
- SECTION 30. Section 32.03, Tax Code, is amended by amending

- 1 Subsections (a) and (b) and adding Subsections (a-1) and (a-2) to
- 2 read as follows:
- 3 (a) Except as provided by Subsection (a-1), a [A] tax lien
- 4 may not be enforced against personal property transferred to a
- 5 buyer in ordinary course of business as defined by Section 1.201(9)
- 6 of the Business & Commerce Code for value who does not have actual
- 7 notice of the existence of the lien [or, if the personal property is
- 8 a manufactured home, who does not have constructive notice of the
- 9 existence of the lien].
- 10 (a-1) A tax lien against a manufactured home may not be
- 11 enforced unless it has been recorded with the Texas Department of
- 12 Housing and Community Affairs as provided by Section 1201.219,
- 13 Occupations Code:
- 14 (1) before October 1, 2005; or
- 15 (2) not later than six months after the end of the year
- 16 for which the tax was owed.
- 17 (a-2) A person may not transfer title of a manufactured home
- until all tax liens perfected on the home have been extinguished or
- 19 satisfied and released. This subsection does not apply to the sale
- 20 of a manufactured home in inventory.
- 21 (b) A bona fide purchaser for value or the holder of a lien
- 22 recorded on the manufactured home statement of ownership and
- 23 <u>location</u> [document of title] is not required to pay any taxes that
- 24 have not been recorded with the Texas Department of Housing and
- 25 Community Affairs [imposed in a tax year that begins before January
- 26 1, 2001, or penalties or interest on those taxes except for each
- 27 year for which a valid tax lien was duly filed and recorded under

- 1 Section 32.015, as that section existed on the date the lien was
- 2 filed, and each year for which the owner of the manufactured home
- 3 had constructive notice of the taxes under Section 32.015(e), as
- 4 that section existed before September 1, 2001. The effect and
- 5 priority of a tax lien that attaches to secure the payment of taxes
- 6 imposed on a manufactured home in a tax year that begins on or after
- 7 January 1, 2001, are those established by Sections 32.01 and
- 8 $\frac{32.05}{}$]. In this section, "manufactured home" has the meaning
- 9 assigned by Section 32.015(b).
- 10 SECTION 31. The following laws are repealed:
- 11 (1) Sections 1201.164(b), 1201.165, 1201.206(a),
- 12 1201.215, 1201.216(c) and (d), 1201.219(d), and 1201.222(b),
- 13 Occupations Code;
- 14 (2) Sections 32.014(d) and 32.03(c)-(j), Tax Code; and
- 15 (3) Section 623.093(d), Transportation Code.
- 16 SECTION 32. This Act takes effect immediately if it
- 17 receives a vote of two-thirds of all the members elected to each
- 18 house, as provided by Section 39, Article III, Texas Constitution.
- 19 If this Act does not receive the vote necessary for immediate
- 20 effect, this Act takes effect September 1, 2005.