

AN ACT

relating to the acquisition and regulation of manufactured homes.

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

SECTION 1. Section 1201.101(f), Occupations Code, is amended to read as follows:

(f) A person may not act as a salesperson of manufactured housing unless the person holds a salesperson's license [~~is a license holder~~]. A retailer or broker may not employ or otherwise use the services of a salesperson who is not licensed. A licensed salesperson may not participate in a sale of a manufactured home unless the sale is through the retailer who sponsored the salesperson's application as required by Section 1201.103(d).

SECTION 2. Section 1201.103(d), Occupations Code, is amended to read as follows:

(d) An applicant for a salesperson's license must:

(1) file with the director an application that provides [~~providing~~] any information the director considers necessary and that is sponsored by a licensed, bonded retailer; and

(2) pay the required fee.

SECTION 3. Section 1201.106(a), Occupations Code, is amended to read as follows:

(a) An applicant for a license or a license holder shall file a bond or other security under Section 1201.105 for the issuance or renewal of a license in the following amount:

- 1 (1) \$100,000 for a manufacturer;
- 2 (2) \$50,000 for a retailer;
- 3 (3) \$30,000 for a rebuilder;
- 4 (4) \$50,000 [~~\$20,000~~] for a broker; or
- 5 (5) \$10,000 for an installer.

6 SECTION 4. Section 1201.107, Occupations Code, is amended  
7 by adding Subsection (d) to read as follows:

8 (d) If a retailer or broker offers for sale or participates  
9 in any way in the sale of a manufactured home at a location other  
10 than an undivided parcel of real property where more than one  
11 manufactured home is located and offered for sale, exchange, or  
12 lease-purchase by a retailer or broker to the public, the retailer  
13 or broker must:

14 (1) identify the bond on file with the department in  
15 conjunction with that person's license; and

16 (2) provide contractually in the sales transaction  
17 that the identified bond applies to the sale.

18 SECTION 5. Sections 1201.113(a), (b), (e), and (g),  
19 Occupations Code, are amended to read as follows:

20 (a) The board shall recognize, prepare, or administer  
21 certification and continuing education programs for salespersons  
22 [~~persons~~] regulated under this chapter.

23 (b) A person who holds a salesperson's license [~~holder~~] must  
24 participate in certification and continuing education programs as  
25 provided by Subsection (e).

26 (e) A salesperson must complete eight hours of  
27 certification and continuing education programs not later than the

1 90th day after the date the salesperson's initial license is  
2 issued. To renew a salesperson's license, a salesperson [Persons]  
3 regulated under this chapter [~~and directly involved in the sale of~~  
4 ~~manufactured housing~~] must complete an additional eight hours of  
5 certification and continuing education programs for each renewal  
6 [~~each year~~]. The programs must be presented by a board-approved  
7 organization or educational institution and must include  
8 instruction in applicable [~~address~~] state and federal law,  
9 [~~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 salesperson  
12 [~~person~~] regulated under this chapter who does not complete the  
13 programs as required by this section. The board shall reinstate the  
14 license on the salesperson's [~~person's~~] completion of the programs.

15 SECTION 6. Section 1201.114(a), Occupations Code, is  
16 amended to read as follows:

17 (a) A manufacturer's, retailer's, broker's, or installer's  
18 license is valid for one year. A salesperson's license is valid for  
19 two years. A license [~~and~~] may be renewed as provided by the  
20 director. A person whose license has been suspended or revoked or  
21 whose license has expired may not engage in activities that require  
22 a license until the license has been reinstated or renewed.

23 SECTION 7. Section 1201.151(d), Occupations Code, is  
24 amended to read as follows:

25 (d) This section does not apply to:

26 (1) a deposit held in escrow in a real estate  
27 transaction; or

1 (2) money stated to be a down payment in an executed  
2 retail [~~installment~~] sales contract.

3 SECTION 8. Section 1201.159(a), Occupations Code, is  
4 amended to read as follows:

5 (a) A broker shall ensure that the seller gives the buyer  
6 the applicable disclosures and warranties that the buyer would have  
7 received if the buyer had purchased the manufactured home through a  
8 licensed retailer [~~may but is not required to be the agent of a~~  
9 ~~party involved in the sale, exchange, or lease-purchase of a~~  
10 ~~manufactured home for which a statement of ownership and location~~  
11 ~~has been issued and is outstanding)].~~

12 SECTION 9. Sections 1201.163(a) and (b), Occupations Code,  
13 are amended to read as follows:

14 (a) In addition to the disclosure statement required by  
15 Section 1201.162, the department shall adopt rules creating a  
16 one-page form printed in at least 12-point type that addresses  
17 [~~addressing~~] consumer protection disclosures required in chattel  
18 mortgage transactions and shall prescribe the form for the  
19 disclosure statement. A consumer protection disclosure statement  
20 under this subsection may not contain any blank lines and must  
21 contain only [~~include~~] the following:

22 (1) a statement of the significant differences between  
23 chattel mortgages and real estate mortgages;

24 (2) an itemization of typical [~~estimated closing~~]  
25 costs associated with a chattel mortgage purchase of a manufactured  
26 home [~~, if any~~]; and

27 (3) an example [~~estimate of the total amount~~] of

1 monthly payments in three typical chattel mortgage transactions,  
2 including an estimate of the amount of the [+

3 [~~(A)~~] principal, [~~and~~] interest, [~~payments,~~  
4 [~~(B) costs of any~~] required insurance  
5 premium, [+] and

6 [~~(C) costs for payment of~~] ad valorem taxes [+  
7 ~~based on the current tax rate of each taxing unit in which the~~  
8 ~~manufactured home will be located as applied to the sales price of~~  
9 ~~the manufactured home,~~

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

14 [~~(5) any other disclosures required by state or~~  
15 ~~federal law, including the Real Estate Settlement Procedures Act of~~  
16 ~~1974 (12 U.S.C. Section 2601 et seq.) and the Truth in Lending Act~~  
17 ~~(15 U.S.C. Section 1601 et seq.)].~~

18 (b) A retailer shall provide the consumer protection  
19 disclosure statement to the consumer [~~at least 24 hours~~] before the  
20 completion of the first credit application [~~installment contract is~~  
21 ~~fully executed, as provided by Section 1201.164].~~

22 SECTION 10. Section 1201.164(a), Occupations Code, is  
23 amended to read as follows:

24 (a) In a chattel mortgage transaction involving an  
25 installment contract, a retailer shall deliver to a consumer at  
26 least 24 hours before the contract is fully executed [~~the~~  
27 ~~disclosure statements required by this subchapter and~~] the

1 contract, with all required information included, signed by the  
2 retailer. The delivery of the [~~disclosure statements and~~]  
3 installment contract, with all required information included,  
4 signed by the retailer constitutes a firm offer by the retailer.  
5 The consumer may accept the offer not earlier than 24 hours after  
6 the delivery of the contract [documents]. If the consumer has not  
7 accepted the offer within 72 hours after the delivery of the  
8 contract, the retailer may withdraw the offer.

9 SECTION 11. Section 1201.2055, Occupations Code, is amended  
10 by amending Subsection (d) and adding Subsections (e), (f), (g),  
11 and (h) to read as follows:

12 (d) If [~~the department issues a statement of ownership and~~  
13 ~~location to~~] an owner elects [~~who has elected~~] to treat a  
14 manufactured home as real property, the department shall issue to  
15 the owner a certified copy of the statement of ownership and  
16 location that on its face reflects that the owner has elected to  
17 treat the manufactured home as real property at the location listed  
18 on the statement. Not later than the 60th day after the date the  
19 department issues a certified copy of the statement of ownership  
20 and location to the owner, the owner must:

21 (1) file the certified copy in the real property  
22 records of the county in which the home is located; and

23 (2) notify the department and the tax  
24 assessor-collector that the certified copy has been filed.

25 (e) A [the] manufactured home is not considered to be real  
26 property until a certified copy of the statement of ownership and  
27 location has been filed and the department and the tax

1 assessor-collector have been notified of the filing as provided by  
2 Subsection (d).

3 (f) If notice is provided under Subsection (d), the  
4 department and the tax assessor-collector in a timely manner shall  
5 note in their records that a real property election has been  
6 perfected. If notice is not provided as described by Subsection  
7 (d), the department and the tax assessor-collector shall note in  
8 their records that a real property election has not been perfected  
9 and that the home remains personal property [in the real property  
10 records of the county in which the home is located].

11 (g) After the department and the tax assessor-collector  
12 note in their records that a real property election has been  
13 perfected [certified copy has been filed in the real property  
14 records of the county], the home is considered to be real property  
15 for all purposes [in the form of an improvement to the underlying  
16 real property on which the home is located. If a real property  
17 election has been made but a certified copy of the statement of  
18 ownership and location has not been filed as required by this  
19 subsection, the home continues to be treated as personal property  
20 until the certified copy is filed].

21 (h) The provisions of this chapter relating to the  
22 construction or installation of a manufactured home or to  
23 warranties for a manufactured home apply to a home regardless of  
24 whether the home is considered to be real or personal property.

25 SECTION 12. Section 1201.206(d), Occupations Code, is  
26 amended to read as follows:

27 (d) Not later than the 30th day after the date of each [At a]

1 subsequent sale or transfer of a ~~[the]~~ home that is considered to be  
2 personal property, the seller ~~[purchaser]~~ or transferor  
3 ~~[transferee]~~ shall provide to the department a completed  
4 application ~~[apply]~~ for the issuance of a new statement of  
5 ownership and location.

6 SECTION 13. Section 1201.207(a), Occupations Code, is  
7 amended to read as follows:

8 (a) The department shall process any completed application  
9 for the issuance of a statement of ownership and location not later  
10 than the 15th ~~[10th]~~ working day after the date the application is  
11 received by the department. If the department rejects an  
12 application, the department shall provide a clear and complete  
13 explanation of the reason for the rejection and instructions on how  
14 to cure any defects, if possible.

15 SECTION 14. Subchapter E, Chapter 1201, Occupations Code,  
16 is amended by adding Section 1201.2076 to read as follows:

17 Sec. 1201.2076. CONVERSION FROM REAL PROPERTY TO PERSONAL  
18 PROPERTY. The department may not issue a statement of ownership and  
19 location for a manufactured home that is being converted from real  
20 property to personal property until the department has inspected  
21 the home and determined that it is habitable and has notified the  
22 appropriate tax assessor-collector of the conversion and:

23 (1) each lien, including a tax lien, on the home is  
24 released by the lienholder; or

25 (2) each lienholder, including a taxing unit, gives  
26 written consent, to be placed on file with the department.

27 SECTION 15. Section 1201.209, Occupations Code, is amended



1 to read as follows:

2           Sec. 1201.209. GROUNDS FOR REFUSAL TO ISSUE OR FOR  
3 SUSPENSION OR REVOCATION OF STATEMENT OF OWNERSHIP AND LOCATION.  
4 The department may not refuse to issue a statement of ownership and  
5 location and may not suspend or revoke a statement of ownership and  
6 location unless:

7           (1) the application for issuance of the statement of  
8 ownership and location contains a false or fraudulent statement,  
9 the applicant failed to provide information required by the  
10 director, or the applicant is not entitled to issuance of the  
11 statement of ownership and location;

12           (2) the director has reason to believe that the  
13 manufactured home is stolen or unlawfully converted, or the  
14 issuance of a statement of ownership and location would defraud the  
15 owner or a lienholder of the manufactured home;

16           (3) the director has reason to believe that the  
17 manufactured home is salvaged, and an application for the issuance  
18 of a new statement of ownership and location that indicates that the  
19 home is salvaged has not been filed;

20           (4) the required fee has not been paid;

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

23           (6) a [~~local~~] tax lien was filed [~~before September 1,~~  
24 ~~2001,~~] and recorded under Section 1201.219 [~~32.015, Tax Code, as~~  
25 ~~that section existed on the date the lien was filed,~~] and the lien  
26 has not been extinguished.

27           SECTION 16. Sections 1201.216(a) and (b), Occupations Code,

1 are amended to read as follows:

2 (a) If the owner of a manufactured home notifies the  
3 department that the owner intends to treat the home as real property  
4 or to reserve its use for a business purpose or salvage, the [The]  
5 department shall indicate on the statement of ownership and  
6 location for the [a manufactured] home that:

7 (1) the owner of the home has elected to treat the home  
8 as real property or to reserve its use for a business purpose or  
9 salvage; and

10 (2) except as provided by Section 1201.2055(h), the  
11 department no longer considers the home to be a manufactured home  
12 for purposes of regulation under this chapter [whether the home has  
13 been sold, exchanged, or lease-purchased to a purchaser for the  
14 purchaser's business use. For a home sold, exchanged, or  
15 lease-purchased as described by this subsection, the department  
16 shall issue a new statement of ownership and location that  
17 indicates that the home is reserved for business use].

18 (b) On application and subject to Sections 1201.2076 and  
19 1201.209, the department shall [may] issue for the structure  
20 described in the application a new statement of ownership and  
21 location restoring the structure's designation as a manufactured  
22 [for the] home only after an inspection and determination that the  
23 structure [home] is habitable as provided by Section 1201.453.  
24 [The statement must indicate that the home is no longer reserved for  
25 business use.]

26 SECTION 17. Subchapter E, Chapter 1201, Occupations Code,  
27 is amended by adding Section 1201.217 to read as follows:

1       Sec. 1201.217. MANUFACTURED HOME ABANDONED. (a) The owner  
2 of real property on which a manufactured home owned by another is  
3 located may declare the home abandoned as provided by this section  
4 if the home has been continuously unoccupied for at least four  
5 months and any indebtedness secured by the manufactured home is  
6 also delinquent.

7       (b) Before declaring a manufactured home abandoned, the  
8 owner of real property on which the home is located must send a  
9 notice of intent to declare the home abandoned to the owner of the  
10 home and all lienholders at the addresses listed on the home's  
11 statement of ownership and location on file with the department.  
12 Mailing of the notice by certified mail, return receipt requested,  
13 postage prepaid, to the persons required to be notified by this  
14 subsection constitutes conclusive proof of compliance with this  
15 subsection.

16       (c) On receipt of a notice of intent to declare a  
17 manufactured home abandoned, the owner of the home or a lienholder  
18 may enter the real property on which the home is located to remove  
19 the home.

20       (d) If the manufactured home remains on the real property  
21 for at least 45 days after the date the notice is postmarked:

22               (1) all liens on the home are extinguished; and

23               (2) the real property owner may declare the home  
24 abandoned and may apply to the department for a statement of  
25 ownership and location listing the real property owner as the owner  
26 of the manufactured home.

27       (e) A new statement of ownership and location issued by the

1 department under this section transfers, free of any liens, if  
2 there is evidence of United States Postal Service return receipt  
3 from all lienholders, title to the manufactured home to the real  
4 property owner.

5 SECTION 18. Section 1201.219(b), Occupations Code, is  
6 amended to read as follows:

7 (b) Except as provided by Subsection (a), a lien on a  
8 manufactured home is perfected only by filing with the department  
9 the notice of lien on a form provided by the department. The  
10 recordation of a lien with the department is notice to all persons  
11 that the lien exists. Except as expressly provided by Chapter 32,  
12 Tax Code, a lien recorded with the department has priority,  
13 according to the chronological order of recordation, over another  
14 lien or claim against the manufactured home.

15 SECTION 19. Section 1201.221(a), Occupations Code, is  
16 amended to read as follows:

17 (a) On written request, the department shall provide  
18 information held by the department on:

19 (1) the current ownership and location of a  
20 manufactured home; and

21 (2) the existence of all ~~[any]~~ tax liens ~~[lien]~~ on that  
22 home for which notice has been filed with the department.

23 SECTION 20. Sections 1201.352(c) and (d), Occupations Code,  
24 are amended to read as follows:

25 (c) Before the signing of a binding retail installment sales  
26 contract or other binding purchase agreement, the retailer must  
27 give the consumer a copy [~~or a general description~~] of:

1 (1) the manufacturer's warranty; ~~and~~

2 ~~[(2) the retailer's warranty.]~~

3 ~~[(d) At the time of the initial installation at the~~  
4 ~~consumer's homesite, the retailer shall deliver to the consumer.]~~

5 ~~[(1) the manufacturer's warranty,]~~

6 (2) the retailer's warranty;

7 (3) the warranties given by the manufacturers of  
8 appliances or equipment included with the home; and

9 (4) the name and address of the manufacturer or  
10 retailer to whom the consumer is to give notice of a warranty  
11 service request.

12 SECTION 21. Section 1201.357, Occupations Code, is amended  
13 by adding Subsection (c) to read as follows:

14 (c) If the manufacturer or retailer is unable to provide  
15 warranty service in accordance with the department order under  
16 Section 1201.356 as a result of an action of the consumer, the  
17 manufacturer or retailer must make that allegation in the written  
18 statement required by Subsection (a). The department shall  
19 investigate the allegation, and if the department determines that  
20 the allegation is credible, the department shall issue a new order  
21 specifying the date and time of the proposed corrective action. The  
22 department shall send the order to the consumer and the  
23 manufacturer or retailer, as applicable, by certified mail, return  
24 receipt requested. If the consumer refuses to comply with the  
25 department's new order, the manufacturer or retailer, as  
26 applicable:

27 (1) is discharged from the obligations imposed by the

1 relevant department orders;

2 (2) has no liability to the consumer; and

3 (3) is not subject to an action by the department for  
4 failure to provide warranty service.

5 SECTION 22. Section 1201.361, Occupations Code, is amended  
6 to read as follows:

7 Sec. 1201.361. INSTALLER'S WARRANTY. (a) For all secondary  
8 installations not covered by the retailer's warranty described by  
9 Section 1201.352 and for the installation of all used manufactured  
10 homes, the installer shall give the manufactured home owner a  
11 written warranty that the installation of the home was performed in  
12 accordance with all department standards, rules, orders, and  
13 requirements.

14 (b) The warranty must conspicuously disclose the  
15 requirement that the consumer notify the installer of any claim in  
16 writing in accordance with the terms of the warranty. Unless the  
17 warranty provides for a longer period, the installer has no  
18 obligation or liability for any defect described in a written  
19 notice received from the consumer more than two years after the date  
20 of the installation.

21 SECTION 23. Section 1201.405, Occupations Code, is amended  
22 by adding Subsection (e) to read as follows:

23 (e) In determining the amount of actual damages under this  
24 section, the director shall make an independent inquiry as to the  
25 damages actually incurred, unless the damages have been established  
26 by a contested jury trial.

27 SECTION 24. Section 1201.451(a), Occupations Code, is

1 amended to read as follows:

2 (a) Except as otherwise provided by this subchapter, a  
3 person may not sell, exchange, or lease-purchase a used  
4 manufactured home without the appropriate transfer of good and  
5 marketable title to the home [~~unless the sale, exchange, or~~  
6 ~~lease-purchase is to:~~

7 [~~(1) a purchaser for the purchaser's business use; or~~  
8 [~~(2) a rebuilder for the purpose of rebuilding a~~  
9 ~~salvaged manufactured home]~~.

10 SECTION 25. Section 1201.452(b), Occupations Code, is  
11 amended to read as follows:

12 (b) If the home does not have the appropriate seal or label,  
13 the person must:

- 14 (1) apply to the department for a seal; [~~and]~~  
15 (2) pay the fee; and  
16 (3) submit to the department a copy of any written  
17 disclosure required under Section 1201.455(a).

18 SECTION 26. Section 1201.455, Occupations Code, is amended  
19 to read as follows:

20 Sec. 1201.455. WRITTEN DISCLOSURE AND WARRANTY OF  
21 HABITABILITY REQUIRED. (a) Except as otherwise provided by this  
22 subchapter, a person may not sell, exchange, or lease-purchase a  
23 used manufactured home to a consumer for use as a dwelling without  
24 providing:

- 25 (1) a written disclosure, on a form not to exceed two  
26 pages prescribed by the department, describing the condition of the  
27 home and of any appliances that are included in the home; and

1           (2) a written warranty that the home is and will remain  
2 habitable until the 60th day after the later of the installation  
3 date or the date of the purchase agreement.

4           (b) Unless, not later than the 65th [~~60th~~] day after the  
5 later of the installation date or the date of the sale, exchange, or  
6 lease-purchase agreement, the consumer notifies the seller in  
7 writing of a defect that makes the home not habitable, any  
8 obligation or liability of the seller under this subchapter is  
9 terminated. The warranty must conspicuously disclose that notice  
10 requirement to the consumer.

11           SECTION 27. The heading to Section 1201.457, Occupations  
12 Code, is amended to read as follows:

13           Sec. 1201.457. HABITABILITY: CHANGE TO OR FROM BUSINESS USE  
14 OR SALVAGE.

15           SECTION 28. Section 1201.457(b), Occupations Code, is  
16 amended to read as follows:

17           (b) The purchaser of a used manufactured home for business  
18 use or the purchaser of a salvaged manufactured home may not sell,  
19 exchange, or lease-purchase the home for use as a dwelling or  
20 knowingly allow any person to occupy or use the home as a dwelling  
21 unless the director issues a new statement of ownership and  
22 location indicating that the home is no longer reserved for  
23 business use or salvage. On the purchaser's application to the  
24 department for issuance of a new statement of ownership and  
25 location, the department shall inspect the home and, if the  
26 department determines that the home is habitable, issue the  
27 statement of ownership and location.



1 SECTION 29. Subchapter Z, Chapter 2306, Government Code, is  
2 amended by adding Section 2306.591 to read as follows:

3 Sec. 2306.591. MANUFACTURED HOMES INSTALLED IN COLONIAS.

4 (a) For a manufactured home to be approved for installation and use  
5 as a dwelling in a colonia:

6 (1) the home must be a HUD-code manufactured home, as  
7 defined by Section 1201.003, Occupations Code;

8 (2) the home must be habitable, as described by  
9 Section 1201.453, Occupations Code; and

10 (3) ownership of the home must be properly recorded  
11 with the manufactured housing division of the department.

12 (b) An owner of a manufactured home is not eligible to  
13 participate in a grant loan program offered by the department,  
14 including the single-family mortgage revenue bond program under  
15 Section 2306.142, unless the owner complies with Subsection (a).

16 SECTION 30. Section 1.04, Tax Code, is amended by adding  
17 Subdivision (3-a) to read as follows:

18 (3-a) Notwithstanding anything contained herein to  
19 the contrary, a manufactured home is an improvement to real  
20 property only if the owner of the home has elected to treat the  
21 manufactured home as real property pursuant to Section 1201.2055,  
22 Occupations Code, and a certified copy of the statement of  
23 ownership and location has been filed with the real property  
24 records of the county in which the home is located as provided in  
25 Section 1201.2055(d), Occupations Code.

26 SECTION 31. Section 32.014, Tax Code, is amended to read as  
27 follows:

1           Sec. 32.014. TAX LIEN ON MANUFACTURED HOME. (a) If the  
2 owner of a manufactured home has elected to treat the home as real  
3 property [~~is listed together with the land on which the~~  
4 ~~manufactured home is located~~] under Section 25.08, the tax lien  
5 shall be attached [~~attaches~~] to the land on which the manufactured  
6 home is located.

7           (b) If the owner of a manufactured home does not elect to  
8 treat the home as real property with [~~is listed separately from~~] the  
9 land on which the manufactured home is located, the tax lien on the  
10 manufactured home does not attach to the land on which the home is  
11 located.

12           (c) In this section, "manufactured home" has the meaning  
13 assigned by Section 1201.003, Occupations Code.

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

25           [~~(e)~~] This section prevails over Chapter 1201, Occupations  
26 Code, to the extent of any conflict.

27           SECTION 32. Section 32.015(a), Tax Code, is amended to read

1 as follows:

2 (a) On payment of the taxes, penalties, and interest for a  
3 year for which a valid tax lien [~~filed before September 1, 2001,~~]  
4 has been recorded on the title records of the department, the  
5 collector for the taxing unit shall issue a tax certificate showing  
6 no taxes due or a tax paid receipt for such year to the person making  
7 payment. When the tax certificate showing no taxes due or tax paid  
8 receipt is filed with the department, the tax lien is extinguished  
9 and canceled and shall be removed from the title records of the  
10 manufactured home. The collector for a taxing unit may not refuse  
11 to issue a tax paid receipt to the person who offers to pay the  
12 taxes, penalties, and interest for a particular year or years, even  
13 though taxes may also be due for another year or other years.

14 SECTION 33. Section 32.03, Tax Code, is amended by amending  
15 Subsections (a) and (b) and adding Subsections (a-1) and (a-2) to  
16 read as follows:

17 (a) Except as provided by Subsection (a-1), a [A] tax lien  
18 may not be enforced against personal property transferred to a  
19 buyer in ordinary course of business as defined by Section 1.201(9)  
20 of the Business & Commerce Code for value who does not have actual  
21 notice of the existence of the lien [~~or, if the personal property is~~  
22 ~~a manufactured home, who does not have constructive notice of the~~  
23 ~~existence of the lien]~~.

24 (a-1) A tax lien against a manufactured home may not be  
25 enforced unless it has been recorded with the Texas Department of  
26 Housing and Community Affairs as provided by Section 1201.219,  
27 Occupations Code:

1           (1) before October 1, 2005; or  
2           (2) not later than six months after the end of the year  
3 for which the tax was owed.

4           (a-2) A person may not transfer title of a manufactured home  
5 until all tax liens perfected on the home have been extinguished or  
6 satisfied and released. This subsection does not apply to the sale  
7 of a manufactured home in inventory.

8           (b) A bona fide purchaser for value or the holder of a lien  
9 recorded on the manufactured home statement of ownership and  
10 location [~~document of title~~] is not required to pay any taxes that  
11 have not been recorded with the Texas Department of Housing and  
12 Community Affairs [~~imposed in a tax year that begins before January~~  
13 ~~1, 2001, or penalties or interest on those taxes except for each~~  
14 ~~year for which a valid tax lien was duly filed and recorded under~~  
15 ~~Section 32.015, as that section existed on the date the lien was~~  
16 ~~filed, and each year for which the owner of the manufactured home~~  
17 ~~had constructive notice of the taxes under Section 32.015(e), as~~  
18 ~~that section existed before September 1, 2001. The effect and~~  
19 ~~priority of a tax lien that attaches to secure the payment of taxes~~  
20 ~~imposed on a manufactured home in a tax year that begins on or after~~  
21 ~~January 1, 2001, are those established by Sections 32.01 and~~  
22 ~~32.05]. In this section, "manufactured home" has the meaning~~

23 assigned by Section 32.015(b).

24           SECTION 34. The following laws are repealed:

25           (1) Sections 1201.164(b), 1201.165, 1201.206(a),  
26 1201.215, 1201.216(c) and (d), 1201.219(d), and 1201.222(b),  
27 Occupations Code;

1           (2) Sections 32.03(c)-(j), Tax Code; and

2           (3) Section 623.093(d), Transportation Code.

3           SECTION 35. Not later than November 1, 2005, the Texas  
4 Department of Housing and Community Affairs shall prepare and make  
5 available to the public the disclosure form required by Section  
6 1201.455(a), Occupations Code, as amended by this Act.

7           SECTION 36. This Act takes effect immediately if it  
8 receives a vote of two-thirds of all the members elected to each  
9 house, as provided by Section 39, Article III, Texas Constitution.  
10 If this Act does not receive the vote necessary for immediate  
11 effect, this Act takes effect September 1, 2005.

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President of the Senate

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Speaker of the House

I certify that H.B. No. 2438 was passed by the House on April 28, 2005, by the following vote: Yeas 134, Nays 0, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 2438 on May 23, 2005, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 2438 on May 28, 2005, by the following vote: Yeas 133, Nays 11, 2 present, not voting.

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Chief Clerk of the House

H.B. No. 2438

I certify that H.B. No. 2438 was passed by the Senate, with amendments, on May 20, 2005, by the following vote: Yeas 29, Nays 2; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 2438 on May 28, 2005, by the following vote: Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_

Date

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Governor