

1-1 By: Haggerty (Senate Sponsor - Harris) H.B. No. 1460
1-2 (In the Senate - Received from the House April 27, 2007;
1-3 May 1, 2007, read first time and referred to Committee on Business
1-4 and Commerce; May 15, 2007, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 7, Nays 0;
1-6 May 15, 2007, sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR H.B. No. 1460 By: Harris

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to the licensing, acquisition, regulation, and taxation of
1-11 manufactured housing; providing administrative and criminal
1-12 penalties.

1-13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-14 SECTION 1. Section 1201.003, Occupations Code, is amended
1-15 to read as follows:

1-16 Sec. 1201.003. DEFINITIONS. In this chapter:

1-17 (1) "Advertisement" means a commercial message that
1-18 promotes the sale, exchange, or lease-purchase of a manufactured
1-19 home and that is presented on radio, television, a public-address
1-20 system, or electronic media or appears in a newspaper, a magazine, a
1-21 flyer, a catalog, direct mail literature, an inside or outside sign
1-22 or window display, point-of-sale literature, a price tag, or other
1-23 printed material. The term does not include educational material
1-24 or material required by law.

1-25 (2) "Affiliate" means a person who is under common
1-26 control.

1-27 (3) "Alteration" means the replacement, addition,
1-28 modification, or removal of equipment in a new manufactured home
1-29 after sale by a manufacturer to a retailer but before sale and
1-30 installation by a retailer to a purchaser in a manner that may
1-31 affect the home's construction, fire safety, occupancy, or
1-32 plumbing, heating, or electrical system. The term includes the
1-33 modification of a manufactured home in a manner that may affect the
1-34 home's compliance with the appropriate standards but does not
1-35 include:

1-36 (A) the repair or replacement of a component or
1-37 appliance that requires plug-in to an electrical receptacle, if the
1-38 replaced item is of the same configuration and rating as the
1-39 replacement; or

1-40 (B) the addition of an appliance that requires
1-41 plug-in to an electrical receptacle and that was not provided with
1-42 the manufactured home by the manufacturer, if the rating of the
1-43 appliance does not exceed the rating of the receptacle to which the
1-44 appliance is connected.

1-45 (4) [~~2-a~~] "Attached" in reference to a manufactured
1-46 home means that the home has been:

1-47 (A) installed in compliance with the rules of the
1-48 department; and

1-49 (B) connected to a utility, including a utility
1-50 providing water, electric, natural gas, propane or butane gas, or
1-51 wastewater service.

1-52 (5) [~~3~~] "Board" means the Manufactured Housing
1-53 Board within the Texas Department of Housing and Community Affairs.

1-54 (6) [~~4~~] "Broker" means a person engaged by one or
1-55 more other persons to negotiate or offer to negotiate a bargain or
1-56 contract for the sale, exchange, or lease-purchase of a
1-57 manufactured home for which a certificate or other document of
1-58 title has been issued and is outstanding. The term does not include
1-59 a person who maintains a location for the display of manufactured
1-60 homes.

1-61 (7) [~~5~~] "Business use" means the use of a
1-62 manufactured home for a purpose other than as a permanent or
1-63 temporary dwelling.

2-1 (8) [~~6~~] "Consumer" means a person, other than a
2-2 person licensed under this chapter, who seeks to acquire or
2-3 acquires by purchase, exchange, or lease-purchase a manufactured
2-4 home.

2-5 (9) "Control" means, with respect to another person,
2-6 the possession of the power, directly or indirectly, to vote an
2-7 interest of 25 percent or more.

2-8 (10) [~~7~~] "Department" means the Texas Department of
2-9 Housing and Community Affairs operating through its manufactured
2-10 housing division.

2-11 (11) [~~8~~] "Director" means the executive director of
2-12 the manufactured housing division of the Texas Department of
2-13 Housing and Community Affairs.

2-14 (12) [~~9~~] "HUD-code manufactured home":

2-15 (A) means a structure:

2-16 (i) constructed on or after June 15, 1976,
2-17 according to the rules of the United States Department of Housing
2-18 and Urban Development;

2-19 (ii) built on a permanent chassis;

2-20 (iii) designed for use as a dwelling with or
2-21 without a permanent foundation when the structure is connected to
2-22 the required utilities;

2-23 (iv) transportable in one or more sections;

2-24 and

2-25 (v) in the traveling mode, at least eight
2-26 body feet in width or at least 40 body feet in length or, when
2-27 erected on site, at least 320 square feet;

2-28 (B) includes the plumbing, heating, air
2-29 conditioning, and electrical systems of the home; and

2-30 (C) does not include a recreational vehicle as
2-31 defined by 24 C.F.R. Section 3282.8(g).

2-32 (13) [~~10~~] "Installation" means the temporary or
2-33 permanent construction of the foundation system and the placement
2-34 of a manufactured home or manufactured home component on the
2-35 foundation. The term includes supporting, blocking, leveling,
2-36 securing, anchoring, and properly connecting multiple or
2-37 expandable sections or components and making minor adjustments.

2-38 (14) [~~11~~] "Installer" means a person, including a
2-39 retailer or manufacturer, who contracts to perform or performs an
2-40 installation function on manufactured housing.

2-41 (15) [~~12~~] "Label" means a device or insignia that
2-42 is:

2-43 (A) issued by the director to indicate compliance
2-44 with the standards, rules, and regulations established by the
2-45 United States Department of Housing and Urban Development; and

2-46 (B) permanently attached to each transportable
2-47 section of each HUD-code manufactured home constructed after June
2-48 15, 1976, for sale to a consumer.

2-49 (16) [~~13~~] "Lease-purchase" means entering into a
2-50 lease contract for a manufactured home, in which the lessor retains
2-51 title, containing a provision or, in another agreement, conferring
2-52 on the lessee an option to purchase a manufactured home.

2-53 (17) [~~14~~] "License holder" or "licensee" means a
2-54 person who holds a department-issued license as a manufacturer,
2-55 retailer, broker, rebuilder, salesperson, or installer.

2-56 (18) [~~15~~] "Manufactured home" or "manufactured
2-57 housing" means a HUD-code manufactured home or a mobile home.

2-58 (19) [~~16~~] "Manufacturer" means a person who
2-59 constructs or assembles manufactured housing for sale, exchange, or
2-60 lease-purchase in this state.

2-61 (20) [~~17~~] "Mobile home":

2-62 (A) means a structure:

2-63 (i) constructed before June 15, 1976;

2-64 (ii) built on a permanent chassis;

2-65 (iii) designed for use as a dwelling with or
2-66 without a permanent foundation when the structure is connected to
2-67 the required utilities;

2-68 (iv) transportable in one or more sections;

2-69 and

3-1 (v) in the traveling mode, at least eight
3-2 body feet in width or at least 40 body feet in length or, when
3-3 erected on site, at least 320 square feet; and

3-4 (B) includes the plumbing, heating, air
3-5 conditioning, and electrical systems of the home.

3-6 (21) "New manufactured home" means a manufactured home
3-7 that is not a used manufactured home, regardless of its age.

3-8 (22) [~~(18)~~] "Person" means an individual or a
3-9 partnership, company, corporation, association, or other group,
3-10 however organized.

3-11 (23) "Related person" means a person who directly or
3-12 indirectly participates in management or policy decisions.

3-13 (24) [~~(19)~~] "Retailer" means a person who:

3-14 (A) is engaged in the business of buying for
3-15 resale, selling, or exchanging manufactured homes or offering
3-16 manufactured homes for sale, exchange, or lease-purchase to
3-17 consumers, including a person who maintains a location for the
3-18 display of manufactured homes; and

3-19 (B) sells, exchanges, or lease-purchases at
3-20 least two manufactured homes to consumers in a 12-month period.

3-21 (25) "Rules" means the rules of the department.

3-22 (26) [~~(20)~~] "Salesperson" means a person who, as an
3-23 employee or agent of a retailer or broker, sells or lease-purchases
3-24 or offers to sell or lease-purchase manufactured housing to a
3-25 consumer [~~for any form of compensation~~].

3-26 (27) [~~(21)~~] "Salvaged manufactured home" means a
3-27 manufactured home determined to be salvaged under Section 1201.461.

3-28 (28) [~~(22)~~] "Seal" means a device or insignia issued
3-29 by the director that, for title purposes, is to be attached to a
3-30 used manufactured home as required by the director.

3-31 (29) [~~(23)~~] "Standards code" means the Texas
3-32 Manufactured Housing Standards Code.

3-33 (30) [~~(23-a)~~] "Statement of ownership and location"
3-34 means a statement issued by the department and setting forth:

3-35 (A) the ownership and location of a manufactured
3-36 home [~~that has been sold at a retail sale or installed~~] in this
3-37 state as provided by Section 1201.205; and

3-38 (B) other information required by this chapter.

3-39 (31) [~~(24)~~] "Trust fund" means the manufactured
3-40 homeowners' recovery trust fund.

3-41 (32) "Used manufactured home" means a manufactured
3-42 home which has been occupied for any use or for which a statement of
3-43 ownership and location has been issued. The term does not include:

3-44 (A) a manufactured home that was used as a sales
3-45 model at a licensed retail location; or

3-46 (B) a manufactured home that:

3-47 (i) was sold as a new manufactured home and
3-48 installed but never occupied;

3-49 (ii) had a statement of ownership and
3-50 location; and

3-51 (iii) was taken back from the consumer or
3-52 transferee because of a first payment default or agreement to
3-53 rescind or unwind the transaction.

3-54 SECTION 2. Section 1201.008, Occupations Code, is amended
3-55 by adding Subsections (e) and (f) to read as follows:

3-56 (e) Notwithstanding any zoning or other law, in the event
3-57 that a manufactured home occupies a lot in a municipality, the owner
3-58 of the manufactured home may remove the manufactured home from its
3-59 location and place another manufactured home on the same property,
3-60 provided that the replacement is a newer manufactured home and is at
3-61 least as large in living space as the prior manufactured home.

3-62 (f) An owner's ability to replace the home as a result of a
3-63 fire or natural disaster cannot be restricted. Other than in the
3-64 case of a fire or natural disaster, a general-rule or home-rule
3-65 municipality by an ordinance or charter may limit the ability of the
3-66 owner to replace his home to a single replacement.

3-67 SECTION 3. Subsection (a), Section 1201.053, Occupations
3-68 Code, is amended to read as follows:

3-69 (a) The board [~~director~~] shall adopt rules [~~, issue orders,~~]

4-1 and otherwise act as necessary to:

4-2 (1) comply with the National Manufactured Housing
4-3 Construction and Safety Standards Act of 1974 (42 U.S.C. Section
4-4 5401 et seq.), including adopting and enforcing rules reasonably
4-5 required to implement the notification and correction procedures
4-6 provided by 42 U.S.C. Section 5414; and

4-7 (2) provide for the effective enforcement of all
4-8 HUD-code manufactured housing construction and safety standards in
4-9 order to have the state plan authorized by the National
4-10 Manufactured Housing Construction and Safety Standards Act of 1974
4-11 (42 U.S.C. Section 5401 et seq.) approved by the secretary of
4-12 housing and urban development.

4-13 SECTION 4. Section 1201.054, Occupations Code, is amended
4-14 to read as follows:

4-15 Sec. 1201.054. PROCEDURE FOR ADOPTING RULES. (a) Rules
4-16 must be adopted in accordance with Chapter 2001, Government Code,
4-17 and with this section.

4-18 (b) If requested, the board shall, after at least 10 days'
4-19 notice, hold a hearing on any rule that it proposes to adopt, other
4-20 than a rule that is to be adopted under emergency rulemaking, in
4-21 which case only the requirements of Chapter 2001, Government Code,
4-22 shall apply [~~A proposed rule must be published in the Texas Register~~
4-23 ~~before the 30th day preceding the date of a public hearing set to~~
4-24 ~~consider the testimony of interested persons. Notice of the time~~
4-25 ~~and place of the public hearing must be published in the Texas~~
4-26 ~~Register before the 30th day preceding the date of the hearing].~~

4-27 (c) [~~A rule as finally adopted must be published in the~~
4-28 ~~Texas Register and state the rule's effective date.~~

4-29 [~~(d)~~] A rule takes effect on the 30th day after the date of
4-30 publication of notice that the rule has been adopted, except that a
4-31 rule relating to installation standards may not take effect earlier
4-32 [~~later~~] than the 60th day after the date of publication of notice
4-33 unless the board has determined that an earlier effective date is
4-34 required to meet an emergency and the standard was adopted under the
4-35 emergency rulemaking provisions of Chapter 2001, Government Code.

4-36 SECTION 5. Section 1201.055, Occupations Code, is amended
4-37 by adding Subsection (c-1) to read as follows:

4-38 (c-1) The department may permit the use of any device or
4-39 procedure that has been reviewed and approved by a licensed
4-40 engineer provided that such use or procedure complies with any
4-41 instructions, conditions, or other requirements specified by that
4-42 engineer.

4-43 SECTION 6. Section 1201.058, Occupations Code, is amended
4-44 to read as follows:

4-45 Sec. 1201.058. AMOUNT OF FEES. (a) The board shall
4-46 establish reasonable fees for all matters under this chapter
4-47 providing for fees. If the department's rules provide an option to
4-48 file a document electronically, the department may charge a
4-49 discounted fee for the electronic filing.

4-50 (b) Ten dollars of the fee for each purchase, exchange, or
4-51 lease-purchase of a manufactured home shall be deposited to the
4-52 credit of the trust fund and used for the protection programs
4-53 described by Subchapter I.

4-54 (c) All fees established by this chapter or the rules are
4-55 deemed to be earned and not subject to refund after receipt by the
4-56 department.

4-57 (d) Notwithstanding Subsection (c), the director may, in
4-58 limited and appropriate circumstances and in accordance with rules
4-59 adopted by the board, approve the refund of fees [~~the fees imposed~~
4-60 ~~under Sections 1201.055-1201.057 in amounts that are reasonable and~~
4-61 ~~necessary to cover the cost of administering this chapter].~~

4-62 SECTION 7. Section 1201.101, Occupations Code, is amended
4-63 by amending Subsections (d), (f), and (g) and adding Subsection
4-64 (f-1) to read as follows:

4-65 (d) A person may not act as an installer [~~perform an~~
4-66 ~~installation function on manufactured housing]~~ in this state unless
4-67 the person holds an installer's license.

4-68 (f) A person may not act as a salesperson of manufactured
4-69 housing unless the person holds a salesperson's license. A

5-1 retailer or broker may not employ or otherwise use the services of a
 5-2 salesperson who is not licensed. A licensed salesperson may not
 5-3 participate in a sale of a manufactured home unless the sale is
 5-4 through the retailer or broker who sponsored the salesperson's
 5-5 application as required by Section 1201.103(d).

5-6 (f-1) A retailer may be licensed to operate at a principal
 5-7 location and one or more branch locations under a single license;
 5-8 provided, however, that a separate application must be made for
 5-9 each branch, and each branch must be separately bonded.

5-10 (g) A person may not make an announcement concerning the
 5-11 sale, exchange, or lease-purchase of, or offer to sell, exchange,
 5-12 or lease-purchase, a manufactured home to a consumer in this state
 5-13 through an advertisement unless the person holds a manufacturer's,
 5-14 retailer's, or broker's license. This subsection does not apply to:

5-15 (1) a person exempt from licensing [~~to whom a~~
 5-16 ~~statement of ownership and location has been issued showing the~~
 5-17 ~~person to be the owner of the home if the person does not offer to~~
 5-18 ~~sell, exchange, or lease-purchase two or more manufactured homes in~~
 5-19 ~~a 12-month period~~]; or

5-20 (2) an advertisement concerning real property on [~~to~~]
 5-21 which there is a manufactured home that has been converted to real
 5-22 property in accordance with Section 1201.2055 [~~permanently~~
 5-23 ~~attached~~].

5-24 SECTION 8. Subsections (a), (b), and (c), Section 1201.102,
 5-25 Occupations Code, are amended to read as follows:

5-26 (a) A licensed installer may employ unlicensed persons to
 5-27 assist in performing installation functions provided that the
 5-28 licensed installer maintains a list of the persons so employed. The
 5-29 director may issue an order to prohibit a person who is not licensed
 5-30 as an installer from performing installation functions under the
 5-31 oversight of a licensed installer [~~An employee who acts as an agent~~
 5-32 ~~of a license holder is covered by the holder's license and is not~~
 5-33 ~~required to hold an individual license~~].

5-34 (b) A licensee may engage another person who is not licensed
 5-35 under this chapter but possesses another license issued by the
 5-36 State of Texas to provide goods and services subject to that other
 5-37 license. Without limiting the generality of the foregoing, this
 5-38 includes engaging others to install, connect, or otherwise work on
 5-39 air conditioning, plumbing, and electrical systems [~~Except as~~
 5-40 ~~provided by Section 1201.510, an independent contractor or business~~
 5-41 ~~entity may not operate under the license of another business entity~~
 5-42 ~~except as an agent or subcontractor of a licensed installer who is~~
 5-43 ~~responsible for an installation function performed by the agent or~~
 5-44 ~~subcontractor~~].

5-45 (c) An individual who [~~In the case of a sole proprietorship,~~
 5-46 ~~partnership, or corporation that~~] holds a retailer's license or
 5-47 broker's license or who is a related person of such a licensee [~~, an~~
 5-48 ~~owner, partner, or officer of that entity~~] is not required to apply
 5-49 for a salesperson's license [~~if that owner, partner, or officer is~~
 5-50 ~~properly listed in the retailer's or broker's license application~~].

5-51 SECTION 9. Section 1201.103, Occupations Code, is amended
 5-52 by amending Subsections (a) and (d) and adding Subsection (a-1) to
 5-53 read as follows:

5-54 (a) An applicant for a license as a manufacturer, retailer,
 5-55 broker, rebuilder, or installer must file with the director a
 5-56 license application containing:

5-57 (1) the legal name, address, and telephone number of
 5-58 the applicant and each person who will be a related person at the
 5-59 time the requested license is issued;

5-60 (2) all [~~the~~] trade names, and the names of all other
 5-61 business organizations, under [~~name by~~] which the applicant does
 5-62 business subject to this chapter [~~and, if incorporated~~], the name
 5-63 of each such business organization registered with the secretary of
 5-64 state, and the address of such [~~the~~] business organization; [~~and~~]

5-65 (3) the dates on which the applicant became the owner
 5-66 and operator of the business; and

5-67 (4) the location to which the license will apply.

5-68 (a-1) All required records of a licensee under Subsection
 5-69 (a) are to be maintained at the licensee's principal office or such

6-1 other location within this state as the licensee may designate.

6-2 (d) An applicant for a salesperson's license must:

6-3 (1) file with the director an application that
6-4 provides any information the director considers necessary and that
6-5 is sponsored by a currently licensed~~[, bonded]~~ retailer or broker;
6-6 and

6-7 (2) pay the required fee.

6-8 SECTION 10. Sections 1201.104 and 1201.105, Occupations
6-9 Code, are amended to read as follows:

6-10 Sec. 1201.104. QUALIFICATIONS FOR LICENSE. (a) Except as
6-11 provided by Subsection (e), as a requirement ~~[prerequisite]~~ for a
6-12 manufacturer's, retailer's, broker's, installer's, salvage
6-13 rebuilder's, or salesperson's license, a person who was not
6-14 licensed or registered with the department or a predecessor agency
6-15 on September 1, 1987, must, not more than 12 months before applying
6-16 for the person's first license under this chapter, attend and
6-17 successfully complete 20 hours of instruction in the law, including
6-18 instruction in consumer protection regulations. If the applicant
6-19 is not an individual, the applicant must have at least one related
6-20 person who meets this requirement ~~[The director may not issue a~~
6-21 ~~license to that person until the course of instruction is~~
6-22 ~~completed].~~

6-23 (b) Except in the case of an applicant for a salesperson's
6-24 license, successful completion of the course of instruction is a
6-25 prerequisite to obtaining the license.

6-26 (c) An applicant for a salesperson's license may apply for a
6-27 license without having completed the course of instruction provided
6-28 that the person successfully completes the next scheduled course
6-29 offered after the date of the person's licensure. If the person
6-30 fails to complete such course successfully and in a timely manner,
6-31 the person's license is automatically suspended until the person
6-32 successfully completes the course.

6-33 (d) The course of instruction must be offered at least
6-34 quarterly.

6-35 (e) The board shall adopt rules relating to course content
6-36 and approval. Classes must be live. Online or other electronic
6-37 classes are not permitted.

6-38 (f) An applicant for an initial installer's license shall
6-39 receive a license on a probationary basis. The person's
6-40 probationary status shall remain in effect until such time as a
6-41 sufficient number of installations completed by the person have
6-42 been inspected by the department and found not to have any
6-43 identified material violations of the department's rules. The
6-44 board, with the advice of the advisory committee to be established
6-45 under Section 1201.251, shall adopt rules to establish what
6-46 constitutes a sufficient number of installations under this
6-47 subsection.

6-48 ~~(g) [(c) Instead of the course of instruction:~~

6-49 ~~[(1) a manufacturer may request that an authorized~~
6-50 ~~representative of the department present a one-day, in-plant~~
6-51 ~~training program; or~~

6-52 ~~[(2) the director may approve a training program for a~~
6-53 ~~license applicant that is conducted by a nonprofit educational~~
6-54 ~~institution or foundation.~~

6-55 ~~[(d) A manufacturer shall reimburse the department for the~~
6-56 ~~actual cost of a program presented under Subsection (c)(1).~~

6-57 ~~[(e)] Subsection (a) does not apply to a license holder [or~~
6-58 ~~registration holder] who applies:~~

6-59 (1) for a license for an additional business location;
6-60 or

6-61 (2) to renew or reinstate a license~~[, or~~

6-62 ~~[(3) for a salesperson's license].~~

6-63 (h) ~~[(f)]~~ An examination must ~~[may not]~~ be a requirement of
6-64 successful completion of any initial required course of instruction
6-65 under this section ~~[made a prerequisite of licensing].~~

6-66 Sec. 1201.105. SECURITY REQUIRED. (a) The department may
6-67 not issue or renew a license unless a bond or other security in a
6-68 form prescribed by the director is filed with the department as
6-69 provided by this subchapter. The bond or other security is payable

7-1 to the trust fund.

7-2 (b) If a bond is filed, the bond must be issued by a company
7-3 authorized to do business in this state and must conform to
7-4 applicable provisions of the Insurance Code. If other security is
7-5 filed, that security must be maintained in or by a federally insured
7-6 depository [banking] institution located in this state.

7-7 (c) If the department experiences significant problems in
7-8 obtaining timely reimbursements from a surety or the surety has
7-9 experienced a deterioration in its financial condition, the board
7-10 may direct the director to stop accepting bonds issued by the
7-11 surety.

7-12 SECTION 11. Section 1201.106, Occupations Code, is amended
7-13 by amending Subsection (a) and adding Subsection (a-1) to read as
7-14 follows:

7-15 (a) An applicant for a license or a license holder shall
7-16 file a bond or other security under Section 1201.105 for the
7-17 issuance or renewal of a license in the following amount:

7-18 (1) \$100,000 for a manufacturer;

7-19 (2) \$50,000 for a retailer's principal location
7-20 [retailer];

7-21 (3) \$50,000 for each retailer's branch location;

7-22 (4) \$50,000 [~~\$30,000~~] for a rebuilder;

7-23 (5) [~~(4)~~] \$50,000 for a broker; or

7-24 (6) \$25,000 [~~(5) \$10,000~~] for an installer.

7-25 (a-1) Notwithstanding the provisions of Subsection (a), the
7-26 director may require additional security for the licensing,
7-27 renewal, or relicensing of a person who, either directly, as a
7-28 related person, or through a related person, has been the subject of
7-29 a license revocation, has caused the trust fund to incur
7-30 unreimbursed costs or liabilities in excess of available surety
7-31 bond coverage, or has failed to pay an administrative penalty that
7-32 has been assessed by final order.

7-33 SECTION 12. Section 1201.108, Occupations Code, is amended
7-34 to read as follows:

7-35 Sec. 1201.108. SECURITY: CHANGE IN OWNERSHIP OR LOCATION.

7-36 (a) A new bond is not required for a change in:

7-37 (1) ownership of a licensee or a business entity under
7-38 which [~~corporation that is~~] a license holder conducts business; or

7-39 (2) location.

7-40 (b) A licensee shall notify the department of a change
7-41 described by Subsection (a) not later than the 10th day before the
7-42 date the change occurs.

7-43 (c) After a change described by Subsection (a), the licensee
7-44 shall provide to the department a proper endorsement to the
7-45 original bond showing that the bond continues to apply to the
7-46 license without interruption [~~The director may require a proper~~
7-47 endorsement of the original bond].

7-48 SECTION 13. Subsections (a), (b), and (c), Section
7-49 1201.113, Occupations Code, are amended to read as follows:

7-50 (a) The board shall approve [~~recognize, prepare,~~] or
7-51 administer [~~certification and~~] continuing education programs for
7-52 licensees [~~salespersons regulated~~] under this chapter. A
7-53 continuing education program must be at least eight hours long and
7-54 must include the current rules of the department and such other
7-55 matters as the board may deem relevant.

7-56 (b) Attendance at an approved or administered continuing
7-57 education course described by Subsection (a) is a prerequisite to
7-58 renewal of a license [~~A person who holds a salesperson's license~~
7-59 must participate in certification and continuing education
7-60 programs as provided by Subsection (c)].

7-61 (c) No test shall be given in relation to any continuing
7-62 education program [~~To prepare or administer a certification or~~
7-63 continuing education program under this section, the board may
7-64 contract with:

7-65 [~~(1) a private, nonprofit organization that qualifies~~
7-66 ~~for an exemption from federal income taxation under Section 501(a),~~
7-67 ~~Internal Revenue Code of 1986, by being listed as an exempt~~
7-68 ~~organization under Section 501(c)(3) of that code; or~~

7-69 [~~(2) an educational institution].~~

8-1 SECTION 14. Section 1201.114, Occupations Code, is amended
8-2 to read as follows:

8-3 Sec. 1201.114. LICENSE EXPIRATION; PROBATIONARY LICENSE.

8-4 (a) Any license under this chapter other than a probationary [A
8-5 manufacturer's, retailer's, broker's, or installer's] license is
8-6 valid for [one year. A salesperson's license is valid for] two
8-7 years. A license may be renewed as provided by the director. A
8-8 person whose license has been suspended or revoked or whose license
8-9 has expired may not engage in activities that require a license
8-10 until the license has been reinstated or renewed.

8-11 (b) If the director determines that a licensed salesperson
8-12 or installer should receive a probationary license, the director
8-13 may issue a probationary license on such terms and for such period
8-14 as are deemed reasonable. The issuance of a license on a
8-15 probationary basis, any one or more of the specific terms of the
8-16 probation, or the period of probation may be appealed before the
8-17 31st day after issuance of the probationary license by written
8-18 notice to the director. If appeal is made, the director shall set
8-19 the matter for a hearing before the State Office of Administrative
8-20 Hearings, and all administrative proceedings relating to the
8-21 issuance of the probationary license shall be deemed to be a
8-22 contested case under Chapter 2001, Government Code. If no appeal is
8-23 made, the probationary license shall be issued and shall remain in
8-24 effect in accordance with the terms specified [The board by rule may
8-25 adopt a system under which licenses expire on various dates during
8-26 the year. For the year in which the license expiration date is
8-27 changed, the department shall prorate license fees on a monthly
8-28 basis so that each license holder pays only that portion of the
8-29 license fee that is allocable to the number of months during which
8-30 the license is valid. On renewal of the license on the new
8-31 expiration date, the total license renewal fee is payable].

8-32 SECTION 15. Subchapter C, Chapter 1201, Occupations Code,
8-33 is amended by adding Section 1201.118 to read as follows:

8-34 Sec. 1201.118. RULES RELATING TO CERTAIN PERSONS. The
8-35 board shall adopt rules providing for additional review and
8-36 scrutiny of any application for an initial or renewal license that
8-37 involves a person who has previously:

8-38 (1) been found in a final order to have participated in
8-39 one or more violations of this chapter that served as grounds for
8-40 the suspension or revocation of a license;

8-41 (2) been found to have engaged in activity subject to
8-42 this chapter without possessing the required license;

8-43 (3) caused the trust fund to incur unreimbursed
8-44 payments or claims; or

8-45 (4) failed to abide by the terms of a final order,
8-46 including the payment of any assessed administrative penalties.

8-47 SECTION 16. Section 1201.1505, Occupations Code, is amended
8-48 to read as follows:

8-49 Sec. 1201.1505. DEPOSIT ON SPECIALLY ORDERED MANUFACTURED
8-50 HOMES. A retailer may require a [an earnest money] deposit on a
8-51 specially ordered manufactured home [only if:

8-52 (1) an earnest money contract has been signed by all
8-53 parties;

8-54 (2) if applicable, the original binding loan
8-55 commitment letter issued by the lender is delivered to the
8-56 consumer; and

8-57 (3) the consumer has not rescinded the contract under
8-58 Section 1201.1521].

8-59 SECTION 17. The heading to Section 1201.151, Occupations
8-60 Code, is amended to read as follows:

8-61 Sec. 1201.151. REFUNDS [REFUND OF DEPOSIT].

8-62 SECTION 18. Section 1201.151, Occupations Code, is amended
8-63 by amending Subsection (a) and adding Subsection (e) to read as
8-64 follows:

8-65 (a) Except as otherwise provided by this section, a
8-66 retailer [~~salesperson, or agent of the retailer~~] must refund a
8-67 consumer's deposit not later than the 15th day after the date that a
8-68 written request for the refund is received from the consumer.

8-69 (e) A deposit becomes a down payment upon execution of a

9-1 binding written agreement. Thereafter, if the consumer exercises a
 9-2 right of rescission, the retailer shall, not later than the 15th day
 9-3 after the date of the rescission, refund to the consumer all money
 9-4 and other consideration received from the consumer, without offset
 9-5 or deduction.

9-6 SECTION 19. Section 1201.1521, Occupations Code, is amended
 9-7 to read as follows:

9-8 Sec. 1201.1521. RESCISSION OF CONTRACT FOR SALE, EXCHANGE,
 9-9 OR LEASE-PURCHASE OF HOME. (a) A person who acquires a
 9-10 manufactured home from or through a licensee by purchase, exchange,
 9-11 or lease-purchase may, not later than the third day after the date
 9-12 the applicable contract is signed, rescind the contract without
 9-13 penalty or charge.

9-14 (b) Subject to rules adopted by the board, a consumer may
 9-15 waive a right of rescission in the event of a bona fide emergency.
 9-16 Such rules shall, to the extent practical, be modeled on the federal
 9-17 rules for the waiver of a right of rescission under 12 C.F.R. Part
 9-18 226.

9-19 SECTION 20. Section 1201.158, Occupations Code, is amended
 9-20 to read as follows:

9-21 Sec. 1201.158. SALESPERSON. A licensed salesperson may
 9-22 work only for the salesperson's sponsoring [for more than one]
 9-23 retailer or broker [or at more than one sales location].

9-24 SECTION 21. Section 1201.159, Occupations Code, is amended
 9-25 by amending Subsection (a) and adding Subsections (c) and (d) to
 9-26 read as follows:

9-27 (a) Except as provided by Section 1201.456, a [A] broker
 9-28 shall ensure that the seller gives the buyer the applicable
 9-29 disclosures and warranties that the buyer would have received if
 9-30 the buyer had purchased the manufactured home through a licensed
 9-31 retailer.

9-32 (c) A broker shall provide any person who engages the
 9-33 broker's services with a written disclosure of which interests in
 9-34 the transaction, if any, the broker represents.

9-35 (d) If the seller is required to possess a license by this
 9-36 chapter, a broker may assist in the sale of a manufactured home only
 9-37 if that seller has a current license.

9-38 SECTION 22. Section 1201.161, Occupations Code, is amended
 9-39 by amending Subsections (a) and (d) and adding Subsection (e) to
 9-40 read as follows:

9-41 (a) Notwithstanding any other statute or rule or ordinance,
 9-42 a licensed retailer or licensed installer is not required to obtain
 9-43 a permit, certificate, or license or pay a fee to transport
 9-44 manufactured housing to the place of installation except as
 9-45 required by ~~+~~

9-46 ~~[(1) the department, or~~
 9-47 ~~[(2)] the Texas Department of Transportation under~~
 9-48 ~~Subchapter E, Chapter 623, Transportation Code.~~

9-49 (d) Unless the information provided for in Subsection (c) is
 9-50 provided electronically, the [The] department shall pay the
 9-51 reasonable cost of providing the copies or the list and information
 9-52 under Subsection (c).

9-53 (e) The copies and lists to be provided under this section
 9-54 may be provided electronically.

9-55 SECTION 23. Section 1201.162, Occupations Code, is amended
 9-56 to read as follows:

9-57 Sec. 1201.162. DISCLOSURE BY RETAILER AND LENDER.

9-58 (a) Before the completion of a credit application or more than one
 9-59 day before entering into any agreement for a sale, exchange, or the
 9-60 exercise of the lease purchase option that will not be financed, the
 9-61 retailer [or agent] must provide to the consumer a written
 9-62 disclosure in the form promulgated by the board. The disclosure
 9-63 shall be in at least 12-point type and must address matters of
 9-64 concern relating to costs and obligations that may be associated
 9-65 with home ownership, matters to be considered in making financing
 9-66 decisions, related costs that may arise when purchasing a
 9-67 manufactured home, and such other matters as the board may deem
 9-68 appropriate to promote informed purchase, financing, and related
 9-69 decisions regarding the acquisition and ownership of a manufactured

10-1 home. The form shall also conspicuously disclose the consumer's
 10-2 right of rescission.

10-3 (b) [the following statement that is printed in at least
 10-4 12-point type and not attached to or combined with any other written
 10-5 material:

10-6 ["When buying a manufactured home, there are a number of
 10-7 important considerations, including price, quality of
 10-8 construction, features, floor plan, and financing alternatives.

10-9 ["The United States Department of Housing and Urban
 10-10 Development (HUD) helps protect consumers through regulation and
 10-11 enforcement of HUD design and construction standards for
 10-12 manufactured homes. Manufactured homes that meet HUD standards are
 10-13 known as 'HUD-code manufactured homes.' The Texas Department of
 10-14 Housing and Community Affairs regulates Texas manufacturers,
 10-15 retailers, brokers, salespersons, installers, and rebuilders of
 10-16 manufactured homes.

10-17 ["If you plan to place a manufactured home on land that you
 10-18 own or will buy, you should consider items such as:

10-19 ["ZONING AND RESTRICTIVE COVENANTS. Municipalities or
 10-20 subdivisions may restrict placement of manufactured homes on
 10-21 certain lots, may prohibit the placement of homes within a certain
 10-22 distance from property lines, may require that homes be a certain
 10-23 size, and may impose certain construction requirements. You may
 10-24 need to obtain building permits and homeowner association approval
 10-25 before you place a manufactured home on a certain lot. Contact the
 10-26 local municipality, county, and subdivision manager to find out if
 10-27 you can place the manufactured home of your choice on a certain lot.

10-28 ["WATER. Be sure that your lot has access to water. If you
 10-29 must drill a well, contact several drillers for bids. If water is
 10-30 available through a municipality, utility district, water
 10-31 district, or cooperative, you should inquire about the rates you
 10-32 will have to pay and the costs necessary to join the water system.

10-33 ["SEWER. If your lot is not serviced by a municipal sewer
 10-34 system or utility district, you will have to install an on-site
 10-35 sewer facility (commonly known as a septic system). There are a
 10-36 number of concerns or restrictions that will determine if your lot
 10-37 is adequate to support an on-site sewer facility. Check with the
 10-38 local county or a licensed private installer to determine the
 10-39 requirements that apply to your lot and the cost to install such a
 10-40 system.

10-41 ["HOMEOWNER ASSOCIATION FEES. Many subdivisions have
 10-42 mandatory assessments and fees that lot owners must pay. Check with
 10-43 the manager of the subdivision in which your lot is located to
 10-44 determine if any fees apply to your lot.

10-45 ["TAXES. Your home will be appraised and subject to ad
 10-46 valorem taxes as are other single-family residential structures.
 10-47 These taxes must be escrowed with your monthly payment, except that
 10-48 your lender is not obligated to impose an escrow requirement in a
 10-49 real property transaction involving a manufactured home if the
 10-50 lender is a federally insured financial institution and does not
 10-51 otherwise require the escrow of taxes, insurance premiums, fees, or
 10-52 other charges in connection with loans secured by residential real
 10-53 property. On closing, you will be notified of all provisions
 10-54 pertaining to federal truth in lending disclosures.

10-55 ["INSURANCE. Your lender may require you to obtain insurance
 10-56 that meets lender requirements and protects your investment. You
 10-57 should request quotes from the agent of your choice to obtain the
 10-58 insurance.

10-59 ["TYPES OF MORTGAGES AVAILABLE. The acquisition of a
 10-60 manufactured home may be financed by a real estate mortgage or a
 10-61 chattel mortgage. A real estate mortgage may have a lower interest
 10-62 rate than a chattel mortgage.

10-63 ["RIGHT OF RESCISSION. If you acquire a manufactured home,
 10-64 by purchase, exchange, or lease-purchase, you may, not later than
 10-65 the third day after the date the applicable contract is signed,
 10-66 rescind the contract without penalty or charge."

10-67 [(d)] A federally insured financial institution or lender
 10-68 approved or authorized by the United States Department of Housing
 10-69 and Urban Development as a mortgagee with direct endorsement

11-1 underwriting authority that fully complies with federal Truth in
11-2 Lending disclosures concerning the terms of a manufactured housing
11-3 transaction is exempt from the disclosure provisions of this
11-4 section.

11-5 (c) The right of rescission described in Subsection (a)
11-6 shall apply only to the sale transaction between the retailer and
11-7 the consumer.

11-8 ~~[(e)]~~ Failure by the retailer to comply with the disclosure
11-9 provisions of this section does not affect the validity of a
11-10 subsequent conveyance or transfer of title of a manufactured home
11-11 or otherwise impair a title or lien position of a person other than
11-12 the retailer. The consumer shall continue to have the right of
11-13 rescission with regard to the retailer until the end of the third
11-14 day after the retailer delivers a copy of the disclosure required by
11-15 Subsection (a). The consumer's execution of a signed receipt of a
11-16 copy of the disclosure required by Subsection (a) shall constitute
11-17 conclusive proof of the delivery of the disclosure. If the consumer
11-18 grants a person other than the retailer a lien on the manufactured
11-19 home, the right of rescission shall immediately cease on the filing
11-20 of the lien with the department.

11-21 SECTION 24. Section 1201.164, Occupations Code, is amended
11-22 to read as follows:

11-23 Sec. 1201.164. ADVANCE COPY OF ~~[INSTALLMENT]~~ CONTRACT AND
11-24 DISCLOSURE STATEMENTS; OFFER BY RETAILER. (a) In a transaction
11-25 that is to be financed and that will not be subject to the federal
11-26 Real Estate Settlement Procedures Act of 1974 (Pub. L. No. 93-533)
11-27 and its implementing regulations ~~[chattel mortgage transaction~~
11-28 ~~involving an installment contract]~~, a retailer shall deliver to a
11-29 consumer at least 24 hours before the contract is fully executed the
11-30 contract, with all required information included, signed by the
11-31 retailer. The delivery of the ~~[installment]~~ contract, with all
11-32 required information included, signed by the retailer constitutes a
11-33 firm offer by the retailer. Except as provided for in Subsection
11-34 (b), the ~~[The]~~ consumer may accept the offer not earlier than 24
11-35 hours after the delivery of the contract. If the consumer has not
11-36 accepted the offer within 72 hours after the delivery of the
11-37 contract, the retailer may withdraw the offer.

11-38 (b) The consumer may modify or waive the right to rescind
11-39 and the deadlines for disclosures before the execution of the
11-40 contract that are provided by Subsection (a) if the consumer
11-41 determines that the purchase of the manufactured home is needed to
11-42 meet a bona fide personal emergency. If the consumer has a bona
11-43 fide personal emergency that necessitates the immediate purchase of
11-44 the manufactured home, the consumer shall give the retailer a dated
11-45 written statement that describes the emergency, specifically
11-46 modifies or waives the notice periods and any right of rescission,
11-47 and bears the signature of all of the consumers entitled to the
11-48 disclosures and right of rescission. In such event the retailer
11-49 shall immediately give the consumer all of the disclosures required
11-50 by this code and sell the manufactured home without the required
11-51 waiting periods or the right of rescission. Printed forms for this
11-52 purpose are prohibited except in a county that has been declared
11-53 by the governor to be a major disaster area. If the governor
11-54 declares a county to be a major disaster area, the retailer may use
11-55 printed forms promulgated by the department. This exception shall
11-56 expire one year after the county has been declared a major disaster
11-57 area.

11-58 SECTION 25. Sections 1201.203, 1201.204, and 1201.205,
11-59 Occupations Code, are amended to read as follows:

11-60 Sec. 1201.203. FORMS; RULES. (a) The board ~~[director]~~
11-61 shall ~~[prescribe forms and]~~ adopt rules and forms relating to:

- 11-62 (1) the manufacturer's certificate;
- 11-63 (2) the statement of ownership and location;
- 11-64 (3) the application for a statement of ownership and
11-65 location; and

11-66 (4) the issuance of an initial or revised ~~[a]~~
11-67 statement of ownership ~~[and location at the first retail sale and~~
11-68 ~~for a subsequent sale or transfer of a manufactured home].~~

11-69 (b) The board ~~[director]~~ shall adopt rules for the

documenting of the ownership and location of a manufactured home that has been previously owned in this state or another state. The rules must protect a lienholder recorded with the department [~~on a statement of ownership and location, a certificate, or other document of title~~].

Sec. 1201.204. MANUFACTURER'S CERTIFICATE. (a) A manufacturer's certificate must show:

(1) on a form prescribed by the director [~~or on another document~~], the original transfer of a manufactured home from the manufacturer to the retailer; and

(2) on a form prescribed by the director, each subsequent transfer of a manufactured home between retailers and from retailer to owner, if the transfer from retailer to owner involves a completed application for the issuance of a statement of ownership and location.

(b) At the first retail sale of a manufactured home, a manufacturer's certificate automatically converts to a document that does not evidence any ownership interest in the manufactured home described in the document. A security interest in inventory evidenced by a properly recorded inventory finance lien [~~the manufacturer's certificate~~] automatically converts to a security interest in proceeds and cash proceeds.

(c) After the first retail sale of a manufactured home, the retailer must [~~may~~] submit the original manufacturer's certificate for that home to the department. If an application for an initial statement of ownership is made without the required manufacturer's certificate and the retailer does not provide it as required, the department shall, on or before the issuance of the requested statement of ownership and location, send written notice to each party currently reflected on the department's records as having a recorded lien on the inventory of that retailer. Failure to include the original manufacturer's certificate with such an application does not impair a consumer's ability to obtain, on submittal of an otherwise complete application, a statement of ownership and location free and clear of any liens other than liens created by or consented to by the consumer.

Sec. 1201.205. STATEMENT OF OWNERSHIP AND LOCATION FORM. A statement of ownership and location must be evidenced by a board-approved form issued by the department setting forth [~~provide~~]:

(1) the name [~~names~~] and address [~~addresses~~] of the [~~purchaser and~~] seller and the name and, if it is different from the location of the home, the mailing address of the new owner;

(2) the manufacturer's name and address and any model designation, if available;

(3) in accordance with the board's [~~director's~~] rules:

(A) the outside dimensions of the manufactured home when installed for occupancy, as measured to the nearest one-half foot at the base of the home, exclusive of the tongue or other towing device; and

(B) the approximate square footage of the home when installed for occupancy;

(4) the identification number for each section or module of the home;

(5) the physical address where [~~county of this state in which~~] the home is installed for occupancy, including the name of the county, and, if it is different from the physical address, the mailing address of the owner of the home;

(6) in chronological order of recordation, the date of each lien, other than a tax lien, on the home and the name and address of each lienholder, or, if a lien is not recorded, a statement of that fact;

(7) a statement regarding tax liens as follows:

"On January 1st of each year, a new tax lien comes into existence on a manufactured home in favor of each taxing unit having jurisdiction where the home is actually located on January 1st. In order to be enforced, any such lien must be recorded with the Texas Department of Housing and Community Affairs -

13-1 Manufactured Housing Division as provided by law. You
13-2 may check that division's records through its website
13-3 or contact that division to learn any recorded tax
13-4 liens. To find out about the amount of any unpaid tax
13-5 liabilities, contact the tax office for the county
13-6 where the home was actually located on January 1st of
13-7 that year." [the signature of the owner in ink, given
13-8 on receipt of the document];

13-9 (8) a statement that if two or more eligible persons,
13-10 as determined by Section 1201.213, file with the application for
13-11 the issuance of a statement of ownership and location an agreement
13-12 signed by all the persons providing that the home is to be held
13-13 jointly with a right of survivorship, the director shall issue the
13-14 statement of ownership and location in all the names;

13-15 (9) the location of the home;

13-16 (10) a statement of whether the owner has elected to
13-17 treat the home as real property or personal property;

13-18 (11) statements of whether the home is a salvaged
13-19 manufactured home and whether the home is reserved for business use
13-20 only; and

13-21 (12) any other information the board [~~director~~]
13-22 requires.

13-23 SECTION 26. Section 1201.2055, Occupations Code, is amended
13-24 by amending Subsection (b) and adding Subsection (i) to read as
13-25 follows:

13-26 (b) A statement of election under Subsection (a) must be
13-27 executed before a notary on the form of application for statement
13-28 and ownership and location promulgated by the board [~~made by~~
13-29 ~~affidavit~~].

13-30 (i) Notwithstanding the 60-day deadline specified in
13-31 Subsection (d), if the closing of a mortgage loan to be secured by
13-32 real property including the manufactured home is held, the loan is
13-33 funded, and a deed of trust covering the real property and all
13-34 improvements on the property is recorded and the licensed title
13-35 company or attorney who closed the loan failed to complete the
13-36 conversion to real property in accordance with this chapter, the
13-37 holder or servicer of the loan may apply for a statement of
13-38 ownership and location electing real property status, obtain a
13-39 certified copy of the statement of ownership and location, and make
13-40 the necessary filings and notifications to complete such conversion
13-41 at any time provided that:

13-42 (1) the record owner of the home, as reflected on the
13-43 department's records, has been given at least 60 days' prior written
13-44 notice at:

13-45 (A) the location of the home and, if it is
13-46 different, the mailing address of the owner as specified in the
13-47 department records; and

13-48 (B) any other location the holder or servicer
13-49 knows or believes, after a reasonable inquiry, to be an address
13-50 where the owner may have been or is receiving mail or is an address
13-51 of record;

13-52 (2) such notification shall be given by certified
13-53 mail; and

13-54 (3) the department by rule shall require evidence that
13-55 the holder or servicer requesting such after-the-fact completion of
13-56 a real property election has complied with the requirements of this
13-57 subsection.

13-58 SECTION 27. Sections 1201.206, 1201.207, 1201.2075,
13-59 1201.2076, and 1201.208, Occupations Code, are amended to read as
13-60 follows:

13-61 Sec. 1201.206. APPLICATION FOR ISSUANCE OF STATEMENT OF
13-62 OWNERSHIP AND LOCATION. (a) [~~(b)~~] At the first retail sale of a
13-63 manufactured home, the retailer shall provide for the installation
13-64 of the home and ensure that the application for the issuance of a
13-65 statement of ownership and location is properly completed. The
13-66 consumer shall return the completed application to the retailer.
13-67 In accordance with Section 1201.204, the retailer shall surrender
13-68 to the department the original manufacturer's statement of origin
13-69 at the same time that the retailer applies for the first statement

14-1 of ownership and location.

14-2 (b) [~~(c)~~] Not later than the 60th [30th] day after the date
 14-3 of the retail sale, the retailer shall provide to the department the
 14-4 completed application for the issuance of a statement of ownership
 14-5 and location. If for any reason the retailer does not timely comply
 14-6 with the requirements of this subsection, the consumer may apply
 14-7 for the issuance of the statement.

14-8 (c) [~~(d)~~] Not later than the 60th [30th] day after the date
 14-9 of each subsequent sale or transfer of a home that is considered to
 14-10 be personal property, the seller or transferor shall provide to the
 14-11 department a completed application for the issuance of a new
 14-12 statement of ownership and location. If for any reason the seller
 14-13 or transferor does not timely comply with the requirements of this
 14-14 subsection, the consumer may apply for the issuance of the
 14-15 statement.

14-16 (d) If the seller accepts a trade-in manufactured home as
 14-17 part of the consideration for the sale of another manufactured
 14-18 home, the seller shall file a completed application for the
 14-19 issuance of a new statement of ownership and location reflecting
 14-20 the change of ownership of the trade-in manufactured home from the
 14-21 prospective buyer to the seller. The seller shall file the
 14-22 application for the issuance of a new statement of ownership and
 14-23 location for the traded in manufactured home at the same time that
 14-24 the seller files the application for the issuance of a new statement
 14-25 of ownership and location for the manufactured home that was sold by
 14-26 the seller. If the seller is a retailer, the seller shall indicate
 14-27 on the application for the issuance of the new statement of
 14-28 ownership and location whether the trade-in manufactured home has
 14-29 been added to the inventory of the retailer.

14-30 (e) Ownership of a manufactured home does not pass or vest
 14-31 at a sale or transfer of the home until a completed application for
 14-32 the issuance of a statement of ownership and location is filed with
 14-33 the department.

14-34 (f) If the owner of a manufactured home relocates the home,
 14-35 the owner shall apply for the issuance of a new statement of
 14-36 ownership and location not later than the 60th [30th] day after the
 14-37 date the home is relocated. The department shall require that the
 14-38 owner submit evidence that the home was relocated in accordance
 14-39 with the requirements of the Texas Department of Transportation.

14-40 (g) When the seller files an application for the issuance of
 14-41 a statement of ownership and location for a used manufactured home
 14-42 that is not in a retailer's inventory, the seller shall also file
 14-43 with the department a statement from the tax assessor-collector
 14-44 that there are no personal property taxes due on the manufactured
 14-45 home that may have accrued on each January 1 that falls within the
 14-46 18 months before the date of the sale.

14-47 (h) If a person selling a manufactured home to a consumer
 14-48 for residential use fails to file with the department the
 14-49 application for the issuance of a statement of ownership and
 14-50 location and the appropriate filing fee before the 61st day after
 14-51 the date of the sale, the department may assess a fee of at least
 14-52 \$100 against the seller. The department shall have the authority to
 14-53 enforce the collection of any fee from the seller through judicial
 14-54 means. The department shall place on the application for the
 14-55 issuance of a statement of ownership and location the following
 14-56 legend in a clear and conspicuous manner:

14-57 "THE FILING OF AN APPLICATION FOR THE ISSUANCE OF A STATEMENT
 14-58 OF OWNERSHIP AND LOCATION LATER THAN SIXTY (60) DAYS AFTER THE DATE
 14-59 OF A SALE TO A CONSUMER FOR RESIDENTIAL USE MAY RESULT IN A FEE OF UP
 14-60 TO ONE HUNDRED DOLLARS (\$100.00). ANY SUCH APPLICATION THAT IS
 14-61 SUBMITTED LATE MAY BE DELAYED UNTIL THE FEE IS PAID IN FULL."

14-62 (i) When a properly completed notice of installation on the
 14-63 department's promulgated form is filed that relates to a secondary
 14-64 move, the notice must be accompanied by either:

14-65 (1) one true and correct copy of the original notice of
 14-66 installation; or

14-67 (2) a certification that a true and correct copy of the
 14-68 notice of installation has been provided to the chief appraiser for
 14-69 the county in which the home was installed; the delivery of the copy

15-1 of the notice to the chief appraiser may be accomplished by either
 15-2 certified mail or by electronic mailing of the electronically
 15-3 reproduced document in a commonly readable format.

15-4 (i-1) If the method specified in Subsection (i)(2) is used
 15-5 to report the installation, the department may adopt a discounted
 15-6 fee for the filing of the notice of installation.

15-7 (j) In addition to providing each chief appraiser the
 15-8 monthly report required by Section 1201.220, the department shall,
 15-9 on request, provide tax collector one copy of any requested
 15-10 reported notice of installation.

15-11 (k) Notwithstanding any provision in this chapter to the
 15-12 contrary, if a person has acquired a manufactured home and the owner
 15-13 of record or any intervening owners of liens or equitable interests
 15-14 cannot be located to assist in documenting the chain of title, the
 15-15 department may issue a statement of ownership and location to the
 15-16 person claiming ownership if the person can provide a supporting
 15-17 affidavit describing the chain of title and such reasonable
 15-18 supporting proof as the director may require.

15-19 Sec. 1201.207. ISSUANCE OF STATEMENT OF OWNERSHIP AND
 15-20 LOCATION. (a) Except as provided for in Subsection (a-1), the
 15-21 [The] department shall process any completed application for the
 15-22 issuance of a statement of ownership and location not later than the
 15-23 15th working day after the date the application is received by the
 15-24 department. If the department rejects an application, the
 15-25 department shall provide a clear and complete explanation of the
 15-26 reason for the rejection and instructions on how to cure any
 15-27 defects, if possible.

15-28 (a-1) For the period immediately following June 30 of each
 15-29 year, the department shall, except for applications relating to new
 15-30 manufactured homes and applications accompanied by a tax
 15-31 certificate, cease issuing statements of ownership and location
 15-32 until all tax liens filed with the department before June 30 have
 15-33 been processed and either recorded or rejected. During this period
 15-34 the department will post on its website a notice as to when it is
 15-35 anticipated that processing statements of ownership and location
 15-36 will resume and when it is anticipated that such processing will be
 15-37 within the 15-working-day time frame provided by Subsection (a).

15-38 (b) If the department issues a statement of ownership and
 15-39 location for a manufactured home, the department shall maintain a
 15-40 record of the issuance in its electronic records [~~place in its files~~
 15-41 ~~the original statement of ownership and location~~] and shall mail a
 15-42 [~~certified~~] copy to the owner and each [~~of the home and to any~~
 15-43 lienholder.

15-44 (c) Except with respect to any change in use, but subject to
 15-45 Section 1201.2075, if the department has issued a statement of
 15-46 ownership and location for a manufactured home, the department may
 15-47 issue a subsequent statement of ownership and location for the home
 15-48 only if all parties reflected in the department's records as having
 15-49 an interest in the manufactured home give their written consent or
 15-50 release their interest, either in writing or by operation of law, or
 15-51 the department has followed the procedures provided by Section
 15-52 1201.206(k) to document ownership and lien status. Once the
 15-53 department issues a statement of ownership and location, the
 15-54 department shall not alter the record of the ownership or lien
 15-55 status of a manufactured home for any activity occurring before the
 15-56 issuance of the statement of ownership and location without either
 15-57 the written permission of the owner of record for the manufactured
 15-58 home, their legal representative or a court order.

15-59 (d) Notwithstanding any other provision of this chapter, if
 15-60 the consumer purchases a new manufactured home from a licensed
 15-61 retailer in the ordinary course of business, whether or not a
 15-62 statement of ownership and location has been issued for the
 15-63 manufactured home, the consumer is a bona fide purchaser for value
 15-64 without notice and is entitled to ownership of the manufactured
 15-65 home free and clear of all liens and to a statement of ownership and
 15-66 location reflecting the same on payment by the consumer of the
 15-67 purchase price to the retailer. If there is an existing lien on the
 15-68 new manufactured home perfected with the department, the owner of
 15-69 the lien is entitled to recover the value of the lien from the

16-1 retailer.

16-2 (e) Notwithstanding any other provision of this chapter, if
 16-3 the consumer purchases a used manufactured home from a retailer in
 16-4 the ordinary course of business, the consumer takes the
 16-5 manufactured home free and clear of any liens created by the selling
 16-6 retailer even if they are recorded.

16-7 Sec. 1201.2075. CONVERSION FROM PERSONAL PROPERTY TO REAL
 16-8 PROPERTY. (a) Except as provided by Subsection (b) or Section
 16-9 1201.206(k), the department may not issue a statement of ownership
 16-10 and location for a manufactured home that is being converted from
 16-11 personal property to real property until:

16-12 (1) each lien on the home is released by the
 16-13 lienholder; or

16-14 (2) each lienholder gives written consent, to be
 16-15 placed on file with the department.

16-16 (b) The department may issue a statement of ownership and
 16-17 location before the release of any liens or the consent of any
 16-18 lienholders as required by this section [~~only~~] if the department
 16-19 releases a certified copy of the statement to:

16-20 (1) a licensed title insurance company that has issued
 16-21 a commitment to issue a title insurance policy covering all prior
 16-22 liens on the home in connection with a loan that the title company
 16-23 has closed; or

16-24 (2) a federally insured financial institution or
 16-25 licensed attorney who has obtained from a licensed title insurance
 16-26 company a title insurance policy covering all prior liens on the
 16-27 home.

16-28 Sec. 1201.2076. CONVERSION FROM REAL PROPERTY TO PERSONAL
 16-29 PROPERTY. (a) The department may not issue a statement of
 16-30 ownership and location for a manufactured home that is being
 16-31 converted from real property to personal property until the
 16-32 department has inspected the home and determined that it is
 16-33 habitable and has notified the appropriate tax assessor-collector
 16-34 of the conversion and:

16-35 (1) each lien, including a tax lien, on the home is
 16-36 released by the lienholder; or

16-37 (2) each lienholder, including a taxing unit, gives
 16-38 written consent, to be placed on file with the department.

16-39 (b) For the purposes of Subsection (a)(1), the department
 16-40 may rely on a commitment for title insurance, a title insurance
 16-41 policy, or a lawyer's title opinion to determine that any liens on
 16-42 real property have been released.

16-43 Sec. 1201.208. PAYMENT OF TAXES REQUIRED FOR ISSUANCE OF
 16-44 STATEMENT OF OWNERSHIP AND LOCATION. (a) Any licensee who sells,
 16-45 exchanges, or lease-purchases a new manufactured home to any
 16-46 consumer is responsible for the payment of all required sales and
 16-47 use tax on such home [~~The department may not issue a statement of~~
 16-48 ownership and location for a new manufactured home installed for
 16-49 occupancy in this state unless the state sales and use tax has been
 16-50 paid].

16-51 (b) If it is determined that a new manufactured home was
 16-52 sold, exchanged, or lease-purchased without the required sales and
 16-53 use tax being paid, the payment shall be made from the fund, up to
 16-54 the available penal amount of the licensee's bond or the remaining
 16-55 balance of the security for the license, and a claim for
 16-56 reimbursement shall be filed with the licensee's surety or the
 16-57 amount deducted from the security for the license [~~Proof of payment~~
 16-58 may be shown in any manner prescribed by the department].

16-59 SECTION 28. Section 1201.210, Occupations Code, is amended
 16-60 by amending Subsection (c) and adding Subsection (d) to read as
 16-61 follows:

16-62 (c) A notice of appeal and request for hearing must be filed
 16-63 with the director not later than the 30th day after the date of
 16-64 notice of the director's action. If appeal is not timely made, the
 16-65 revocation or suspension described in the notice of the director's
 16-66 action becomes final.

16-67 (d) Until a revocation or suspension has become final, the
 16-68 department shall place a hold on any activity relating to the
 16-69 statement of ownership and location other than the recordation of

17-1 liens, including tax liens.

17-2 SECTION 29. Subsection (b), Section 1201.214, Occupations
17-3 Code, is amended to read as follows:

17-4 (b) An owner or lienholder may provide to the department a
17-5 ~~the~~ document of title and any additional information required by
17-6 the department and request that the department issue a statement of
17-7 ownership and location to replace the document of title. The
17-8 department shall mail to the owner or lienholder a ~~certified~~ copy
17-9 of the statement of ownership and location issued under this
17-10 subsection.

17-11 SECTION 30. Subsection (a), Section 1201.216, Occupations
17-12 Code, is amended to read as follows:

17-13 (a) If the owner of a manufactured home notifies the
17-14 department that the owner intends to treat the home as real property
17-15 or to reserve its use for a business purpose or salvage, the
17-16 department shall indicate on the statement of ownership and
17-17 location for the home that:

17-18 (1) the owner of the home has elected to treat the home
17-19 as real property or to reserve its use for a business purpose or
17-20 salvage; and

17-21 (2) except as provided by Section 1201.2055(h), the
17-22 home is ~~department~~ no longer ~~considers the home to be~~
17-23 a manufactured home for purposes of regulation under this chapter or
17-24 of recordation of liens, including tax liens.

17-25 SECTION 31. Section 1201.217, Occupations Code, is amended
17-26 by amending Subsections (b) and (c) and adding Subsection (f) to
17-27 read as follows:

17-28 (b) Before declaring a manufactured home abandoned, the
17-29 owner of real property on which the home is located must send a
17-30 notice of intent to declare the home abandoned to the record owner
17-31 of the home, ~~and~~ all lienholders at the addresses listed on the
17-32 home's statement of ownership and location on file with the
17-33 department, and the tax collector for each taxing unit that imposes
17-34 ad valorem taxes on the real property where the home is located.
17-35 The notice must include the address where the home is currently
17-36 located. If the person giving such notice knows that the person to
17-37 whom the notice is being given no longer resides and is no longer
17-38 receiving mail at such address, a reasonable effort shall be made to
17-39 locate the person and give the person notice at an address where the
17-40 person is receiving mail. Mailing of the notice by certified mail,
17-41 return receipt requested, postage prepaid, to the persons required
17-42 to be notified by this subsection constitutes conclusive proof of
17-43 compliance with this subsection.

17-44 (c) On receipt of a notice of intent to declare a
17-45 manufactured home abandoned, the record owner of the home, ~~or~~ a
17-46 lienholder, or a tax assessor-collector for a taxing unit that
17-47 imposes ad valorem taxes on the real property on which the home is
17-48 located may enter the real property on which the home is located to
17-49 remove the home. The real property owner must disclose to the
17-50 record owner, lienholder, or tax assessor-collector seeking to
17-51 remove the home the location of the home and grant the person
17-52 reasonable access to the home. A person removing a home is
17-53 responsible to the real property owner for any damage to the real
17-54 property resulting from the removal of the home.

17-55 (f) This section does not apply if the person who owns the
17-56 real property on which the manufactured home is located and who is
17-57 declaring that the home is abandoned, or any person who is related
17-58 to or affiliated with that person, has now, or has ever owned, an
17-59 interest in the manufactured home.

17-60 SECTION 32. Sections 1201.219 and 1201.220, Occupations
17-61 Code, are amended to read as follows:

17-62 Sec. 1201.219. PERFECTION AND EFFECT OF LIENS. (a) A lien
17-63 on manufactured homes in inventory is perfected only by filing the
17-64 lien ~~a security agreement~~ with the department on the required
17-65 form ~~in a form that contains the information the director~~
17-66 requires. Once perfected, the lien applies to the manufactured
17-67 homes in the inventory as well as to any proceeds from the sale of
17-68 those homes. The department may suspend or revoke the license of a
17-69 retailer who fails to satisfy a perfected inventory lien ~~under the~~

18-1 ~~terms of the security agreement].~~

18-2 (b) Except as provided by Subsection (a), a lien on a
 18-3 manufactured home is perfected only by filing with the department
 18-4 the notice of lien on a form provided by the department. The form
 18-5 shall require the disclosure of the original dollar amount of the
 18-6 lien and, if a tax lien, the name and address of the person in whose
 18-7 name the manufactured home is listed on the tax roll. The
 18-8 department shall disclose on its website the date of each lien
 18-9 filing, the original amount of the lien claimed by each filing, and
 18-10 the fact that the amount shown does not include additional sums
 18-11 including interest, penalties, and attorney's fees. The statement
 18-12 required by Section 1201.205(7) [~~recordation of a lien with the~~
 18-13 ~~department~~] is notice to all persons that the tax lien exists.
 18-14 Except as expressly provided by Chapter 32, Tax Code, a lien
 18-15 recorded with the department has priority, according to the
 18-16 chronological order of recordation, over another lien or claim
 18-17 against the manufactured home. Tax liens shall be filed by the tax
 18-18 collector for any taxing unit having the power to tax the
 18-19 manufactured home. A single filing by a tax collector is a filing
 18-20 for all the taxing units for which the tax collector is empowered to
 18-21 collect.

18-22 (c) Notwithstanding any other provision of this or any other
 18-23 law [~~subchapter~~], the filing of a lien security agreement [~~by a~~
 18-24 ~~secured party perfecting a lien~~] on the inventory of a retailer does
 18-25 not prevent a buyer in the ordinary course of business, as defined
 18-26 by Section 1.201, Business & Commerce Code, from acquiring good and
 18-27 marketable title free of that lien [~~interest~~], and the department
 18-28 may not consider that [~~security interest as a~~] lien for the purpose
 18-29 of title issuance.

18-30 Sec. 1201.220. REPORT TO COUNTY TAX ASSESSOR-COLLECTOR.
 18-31 (a) The department shall provide to each county tax
 18-32 assessor-collector in this state a monthly report that, for each
 18-33 manufactured home reported as having been installed in the county
 18-34 during the preceding month and for each manufactured home
 18-35 previously installed in the county for which a transfer of
 18-36 ownership was recorded by the issuance of a statement of ownership
 18-37 and location during the preceding month, lists:

- 18-38 (1) the name of the owner of the home;
 18-39 (2) the name of the manufacturer of the home, if
 18-40 available;
 18-41 (3) the model designation of the home, if available;
 18-42 (4) the identification number of each section or
 18-43 module of the home;
 18-44 (5) the address or location where the home was
 18-45 reported as [~~is~~] installed; and
 18-46 (6) the reported date of the installation of the home.

18-47 (b) The director shall provide a copy of the report to the
 18-48 chief appraiser of the appraisal district established for the
 18-49 county in which the home is reported as installed.

18-50 SECTION 33. The heading to Section 1201.251, Occupations
 18-51 Code, is amended to read as follows:

18-52 Sec. 1201.251. STANDARDS AND REQUIREMENTS ADOPTED BY BOARD
 18-53 [~~DIRECTOR~~].

18-54 SECTION 34. Section 1201.251, Occupations Code, is amended
 18-55 by amending Subsection (a) and adding Subsections (d) and (e) to
 18-56 read as follows:

18-57 (a) The board [~~director~~] shall adopt standards and
 18-58 requirements for:

18-59 (1) the installation and construction of manufactured
 18-60 housing that are reasonably necessary to protect the health,
 18-61 safety, and welfare of the occupants and the public; and

18-62 (2) the construction of HUD-code manufactured homes in
 18-63 compliance with the federal standards and requirements established
 18-64 under the National Manufactured Housing Construction and Safety
 18-65 Standards Act of 1974 (42 U.S.C. Section 5401 et seq.).

18-66 (d) In order to ensure that the determinations required by
 18-67 this section are properly made by qualified persons:

18-68 (1) the board's rules may provide for the approval of
 18-69 foundation systems and devices that have been approved by licensed

19-1 engineers; and

19-2 (2) any generic installation standards promulgated by
 19-3 rule shall first be reviewed by an advisory committee established
 19-4 by the board comprised of representatives of manufacturers,
 19-5 installers, and manufacturers of stabilization systems or devices,
 19-6 including one or more licensed engineers.

19-7 (e) The advisory committee established by Subsection (d)
 19-8 shall make a report to the board setting forth each comment and
 19-9 concern over any proposed rules. The members of the committee shall
 19-10 have no personal liability for providing this advice.

19-11 SECTION 35. Subsection (a), Section 1201.252, Occupations
 19-12 Code, is amended to read as follows:

19-13 (a) A local governmental unit of this state may not adopt a
 19-14 standard for the construction or installation of manufactured
 19-15 housing in the local governmental unit that is different from a
 19-16 standard adopted by the board [~~director~~] unless, after a hearing,
 19-17 the board expressly approves the proposed standard.

19-18 SECTION 36. Sections 1201.253, 1201.254, and 1201.255,
 19-19 Occupations Code, are amended to read as follows:

19-20 Sec. 1201.253. HEARING ON STANDARD OR REQUIREMENT. The
 19-21 director shall publish notice and conduct a public hearing [~~in~~
 19-22 ~~accordance with Sections 1201.054 and 1201.060~~] before:

19-23 (1) adopting a standard or requirement authorized by
 19-24 this subchapter;

19-25 (2) amending a standard authorized by this subchapter;
 19-26 or

19-27 (3) approving a standard proposed by a local
 19-28 governmental unit under Section 1201.252.

19-29 Sec. 1201.254. EFFECTIVE DATE OF REQUIREMENT OR STANDARD.
 19-30 Each requirement or standard that is adopted, modified, amended, or
 19-31 repealed by the board [~~director~~] must state its effective date [~~as~~
 19-32 ~~provided by Section 1201.054~~].

19-33 Sec. 1201.255. INSTALLATION OF MANUFACTURED HOUSING.
 19-34 (a) Except as authorized under Section 1201.252, manufactured
 19-35 housing that is installed must be installed in compliance with the
 19-36 standards and rules adopted and orders issued by the department. An
 19-37 uninstalled manufactured home may not be occupied for any purpose.

19-38 (b) An installer may not install a manufactured home at a
 19-39 location on a site that has evidence of ponding, runoff under heavy
 19-40 rains, or bare uncompacted soil unless the installer first obtains
 19-41 the owner's signature on a form promulgated by the board disclosing
 19-42 that such conditions may contribute to problems with the
 19-43 stabilization system for that manufactured home, including
 19-44 possible damage to that home, and the owner accepts that risk
 19-45 [~~director~~].

19-46 SECTION 37. Subsection (b), Section 1201.301, Occupations
 19-47 Code, is amended to read as follows:

19-48 (b) In enforcing this chapter, the director may authorize a
 19-49 state inspector to travel inside or outside of the state to inspect
 19-50 a licensee [~~manufacturing facility~~].

19-51 SECTION 38. The heading to Section 1201.302, Occupations
 19-52 Code, is amended to read as follows:

19-53 Sec. 1201.302. INSPECTION BY LOCAL GOVERNMENTAL UNITS
 19-54 [~~ENTITIES OTHER THAN DEPARTMENT~~].

19-55 SECTION 39. Subsections (a) and (b), Section 1201.302,
 19-56 Occupations Code, are amended to read as follows:

19-57 (a) To ensure that a manufactured home sold or installed in
 19-58 this state complies with the standards code, the director may by
 19-59 contract provide for a federal agency or an agency or political
 19-60 subdivision of this state or another state to perform an inspection
 19-61 or inspection program under this chapter or under rules adopted by
 19-62 the board [~~director~~].

19-63 (b) On request, the department shall authorize a local
 19-64 governmental unit in this state to perform an inspection or
 19-65 enforcement activity related to the construction of a foundation
 19-66 system or the erection or installation of manufactured housing at a
 19-67 homesite under a contract or other official designation and rules
 19-68 adopted by the board [~~director~~]. The department may withdraw the
 19-69 authorization if the local governmental unit fails to follow the

20-1 rules, interpretations, and written instructions of the
20-2 department.

20-3 SECTION 40. Subsections (a) and (b), Section 1201.351,
20-4 Occupations Code, are amended to read as follows:

20-5 (a) The manufacturer of a new HUD-code manufactured home
20-6 shall warrant, in a separate written document, that:

20-7 (1) the home is constructed or assembled in accordance
20-8 with all building codes, standards, requirements, and regulations
20-9 prescribed by the United States Department of Housing and Urban
20-10 Development under the National Manufactured Housing Construction
20-11 and Safety Standards Act of 1974 (42 U.S.C. Section 5401 et seq.);
20-12 and

20-13 (2) the home and all appliances and equipment included
20-14 in the home are free from defects in materials or workmanship except
20-15 for cosmetic defects.

20-16 (b) The manufacturer's warranty is in effect until at least
20-17 the first anniversary of the date of initial installation of the
20-18 home at the consumer's homesite or the closing of the consumer's
20-19 purchase or acquisition of an already installed new home, whichever
20-20 is later.

20-21 SECTION 41. Sections 1201.352 through 1201.355,
20-22 Occupations Code, are amended to read as follows:

20-23 Sec. 1201.352. RETAILER'S WARRANTY ON A NEW HUD-CODE
20-24 MANUFACTURED HOME. (a) The retailer of a new HUD-code
20-25 manufactured home shall warrant to the consumer in writing that:

20-26 (1) installation of the home at the initial homesite
20-27 was or will be, as applicable, completed in accordance with all
20-28 department standards, rules, orders, and requirements; and

20-29 (2) appliances and equipment included with the sale of
20-30 the home and installed by the retailer are or will be:

20-31 (A) installed in accordance with the
20-32 instructions or specifications of the manufacturers of the
20-33 appliances or equipment; and

20-34 (B) free from defects in materials or
20-35 workmanship.

20-36 The warranty may expressly disclaim or limit any warranty
20-37 regarding cosmetic defects.

20-38 (b) The retailer's warranty on a new HUD-code manufactured
20-39 home is in effect until the first anniversary of the later of the
20-40 date of initial installation of the home at the consumer's homesite
20-41 or the closing of the consumer's purchase or acquisition of the
20-42 home.

20-43 (c) Before the signing of a binding retail installment sales
20-44 contract or other binding purchase agreement on a new HUD-code
20-45 manufactured home, the retailer must give the consumer a copy of:

20-46 (1) the manufacturer's warranty;

20-47 (2) the retailer's warranty;

20-48 (3) the warranties given by the manufacturers of
20-49 appliances or equipment included with the home; and

20-50 (4) the name and address of the manufacturer or
20-51 retailer to whom the consumer is to give notice of a warranty
20-52 service request.

20-53 (d) Not later than the 30th day after the installation of a
20-54 new HUD-code manufactured home, the retailer shall deliver to the
20-55 consumer a copy of the warranty given by the licensed installer.

20-56 Sec. 1201.353. NOTICE OF NEED FOR WARRANTY SERVICE.

20-57 (a) The consumer shall give written notice to the manufacturer,
20-58 ~~or~~ retailer, or installer, as applicable, of a need for warranty
20-59 service or repairs.

20-60 (b) Written notice to the department is deemed to be notice
20-61 to the manufacturer, ~~or~~ retailer, or installer commencing three
20-62 business days after receipt and forwarding of the notice by the
20-63 department to the licensee by regular mail or electronic mail of a
20-64 scanned copy of the notice.

20-65 Sec. 1201.354. CORRECTIVE ACTION REQUIRED. The
20-66 manufacturer, ~~or~~ retailer, or installer, as applicable, shall
20-67 take appropriate corrective action within a reasonable period as
20-68 required by department rules to fulfill the written warranty
20-69 obligation.

21-1 Sec. 1201.355. CONSUMER COMPLAINT HOME INSPECTION. (a) If
21-2 the manufacturer, ~~[or]~~ retailer, or installer does not provide the
21-3 consumer with proper warranty service, the consumer may, at any
21-4 time, request the department to perform a consumer complaint home
21-5 inspection. The department may not charge a fee for the inspection.

21-6 (b) On payment of the required inspection fee, the
21-7 manufacturer, ~~[or]~~ retailer, or installer may request the
21-8 department to perform a consumer complaint home inspection if the
21-9 manufacturer, ~~[or]~~ retailer, or installer:

21-10 (1) believes the consumer's complaints are not covered
21-11 by the warranty of the manufacturer, ~~[or]~~ retailer, or installer,
21-12 as applicable;

21-13 (2) believes that the warranty service was properly
21-14 provided; or

21-15 (3) disputes responsibility concerning the warranty
21-16 obligation.

21-17 (c) The department shall perform a consumer complaint home
21-18 inspection not later than the 30th day after the date of receipt of
21-19 a request for the inspection.

21-20 (d) Notwithstanding any other provision of this section,
21-21 the department may make an inspection at any time if it believes
21-22 that there is a reasonable possibility that a condition exists that
21-23 would present an imminent threat to health or safety.

21-24 SECTION 42. Subsections (a), (b), and (c), Section
21-25 1201.356, Occupations Code, are amended to read as follows:

21-26 (a) Not later than the 10th day after the date of a consumer
21-27 complaint home inspection, the department shall send a written
21-28 report and any order to the consumer, manufacturer, ~~and~~ retailer,
21-29 and installer by certified mail, return receipt requested.

21-30 (b) The report shall specify:
21-31 (1) each of the consumer's complaints; and
21-32 (2) whether the complaint is covered by ~~[either]~~ the
21-33 manufacturer's, ~~[or]~~ retailer's, or installer's warranty and, if
21-34 so, which of those warranties.

21-35 (c) The director shall issue to the manufacturer, ~~[or]~~
21-36 retailer, or installer an appropriate order for corrective action
21-37 by the manufacturer, ~~[or]~~ retailer, or installer specifying a
21-38 reasonable period for completion of the corrective action. With
21-39 regard to new manufactured homes, both the installer and the
21-40 retailer are responsible for the warranty of installation. If the
21-41 department determines that a complaint is covered by the
21-42 installation warranty, the director shall issue the order to the
21-43 installer for the corrective action. If the installer fails to
21-44 perform the corrective action, the installer shall be subject to
21-45 the provisions of Section 1201.357. In that instance, the director
21-46 shall issue the same order for corrective action to the retailer
21-47 with a new time frame not to exceed 10 days unless additional time
21-48 is needed for compliance upon a showing of good cause. If the
21-49 retailer is compelled to perform corrective action because of the
21-50 failure of the installer to comply with the director's order, the
21-51 retailer may seek reimbursement from the installer. The period for
21-52 the performance of any required warranty work may be shortened by
21-53 the director as much as is feasible if the warranty work is believed
21-54 necessary to address a possible imminent threat to health or
21-55 safety.

21-56 SECTION 43. Sections 1201.357 and 1201.358, Occupations
21-57 Code, are amended to read as follows:

21-58 Sec. 1201.357. FAILURE TO PROVIDE WARRANTY SERVICE.
21-59 (a) If the manufacturer, ~~[or]~~ retailer, or installer, as
21-60 applicable, fails to provide warranty service within a ~~[the]~~ period
21-61 specified by the director ~~[under Section 1201.356]~~, the
21-62 manufacturer, ~~[or]~~ retailer, or installer must show good cause in
21-63 writing as to why the manufacturer, ~~[or]~~ retailer, or installer
21-64 failed to provide the service.

21-65 (b) If the manufacturer, ~~[or]~~ retailer, or installer, as
21-66 applicable, fails or refuses to provide warranty service in
21-67 accordance with the department order under Section 1201.356, the
21-68 director shall hold an informal meeting ~~[a hearing]~~ at which the
21-69 manufacturer, ~~[or]~~ retailer, or installer must show cause as to why

22-1 the manufacturer's, ~~[or]~~ retailer's, or installer's license should
 22-2 not be suspended or revoked and at which the consumer may express
 22-3 the person's views. Following the meeting, the director shall
 22-4 either resolve the matter by agreed order, dismiss the matter if no
 22-5 violation is found to have occurred, or institute an administrative
 22-6 action, which may include license suspension or revocation, the
 22-7 assessment of administrative penalties, or a combination of such
 22-8 actions.

22-9 (c) If the manufacturer, ~~[or]~~ retailer, or installer is
 22-10 unable to provide warranty service in accordance with the
 22-11 department order under Section 1201.356 as a result of an action of
 22-12 the consumer, the manufacturer, ~~[or]~~ retailer, or installer must
 22-13 make that allegation in the written statement required by
 22-14 Subsection (a). The department shall investigate the allegation,
 22-15 and if the department determines that the allegation is credible,
 22-16 the department shall issue a new order specifying the date and time
 22-17 of the proposed corrective action. The department shall send the
 22-18 order to the consumer and the manufacturer, ~~[or]~~ retailer, or
 22-19 installer, as applicable, by certified mail, return receipt
 22-20 requested. If the consumer refuses to comply with the department's
 22-21 new order, the manufacturer, ~~[or]~~ retailer, or installer, as
 22-22 applicable:

22-23 (1) is discharged from the obligations imposed by the
 22-24 relevant department orders;

22-25 (2) has no liability to the consumer with regard to
 22-26 that warranty; and

22-27 (3) is not subject to an action by the department for
 22-28 failure to provide warranty service.

22-29 Sec. 1201.358. FAILURE TO SHOW GOOD CAUSE; HEARING RESULTS.

22-30 (a) Failure by the manufacturer, ~~[or]~~ retailer, or installer to
 22-31 show good cause under Section 1201.357(a) is a sufficient basis for
 22-32 suspension or revocation of the manufacturer's, ~~[or]~~ retailer's, or
 22-33 installer's license.

22-34 (b) If the director determines that an order was incorrect
 22-35 regarding a warranty obligation, the director shall issue a final
 22-36 order stating the correct warranty obligation and the right of the
 22-37 manufacturer, retailer, or installer to indemnification from one of
 22-38 the other parties ~~[after the hearing under Section 1201.357(b), the~~
 22-39 ~~director determines that the order under Section 1201.356 was~~
 22-40 ~~correct in the determination of the warranty obligation of the~~
 22-41 ~~manufacturer or retailer, failure or refusal by the manufacturer or~~
 22-42 ~~retailer to comply with the order is a sufficient cause for~~
 22-43 ~~suspension or revocation of the manufacturer's or retailer's~~
 22-44 ~~license. If the director determines that the order was incorrect~~
 22-45 ~~regarding that obligation, the director shall issue a final order~~
 22-46 ~~stating the correct obligation and the right of the manufacturer or~~
 22-47 ~~retailer to indemnification from the other].~~

22-48 (c) The director may issue an order:

22-49 (1) directing a manufacturer, ~~[or]~~ retailer, or
 22-50 installer whose license is not revoked and who is not out of
 22-51 business to perform the warranty obligation of a manufacturer, ~~[or]~~
 22-52 retailer, or installer whose license is revoked or who is out of
 22-53 business; and

22-54 (2) giving the manufacturer, ~~[or]~~ retailer, or
 22-55 installer performing the obligation the right of indemnification
 22-56 against another party ~~[the other].~~

22-57 (d) A manufacturer, ~~[or]~~ retailer, or installer entitled to
 22-58 indemnification under this section is a consumer for purposes of
 22-59 Subchapter I and may recover actual damages ~~[and attorney's fees]~~
 22-60 from the trust fund.

22-61 SECTION 44. Section 1201.361, Occupations Code, is amended
 22-62 to read as follows:

22-63 Sec. 1201.361. INSTALLER'S WARRANTY. (a) For all
 22-64 ~~[secondary] installations [not covered by the retailer's warranty~~
 22-65 ~~described by Section 1201.352 and for the installation of all used~~
 22-66 ~~manufactured homes], the installer shall give the manufactured home~~
 22-67 owner a written warranty that the installation of the home was
 22-68 performed in accordance with all department standards, rules,
 22-69 orders, and requirements. The warranty for the installation of a

23-1 new HUD-code manufactured home is to be given by the retailer, who
 23-2 is responsible for installation. If the retailer subcontracts this
 23-3 function to a licensed installer, the retailer and installer are
 23-4 jointly and severally responsible for performance of the warranty.

23-5 (b) The warranty must conspicuously disclose the
 23-6 requirement that the consumer notify the installer of any claim in
 23-7 writing in accordance with the terms of the warranty. Unless the
 23-8 warranty provides for a longer period, the installer or retailer
 23-9 has no obligation or liability under the person's warranty for any
 23-10 defect described in a written notice received from the consumer
 23-11 more than two years after the later of the date of purchase or the
 23-12 date of [the] installation.

23-13 SECTION 45. Subchapter H, Chapter 1201, Occupations Code,
 23-14 is amended by adding Section 1201.362 to read as follows:

23-15 Sec. 1201.362. INSPECTIONS NOT LIMITED; CORRECTIONS.

23-16 (a) Nothing in this chapter shall limit the ability of the
 23-17 department to inspect a manufactured home at any time.

23-18 (b) Notwithstanding the limitations and terms of any
 23-19 warranty, the director may, whenever the department identifies any
 23-20 aspect of an installation that does not conform to applicable
 23-21 requirements, order the licensee who performed the installation to
 23-22 correct it, or, if that licensee is no longer licensed, reassign
 23-23 correction to a licensed installer and reimburse the person from
 23-24 the fund for the costs of correction.

23-25 SECTION 46. Subsection (a), Section 1201.402, Occupations
 23-26 Code, is amended to read as follows:

23-27 (a) The director shall administer the trust fund [as trustee
 23-28 of that fund].

23-29 SECTION 47. Subsection (b), Section 1201.404, Occupations
 23-30 Code, is amended to read as follows:

23-31 (b) The trust fund and the director are not liable to the
 23-32 consumer if the trust fund does not have the money necessary to pay
 23-33 the actual damages [and attorney's fees] determined to be payable.
 23-34 The director shall record the date and time of receipt of each
 23-35 verified complaint and, as money becomes available, pay the
 23-36 consumer whose claim is the earliest by date and time to have been
 23-37 found to be verified and properly payable.

23-38 SECTION 48. Section 1201.405, Occupations Code, is amended
 23-39 by adding Subsections (f) and (g) to read as follows:

23-40 (f) The trust fund is not liable for and the director may not
 23-41 pay:

23-42 (1) actual damages to reimburse an affiliate or
 23-43 related person of a licensee, except when the director issues an
 23-44 order under Sections 1201.358(b) and (c);

23-45 (2) actual damages to correct matters that are solely
 23-46 cosmetic in nature;

23-47 (3) for attorney's fees; or

23-48 (4) actual damages to address other matters, unless
 23-49 the matters involve:

23-50 (A) a breach of warranty;

23-51 (B) a failure to return or apply as agreed money
 23-52 received from a consumer or money for which the consumer was
 23-53 obligated; or

23-54 (C) the breach of an agreement to provide goods
 23-55 or services necessary to the safe and habitable use of a
 23-56 manufactured home such as steps, air conditioning, access to
 23-57 utilities, or access to sewage and wastewater treatment.

23-58 (g) The board by rule may place reasonable limits on the
 23-59 costs that may be approved for payment from the trust fund,
 23-60 including the costs of reassigned warranty work, and require
 23-61 consumers making claims that may be subject to reimbursement from
 23-62 the trust fund to provide estimates establishing that the cost will
 23-63 be reasonable. Such rules may also specify such procedures and
 23-64 requirements as the board may deem necessary and advisable for the
 23-65 administration of the trust fund.

23-66 SECTION 49. Sections 1201.406 and 1201.407, Occupations
 23-67 Code, are amended to read as follows:

23-68 Sec. 1201.406. PROCEDURE FOR RECOVERY FROM TRUST FUND.

23-69 (a) To recover from the trust fund, a consumer must file a written,

sworn complaint in the form required by the director not later than the second anniversary of:

(1) the date of the alleged act or omission causing the actual damages; or

(2) the date the act or omission is discovered or should reasonably have been discovered.

(b) On receipt of a verified complaint, the department shall:

(1) notify each appropriate license holder and the issuer of any surety bond issued in connection with their licenses; and

(2) investigate the claim and issue a preliminary determination, giving the consumer, the licensee, and any surety an opportunity to resolve the matter by agreement or to dispute the preliminary determination.

(c) If the matter being investigated is not resolved by agreement or is disputed by written notice to the director before the 31st day after the date of the preliminary determination, the preliminary determination shall automatically become final and the director shall make demand on the surety or deduct any payable amount of the claim from the licensee's security ~~[to determine:~~

~~[(A) the validity of the claim; and~~

~~[(B) whether the complaint can be resolved by remedial action of the license holder].~~

Sec. 1201.407. DISAGREEMENT OF PARTIES; INFORMAL DISPUTE RESOLUTION PROCESS. (a) If a preliminary determination is disputed, the ~~[license holders or a license holder and a consumer disagree as to responsibility for a complaint, the]~~ department shall conduct an informal dispute resolution process, including a home inspection if appropriate, to resolve the dispute.

(b) For a preliminary determination that has been disputed ~~[claim determined]~~ to become final and ~~[be]~~ valid, the department shall make any changes the director determines to be appropriate and issue another written ~~[a]~~ preliminary determination ~~[during the informal dispute resolution process]~~ as to the responsibility and liability of the manufacturer, retailer, broker, and installer.

(c) Before making a final determination, the department shall allow ~~[provide]~~ a license holder 10 days ~~[an opportunity]~~ to comment on this ~~[the]~~ preliminary determination.

(d) After consideration of the comments, if any, the director shall issue a final determination.

(e) The final determination may be appealed to the board on or before the 10th day after the date of its issuance by giving written notice to the director, who shall place the matter before the board at the next meeting held on a date for which the matter could be publicly posted as required by Chapter 551, Government Code.

(f) Any ~~[The department shall notify a license holder's surety and give the surety an opportunity to participate in the informal dispute resolution process if the license holder:~~

~~[(1) is out of business;~~

~~[(2) is no longer licensed; or~~

~~[(3) has filed for liquidation or reorganization in bankruptcy.~~

~~[(c) If, after receiving notice of the claim, a license holder or the license holder's surety fails or refuses to participate in the informal dispute resolution process, the] license holder or surety, as applicable, is bound by the department's final determination of responsibility and liability.~~

SECTION 50. Subsections (a) and (b), Section 1201.409, Occupations Code, are amended to read as follows:

(a) Except as otherwise provided by Subchapter C, the trust fund shall be reimbursed by the surety on a bond or from other security filed under Subchapter C for the amount of a claim that ~~[+~~

~~[(1)]~~ is paid out of the trust fund by the director to a consumer in accordance with this subchapter ~~[, and~~

~~[(2) resulted from an act or omission of the license holder who filed the bond or other security].~~

(b) Payment by the surety or from the other security must be

made not later than the 30th day after the date of ~~[receipt of]~~ notice from the director that a consumer claim has been paid.

SECTION 51. Section 1201.410, Occupations Code, is amended to read as follows:

Sec. 1201.410. INFORMATION ON RECOVERY FROM TRUST FUND [INFORMATIONAL PAMPHLET]. ~~[(a)]~~ The director shall prepare information for notifying [a pamphlet informing] consumers of their rights to recover from the trust fund, shall post the information on the department's website, and shall make printed copies available on request.

~~[(b) The director may contract with a private party for the printing and distribution of the pamphlet.]~~

SECTION 52. Subsection (b), Section 1201.451, Occupations Code, is amended to read as follows:

(b) Not later than the 60th [30th] day after the effective date of the transfer of ownership or the date the seller or transferor obtains possession of the necessary and properly executed documents, the seller or transferor shall forward to the purchaser or transferee the necessary, executed documents. If the seller or transferor fails to forward the documents on a timely basis, the purchaser or transferee may apply directly for the documents. On receipt of the documents, the purchaser or transferee shall apply for the issuance of a statement of ownership and location.

SECTION 53. Section 1201.453, Occupations Code, is amended to read as follows:

Sec. 1201.453. HABITABILITY. Manufactured housing is habitable only if:

(1) there is no defect or deterioration in or damage to the home that creates a dangerous situation;

(2) the plumbing, heating, and electrical systems are in safe working order;

(3) the walls, floor, and roof are:
 (A) free from a substantial opening that was not designed; and

(B) structurally sound; and
 (4) all exterior doors and windows are in place and operate properly.

SECTION 54. Subsection (b), Section 1201.457, Occupations Code, is amended to read as follows:

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

SECTION 55. Section 1201.459, Occupations Code, is amended to read as follows:

Sec. 1201.459. COMPLIANCE NOT REQUIRED FOR SALE FOR COLLECTION OF DELINQUENT TAXES. (a) In selling a manufactured home to collect delinquent taxes, a tax assessor-collector [collector] is not required to comply with this subchapter or another provision of this chapter relating to the sale of a used manufactured home.

(b) If a [the] home does not have a serial number, seal, or label, the tax appraiser or tax assessor-collector [collector] may~~+~~

~~[(1)]~~ apply to the department for a seal if the tax appraiser or assessor-collector assumes full responsibility for the affixation of a seal to the home and the seal is actually affixed on the home~~+~~

~~[(2) pay the applicable fee; and~~

~~[(3) recover that fee as part of the cost of the sale~~

26-1 ~~of the home].~~

26-2 (c) A [The] seal issued to a tax appraiser or [the] tax
26-3 assessor-collector [collector] is for identification purposes only
26-4 and does not imply that:

26-5 (1) the home is habitable; or

26-6 (2) a purchaser of the home at a tax sale may obtain a
26-7 new statement of ownership and location from the department without
26-8 an inspection for habitability.

26-9 SECTION 56. The heading to Section 1201.461, Occupations
26-10 Code, is amended to read as follows:

26-11 Sec. 1201.461. SALVAGED MANUFACTURED HOME; CRIMINAL
26-12 PENALTY.

26-13 SECTION 57. Section 1201.461, Occupations Code, is amended
26-14 by adding Subsections (g) and (h) to read as follows:

26-15 (g) A county or other unit of local government that
26-16 identifies a manufactured home within its jurisdiction that has
26-17 been declared salvage may impose on that home such inspection,
26-18 correction, and other requirements as it could apply if the home
26-19 were not a manufactured home.

26-20 (h) A licensee may not participate in the sale, exchange,
26-21 lease-purchase, or installation for use as a dwelling of a
26-22 manufactured home that is salvage and that has not been repaired in
26-23 accordance with this chapter and the department's rules. An act
26-24 that is prohibited by this subsection is deemed to be a practice
26-25 that constitutes an imminent threat to health or safety and is
26-26 subject to the imposition of penalties and other sanctions provided
26-27 for by this chapter. A violation of this subsection is a Class B
26-28 misdemeanor.

26-29 SECTION 58. Section 1201.503, Occupations Code, is amended
26-30 to read as follows:

26-31 Sec. 1201.503. PROHIBITED ALTERATION. Before the sale to a
26-32 consumer of a new manufactured home to which a label has been
26-33 attached and before installation of the home, a manufacturer,
26-34 retailer, broker, or installer may not alter the home or cause the
26-35 home to be altered without obtaining prior written approval from a
26-36 licensed engineer and providing evidence of such approval to the
26-37 department.

26-38 SECTION 59. Subsection (a), Section 1201.506, Occupations
26-39 Code, is amended to read as follows:

26-40 (a) A retailer or broker:

26-41 (1) shall comply with Subtitles A and B, Title 4,
26-42 Finance Code, and the Truth in Lending Act (15 U.S.C. Section 1601
26-43 et seq.); ~~and~~

26-44 (2) may not advertise an interest rate or finance
26-45 charge that is not expressed as an annual percentage rate; and

26-46 (3) shall comply with all applicable provisions of the
26-47 Finance Code.

26-48 SECTION 60. Subchapter K, Chapter 1201, Occupations Code,
26-49 is amended by adding Section 1201.513 to read as follows:

26-50 Sec. 1201.513. DISPOSITION OF TRADE-INS AND OCCUPANCY OF
26-51 HOMES BEFORE CLOSING. (a) A retailer may not sell a trade-in
26-52 manufactured home before the closing of the sale in connection with
26-53 which the retailer receives the trade-in.

26-54 (b) A retailer may not knowingly permit a consumer to occupy
26-55 a manufactured home that is the subject of a sale, exchange, or
26-56 lease-purchase to that consumer before the closing of any required
26-57 financing unless the consumer is first given a form adopted by the
26-58 board disclosing that if for any reason the financing does not
26-59 close, the consumer may be required to vacate the home.

26-60 SECTION 61. Sections 1201.551, 1201.552, and 1201.553,
26-61 Occupations Code, are amended to read as follows:

26-62 Sec. 1201.551. DENIAL OF LICENSE; DISCIPLINARY ACTION.

26-63 (a) ~~The director[, after notice as provided for under Section~~
26-64 ~~1201.054 and a hearing as provided by Sections 1201.054 and~~
26-65 ~~1201.060,]~~ may deny, permanently revoke, or suspend for a definite
26-66 period and specified sales location or geographic area a license if
26-67 the director determines that the applicant or license holder:

26-68 (1) knowingly and wilfully violated this chapter or a
26-69 rule adopted or order issued under this chapter;

27-1 (2) unlawfully retained or converted money, property,
 27-2 or any other thing of value from a consumer in the form of a down
 27-3 payment, sales or use tax, deposit, or insurance premium;

27-4 (3) failed repeatedly to file with the department a
 27-5 completed [timely provide to a consumer an] application for a
 27-6 statement of ownership and location before the 61st day after the
 27-7 date of the sale of a manufactured home as required by Section
 27-8 1201.206 or the date of the installation, whichever occurred later
 27-9 [and any information necessary to complete the application];

27-10 (4) failed to give or breached a manufactured home
 27-11 warranty required by this chapter or by the Federal Trade
 27-12 Commission;

27-13 (5) engaged in a false, misleading, or deceptive act
 27-14 or practice as described by Subchapter E, Chapter 17, Business &
 27-15 Commerce Code;

27-16 (6) failed to provide or file a report required by the
 27-17 department for the administration or enforcement of this chapter;

27-18 (7) provided false information on an application,
 27-19 report, or other document filed with the department;

27-20 (8) acquired a criminal record during the five-year
 27-21 period preceding the application date that, in the opinion of the
 27-22 director, makes the applicant unfit for licensing; ~~[or]~~

27-23 (9) failed to file a bond or other security for each
 27-24 location as required by Subchapter C; or

27-25 (10) has had another license issued by this state
 27-26 revoked or suspended.

27-27 (b) The director [department] may suspend or revoke a
 27-28 license if, after receiving notice of a claim, the license holder or
 27-29 the license holder's surety fails or refuses to pay a final claim
 27-30 paid from the trust fund for which demand for reimbursement was made
 27-31 [participate in the informal dispute resolution process described
 27-32 by Section 1201.407].

27-33 Sec. 1201.552. ~~[HEARING CONCERNING]~~ LICENSE REVOCATION,
 27-34 SUSPENSION, OR DENIAL; HEARING. The director may issue an order to
 27-35 revoke, suspend, or deny a new or renewal license. If, before the
 27-36 31st day after an order revoking, suspending, or denying a license
 27-37 is issued, the person against whom the order is issued requests a
 27-38 hearing by giving written notice to the director, the director
 27-39 shall set a hearing before the State Office of Administrative
 27-40 Hearings. If the person does not request a hearing before the 31st
 27-41 day after the date the order is issued, the order becomes final.
 27-42 Any administrative proceedings relating to the revocation,
 27-43 suspension, or denial of a license under this subsection shall be a
 27-44 contested case under Chapter 2001, Government Code. The board
 27-45 shall issue an order after receiving a proposal for decision [shall
 27-46 conduct a hearing involving the denial, renewal, revocation, or
 27-47 suspension of a license in accordance with Chapter 2001, Government
 27-48 Code].

27-49 Sec. 1201.553. JUDICIAL REVIEW. Judicial review of any
 27-50 [an] order, decision, or determination of the board [director] is
 27-51 instituted by filing a petition with a district court in Travis
 27-52 County as provided by Chapter 2001, Government Code.

27-53 SECTION 62. Section 1201.605, Occupations Code, is amended
 27-54 to read as follows:

27-55 Sec. 1201.605. ADMINISTRATIVE PENALTY. (a) The director
 27-56 may assess against a person who fails to comply with [obtain or
 27-57 maintain a license as required by] this chapter, the rules adopted
 27-58 under this chapter, or any final order of the department an
 27-59 administrative penalty in an amount not to exceed \$10,000 for each
 27-60 violation of this chapter and:

- 27-61 (1) reasonable attorney's fees;
- 27-62 (2) administrative costs;
- 27-63 (3) witness fees;
- 27-64 (4) investigative costs; and
- 27-65 (5) deposition expenses.

27-66 (b) The director may assess against a licensee [retailer]
 27-67 who fails to provide information to a consumer as required by this
 27-68 chapter an administrative penalty in an amount not to exceed:

- 27-69 (1) \$1,000 for the first violation;

- 28-1 (2) \$2,000 for the second violation; and
- 28-2 (3) \$4,000 for each subsequent violation.
- 28-3 (c) In determining the amount of an administrative penalty
- 28-4 assessed under this section, the director shall consider:
- 28-5 (1) the seriousness of the violation;
- 28-6 (2) the history of previous violations;
- 28-7 (3) the amount necessary to deter future violations;
- 28-8 (4) efforts made to correct the violation; and
- 28-9 (5) any other matters that justice may require.

28-10 (d) The director may impose an administrative penalty in
 28-11 accordance with this section. If, before the 31st day after the
 28-12 date a person receives notice of the imposition of an
 28-13 administrative penalty, the person requests a hearing by giving
 28-14 written notice to the director, the director shall set a hearing
 28-15 before the State Office of Administrative Hearings. If the person
 28-16 does not request a hearing before the 31st day after the date the
 28-17 person receives notice of the imposition of the administrative
 28-18 penalty, the penalty becomes final. Any administrative proceedings
 28-19 relating to the imposition of an administrative penalty under this
 28-20 subsection shall be a contested case under Chapter 2001, Government
 28-21 Code. The board shall issue an order after receiving a proposal for
 28-22 decision.

28-23 SECTION 63. Subchapter M, Chapter 1201, Occupations Code,
 28-24 is amended by adding Sections 1201.607 through 1201.611 to read as
 28-25 follows:

28-26 Sec. 1201.607. ISSUANCE OF ORDERS AND REQUESTS FOR
 28-27 HEARINGS. Any order issued by the director under this chapter, if
 28-28 not appealed before the 31st day after the date the order was
 28-29 issued, shall automatically become a final order. If the person
 28-30 made the subject of the order files a written request for a hearing
 28-31 with the director, the order shall be deemed to have been appealed
 28-32 and shall be a contested case under Chapter 2001, Government Code.
 28-33 The director shall set any appealed order for a hearing before the
 28-34 State Office of Administrative Hearings, and the board shall issue
 28-35 a final order after receiving and reviewing the proposal for
 28-36 decision issued pursuant to such hearing.

28-37 Sec. 1201.608. INSPECTION OF LICENSEE RECORDS. (a) The
 28-38 department may inspect a licensee's records during normal business
 28-39 hours without advance notice if the director believes that such
 28-40 inspection is necessary to prevent a violation of this chapter, to
 28-41 protect a consumer or another licensee, or to assist another state
 28-42 or federal agency in an investigation.

28-43 (b) The director may request or issue subpoenas for a
 28-44 licensee's records.

28-45 (c) The department may carry out "sting" or undercover
 28-46 investigations in accordance with board-adopted rules if the
 28-47 director believes such action to be appropriate in order to detect
 28-48 and address suspected violations of this chapter.

28-49 (d) While an investigation is pending, information obtained
 28-50 by the department in connection with that investigation is
 28-51 confidential unless disclosure of the information is specifically
 28-52 permitted or required by other law.

28-53 Sec. 1201.609. ACTING WITHOUT LICENSE; CRIMINAL PENALTY. A
 28-54 person who is not exempt under this chapter and who, without first
 28-55 obtaining a license required under this chapter, performs an act
 28-56 that requires a license under this chapter commits an offense. An
 28-57 offense under this section is a Class B misdemeanor. A second or
 28-58 subsequent conviction for an offense under this section is a Class A
 28-59 misdemeanor.

28-60 Sec. 1201.610. CEASE AND DESIST. (a) If the director has
 28-61 reasonable cause to believe that a person licensed under this
 28-62 chapter has violated or is about to violate any provision of this
 28-63 chapter or rules adopted by the department under this chapter, the
 28-64 director may issue without notice and hearing an order to cease and
 28-65 desist from continuing a particular action or an order to take
 28-66 affirmative action, or both, to enforce compliance with this
 28-67 chapter.

28-68 (b) The director may issue an order to any licensee to cease
 28-69 and desist from violating any law, rule, or written agreement or to

29-1 take corrective action with respect to any such violations if the
 29-2 violations in any way are related to the sale, financing, or
 29-3 installation of a manufactured home or the providing of goods or
 29-4 services in connection with the sale, financing, or installation of
 29-5 a manufactured home unless the matter that is the basis of such
 29-6 violation is expressly subject to inspection and regulation by
 29-7 another state agency; provided, however, that if any matter
 29-8 involves a law that is subject to any other administration or
 29-9 interpretation by another agency, the director shall consult with
 29-10 the person in charge of the day-to-day administration of that
 29-11 agency before issuing an order.

29-12 (c) An order issued under Subsection (a) or (b) must contain
 29-13 a reasonably detailed statement of the facts on which the order is
 29-14 based. If a person against whom the order is issued requests a
 29-15 hearing before the 31st day after the date the order is issued, the
 29-16 director shall set and give notice of a hearing. The hearing shall
 29-17 be governed by Chapter 2001, Government Code. Based on the findings
 29-18 of fact, conclusions of law, and recommendations of the hearings
 29-19 officer, the board by order may find that a violation has occurred
 29-20 or has not occurred.

29-21 (d) If a hearing is not requested under Subsection (c)
 29-22 before the 31st day after the date an order is issued, the order is
 29-23 considered final and not appealable.

29-24 (e) The director, after giving notice, may impose against a
 29-25 person who violates a cease and desist order an administrative
 29-26 penalty in an amount not to exceed \$1,000 for each day of the
 29-27 violation. In addition to any other remedy provided by law, the
 29-28 director may institute in district court a suit for injunctive
 29-29 relief and for the collection of the administrative penalty. A bond
 29-30 is not required of the director with respect to injunctive relief
 29-31 granted under this subsection.

29-32 (f) If a person fails to pay an administrative penalty that
 29-33 has become final or fails to comply with an order of the director
 29-34 that has become final, in addition to any other remedy provided by
 29-35 law, the director, after not less than 10 days' notice to the
 29-36 person, may without a prior hearing suspend the person's license.
 29-37 The suspension shall continue until the person has complied with
 29-38 the cease and desist order or paid the administrative penalty.
 29-39 During the period of suspension, the person may not perform any act
 29-40 requiring a license under this chapter, and all compensation
 29-41 received by the person during the period of suspension is subject to
 29-42 forfeiture to the person from whom it was received.

29-43 (g) An order of suspension under Subsection (f) may be
 29-44 appealed. An appeal is a contested case governed by Chapter 2001,
 29-45 Government Code. A hearing of an appeal of an order of suspension
 29-46 issued under Subsection (f) shall be held not later than the 15th
 29-47 day after the date of receipt of the notice of appeal. The
 29-48 appellant shall be provided at least three days' notice of the time
 29-49 and place of the hearing.

29-50 (h) An order revoking the license of a retailer, broker,
 29-51 installer, or salesperson may provide that the person is
 29-52 prohibited, without obtaining prior written consent of the
 29-53 director, from being a related person of a licensee.

29-54 Sec. 1201.611. SANCTIONS AND PENALTIES. (a) The board
 29-55 shall adopt rules relating to the administrative sanctions that may
 29-56 be enforced against a person regulated by the department.

29-57 (b) If a person charged with the violation accepts the
 29-58 determination of the director, the director shall issue an order
 29-59 approving the determination and ordering that the person pay the
 29-60 recommended penalty.

29-61 (c) Not later than the 30th day after the date on which the
 29-62 decision is final, the person charged shall:

29-63 (1) pay the penalty in full; or
 29-64 (2) if the person files a petition for judicial review
 29-65 contesting the fact of the violation, the amount of the penalty, or
 29-66 both the fact of the violation and the amount of the penalty:

29-67 (A) forward the amount assessed to the department
 29-68 for deposit in an escrow account;

29-69 (B) in lieu of payment into escrow, post with the

30-1 department a supersedeas bond for the amount of the penalty, in a
 30-2 form approved by the director and effective until judicial review
 30-3 of the decision is final; or

30-4 (C) without paying the amount of the penalty or
 30-5 posting the supersedeas bond, pursue judicial review.

30-6 (d) A person charged with a penalty who is financially
 30-7 unable to comply with Subsection (c)(2) is entitled to judicial
 30-8 review if the person files with the court, as part of the person's
 30-9 petition for judicial review, a sworn statement that the person is
 30-10 unable to meet the requirements of that subsection.

30-11 (e) If the person charged does not pay the penalty and does
 30-12 not pursue judicial review, the department or the attorney general
 30-13 may bring an action for the collection of the penalty.

30-14 (f) Judicial review of the order of the director assessing
 30-15 the penalty is subject to the substantial evidence rule and shall be
 30-16 instituted by filing a petition with a district court in Travis
 30-17 County.

30-18 (g) If, after judicial review, the penalty is reduced or not
 30-19 assessed, the director shall remit to the person charged the
 30-20 appropriate amount, plus accrued interest if the penalty has been
 30-21 paid, or shall execute a release of the bond if a supersedeas bond
 30-22 has been posted. The accrued interest on amounts remitted by the
 30-23 director under this subsection shall be paid at a rate equal to the
 30-24 rate charged on loans to depository institutions by the New York
 30-25 Federal Reserve Bank and shall be paid for the period beginning on
 30-26 the date the assessed penalty is paid to the director and ending on
 30-27 the date the penalty is remitted.

30-28 (h) A penalty collected under this section shall be
 30-29 deposited in the trust fund.

30-30 (i) All proceedings conducted under this section and any
 30-31 review or appeal of those proceedings are subject to Chapter 2001,
 30-32 Government Code.

30-33 (j) If it appears that a person is in violation of, or is
 30-34 threatening to violate, any provision of this chapter or a rule or
 30-35 order related to the administration and enforcement of the
 30-36 manufactured housing program, the attorney general, on behalf of
 30-37 the director, may institute an action for injunctive relief to
 30-38 restrain the person from continuing the violation and for civil
 30-39 penalties not to exceed \$1,000 for each violation and not exceeding
 30-40 \$250,000 in the aggregate. A civil action filed under this
 30-41 subsection shall be filed in district court in Travis County. The
 30-42 attorney general and the director may recover reasonable expenses
 30-43 incurred in obtaining injunctive relief under this subsection,
 30-44 including court costs, reasonable attorney's fees, investigative
 30-45 costs, witness fees, and deposition expenses.

30-46 SECTION 64. Subsection (b), Section 2306.6022, Government
 30-47 Code, is amended to read as follows:

30-48 (b) The division shall make available on its website
 30-49 [provide to the person filing the complaint and to each person who
 30-50 is a subject of the complaint a copy of] the division's policies and
 30-51 procedures relating to complaint investigation and resolution and
 30-52 shall provide copies of such information on request.

30-53 SECTION 65. Section 94.051, Property Code, is amended to
 30-54 read as follows:

30-55 Sec. 94.051. INFORMATION TO BE PROVIDED TO PROSPECTIVE
 30-56 TENANT. At the time the landlord receives an application from a
 30-57 prospective tenant, the landlord shall give the tenant a copy of:

30-58 (1) the proposed lease agreement for the manufactured
 30-59 home community;

30-60 (2) any manufactured home community rules; and

30-61 (3) a separate disclosure statement with the following
 30-62 prominently printed in at least 10-point type:

30-63 "You have the legal right to an initial lease term of six
 30-64 months. If you prefer a different lease period, you and your
 30-65 landlord may negotiate a shorter or longer lease period. After the
 30-66 initial lease period expires, you and your landlord may negotiate a
 30-67 new lease term by mutual agreement. Regardless of the term of the
 30-68 lease, [if the recreational vehicle is tied to, affixed, or
 30-69 otherwise a permanent part of the premises,] the landlord must give

31-1 you at least 60 days' notice of a nonrenewal of the lease, except
31-2 that if the manufactured home community's land use will change, the
31-3 landlord must give you at least 180 days' notice [if the landlord
31-4 will not renew your lease and will require that you relocate your
31-5 manufactured home or recreational vehicle]. During the applicable
31-6 [60-day] period, you must continue to pay all rent and other amounts
31-7 due under the lease agreement, including late charges, if any,
31-8 after receiving notice of the nonrenewal."

31-9 SECTION 66. Section 94.052(b), Property Code, is amended to
31-10 read as follows:

31-11 (b) Except as provided by Section 94.204, regardless
31-12 [Regardless] of the term of the lease, the landlord must provide
31-13 notice to the tenant not later than the 60th day before the date of
31-14 the expiration of the lease if the landlord chooses [does] not to
31-15 renew the lease. During the applicable [60-day] period, the tenant
31-16 must pay all rent and other amounts due under the lease agreement,
31-17 including late charges, if any, after receiving notice of the
31-18 nonrenewal.

31-19 SECTION 67. Section 94.053(c), Property Code, is amended to
31-20 read as follows:

31-21 (c) A lease agreement must contain the following
31-22 information:

- 31-23 (1) the address or number of the manufactured home lot
- 31-24 and the number and location of any accompanying parking spaces;
- 31-25 (2) the lease term;
- 31-26 (3) the rental amount;
- 31-27 (4) the interval at which rent must be paid and the
- 31-28 date on which periodic rental payments are due;
- 31-29 (5) any late charge or fee or charge for any service or
- 31-30 facility;
- 31-31 (6) the amount of any security deposit;
- 31-32 (7) a description of the landlord's maintenance
- 31-33 responsibilities;
- 31-34 (8) the telephone number of the person who may be
- 31-35 contacted for emergency maintenance;
- 31-36 (9) the name and address of the person designated to
- 31-37 accept official notices for the landlord;
- 31-38 (10) the penalty the landlord may impose for the
- 31-39 tenant's early termination as provided by Section 94.201;
- 31-40 (11) the grounds for eviction as provided by
- 31-41 Subchapter E;
- 31-42 (12) a disclosure of the landlord's right to choose not
- 31-43 to renew [terminate] the lease agreement if there is a change in the
- 31-44 land use of the manufactured home community during the lease term as
- 31-45 provided by Section 94.204;
- 31-46 (13) a disclosure of any incorporation by reference of
- 31-47 an addendum relating to submetering of utility services;
- 31-48 (14) a prominent disclosure informing the tenant that
- 31-49 Chapter 94, Property Code, governs certain rights granted to the
- 31-50 tenant and obligations imposed on the landlord by law;
- 31-51 (15) if there is a temporary zoning permit for the land
- 31-52 use of the manufactured home community, the date the zoning permit
- 31-53 expires; and
- 31-54 (16) any other terms or conditions of occupancy not
- 31-55 expressly included in the manufactured home community rules.

31-56 SECTION 68. The heading to Section 94.204, Property Code,
31-57 is amended to read as follows:

31-58 Sec. 94.204. NONRENEWAL OF LEASE [TERMINATION] FOR CHANGE
31-59 IN LAND USE.

31-60 SECTION 69. Section 94.204(a), Property Code, is amended to
31-61 read as follows:

31-62 (a) A landlord may choose not to renew [terminate] a lease
31-63 agreement to change the manufactured home community's land use only
31-64 if not later than the 180th day before the date the land use will
31-65 change:

- 31-66 (1) [not later than the 120th day before the date the
- 31-67 land use changes,] the landlord sends notice to the tenant, to the
- 31-68 owner of the manufactured home if the owner is not the tenant, and
- 31-69 to the holder of any lien on the manufactured home:

32-1 (A) specifying the date that the land use will
32-2 change; and

32-3 (B) informing the tenant, owner, and lienholder,
32-4 if any, that the owner must relocate the manufactured home; and

32-5 (2) [~~not later than the 120th day before the date the~~
32-6 ~~land use changes,~~] the landlord posts in a conspicuous place in the
32-7 manufactured home community a notice stating that the land use will
32-8 change and specifying the date that the land use will change.

32-9 SECTION 70. Subsections (a) and (b), Section 11.432, Tax
32-10 Code, are amended to read as follows:

32-11 (a) For a manufactured home to qualify for an exemption
32-12 under Section 11.13 [~~of this code~~], the application for the
32-13 exemption must be accompanied by a copy of the statement of
32-14 ownership and location for the manufactured home issued by the
32-15 manufactured housing division of the Texas Department of Housing
32-16 and Community Affairs under Section 1201.207, Occupations Code,
32-17 showing that the individual applying for the exemption is the owner
32-18 of the manufactured home or be accompanied by a verified copy of the
32-19 purchase contract showing that the applicant is the purchaser of
32-20 the manufactured home, unless a photostatic copy of the current
32-21 title page for the home is displayed on the computer website of the
32-22 Texas Department of Housing and Community Affairs. The appraisal
32-23 district may rely upon the computer records of the Texas Department
32-24 of Housing and Community Affairs to determine whether a
32-25 manufactured home qualifies for an exemption.

32-26 (b) The land on which a manufactured home is located
32-27 qualifies for an exemption under Section 11.13 only if:

32-28 (1) the manufactured home qualifies for an exemption
32-29 as provided by Subsection (a); and

32-30 (2) the manufactured home is listed together with the
32-31 land on which it is located under Section 25.08. The consumer is
32-32 entitled to obtain the homestead exemptions provided by Section
32-33 11.13 regardless of whether the owner has elected to treat the home
32-34 as real property or personal property and regardless of whether the
32-35 home is listed on the tax rolls with the real property to which it is
32-36 attached or separately.

32-37 SECTION 71. Section 31.072, Tax Code, is amended by adding
32-38 Subsection (i) to read as follows:

32-39 (i) Notwithstanding Subsection (a), if the property owner
32-40 requesting a collector to establish an escrow account under this
32-41 section is the owner of a manufactured home and the escrow account
32-42 is to be used solely to provide for the payment of property taxes
32-43 collected by the collector on the property owner's manufactured
32-44 home, the collector shall enter into a contract with the property
32-45 owner under this section.

32-46 SECTION 72. Section 32.03, Tax Code, is amended to read as
32-47 follows:

32-48 Sec. 32.03. RESTRICTIONS ON PERSONAL PROPERTY TAX LIEN.

32-49 (a) Except as provided by Subsection (a-1), a tax lien may not be
32-50 enforced against personal property transferred to a buyer in
32-51 ordinary course of business as defined by Section 1.201(9) of the
32-52 Business & Commerce Code for value who does not have actual notice
32-53 of the existence of the lien.

32-54 (a-1) With regard to a manufactured home, a tax lien may be
32-55 recorded at any time not later than six months after the end of the
32-56 year for which the tax was owed. A tax lien on a manufactured home
32-57 may be enforced if it has been recorded in accordance with the laws
32-58 in effect at the time of the recordation of the lien. A properly
32-59 recorded tax lien may not be enforced against a new manufactured
32-60 home that is owned by a person who acquired the manufactured home
32-61 from a retailer as a buyer in the ordinary course of business [A tax
32-62 lien against a manufactured home may not be enforced unless it has
32-63 been recorded with the Texas Department of Housing and Community
32-64 Affairs as provided by Section 1201.219, Occupations Code:

32-65 [(1) before October 1, 2005; or

32-66 [(2) not later than six months after the end of the
32-67 year for which the tax was owed].

32-68 (a-2) A person may not transfer ownership [~~title~~] of a
32-69 manufactured home until all tax liens perfected on the home that

33-1 have been timely filed with the Texas Department of Housing and
 33-2 Community Affairs have been extinguished or satisfied and released
 33-3 and any personal property taxes on the manufactured home which
 33-4 accrued on each January 1 that falls within the 18 months preceding
 33-5 the date of the sale have been paid. This subsection does not apply
 33-6 to the sale of a manufactured home in inventory.

33-7 (b) A bona fide purchaser for value or the holder of a lien
 33-8 recorded on a ~~the~~ manufactured home statement of ownership and
 33-9 location is not required to pay any taxes that have not been
 33-10 recorded with the Texas Department of Housing and Community
 33-11 Affairs. In this section, manufactured home has the meaning
 33-12 assigned by Section 32.015(b). Unless a tax lien has been filed
 33-13 timely with the Texas Department of Housing and Community Affairs,
 33-14 no taxing unit, nor anyone acting on its behalf, may use a tax
 33-15 warrant or any other method to attempt to execute or foreclose on
 33-16 the manufactured home.

33-17 (c) A taxpayer may designate in writing which tax year will
 33-18 be credited with a particular payment. If a taxpayer pays all the
 33-19 amounts owing for a given year, the taxing unit shall issue a
 33-20 receipt for the payment of the taxes for the designated year.

33-21 (d) Notwithstanding any other provision of this section, if
 33-22 a manufactured home was omitted from the tax roll for either or both
 33-23 of the two preceding tax years, the taxing unit may file a tax lien
 33-24 within the 150-day period following the date on which the tax
 33-25 becomes delinquent.

33-26 (e) If personal property taxes on a manufactured home have
 33-27 not been levied by the taxing unit, the taxing unit shall provide,
 33-28 upon request, an estimated amount of taxes computed by multiplying
 33-29 the taxable value of the manufactured home, according to the most
 33-30 recent certified appraisal roll for the taxing unit, by the taxing
 33-31 unit's adopted tax rate for the preceding tax year. In order to
 33-32 enable the transfer of the manufactured home, the tax collector
 33-33 shall accept the payment of the estimated personal property taxes
 33-34 and issue a certification to the Texas Department of Housing and
 33-35 Community Affairs that the estimated taxes are being held in escrow
 33-36 until the taxes are levied. Once the taxes are levied, the tax
 33-37 collector shall apply the escrowed sums to the levied taxes. At the
 33-38 time the tax collector accepts the payment of the taxes, the tax
 33-39 collector shall provide notice that the payment of the estimated
 33-40 taxes is an estimate that may be raised once the appraisal rolls for
 33-41 the year are certified and that the new owner may be liable for the
 33-42 payment of any difference between the tax established by the
 33-43 certified appraisal roll and the estimate actually paid.

33-44 SECTION 73. (a) The following provisions of the
 33-45 Occupations Code are repealed:

- 33-46 (1) Section 1201.059;
 33-47 (2) Section 1201.112;
 33-48 (3) Subsections (c), (d), (e), (f), and (g), Section
 33-49 1201.113;
 33-50 (4) Section 1201.163;
 33-51 (5) Subsections (c) and (d), Section 1201.214; and
 33-52 (6) Section 1201.408.

33-53 (b) Section 2306.6023, Government Code, is repealed.

33-54 SECTION 74. The changes in law made by this Act to Sections
 33-55 94.051, 94.052, 94.053, and 94.204, Property Code, apply only to a
 33-56 lease agreement or a renewal to a lease agreement entered into after
 33-57 the effective date of this Act. A lease agreement or a renewal to a
 33-58 lease agreement entered into on or before the effective date of this
 33-59 Act is covered by the law in effect at the time the lease agreement
 33-60 or the renewal to the lease agreement was entered into, and the
 33-61 former law is continued in effect for that purpose.

33-62 SECTION 75. The change in law made by this Act applies only
 33-63 to the sale, exchange, or lease-purchase of a new or used
 33-64 manufactured home on or after the effective date of this Act. A
 33-65 sale, exchange, or lease-purchase of a new or used manufactured
 33-66 home before the effective date of this Act is governed by the law in
 33-67 effect on the date of the sale, exchange, or lease-purchase, and the
 33-68 former law is continued in effect for that purpose.

33-69 SECTION 76. Except as otherwise provided by this Act, the

34-1 changes in law made by this Act apply only to a license issued or
34-2 renewed by the Texas Department of Housing and Community Affairs on
34-3 or after January 1, 2008. An issuance or renewal that occurs before
34-4 January 1, 2008, is governed by the law in effect immediately before
34-5 that date, and the former law is continued in effect for that
34-6 purpose.

34-7 SECTION 77. The change in law made by this Act applies only
34-8 to an offense committed on or after the effective date of this Act.
34-9 An offense committed before the effective date of this Act is
34-10 governed by the law in effect when the offense was committed, and
34-11 the former law is continued in effect for that purpose. For
34-12 purposes of this section, an offense was committed before the
34-13 effective date of this Act if any element of the offense was
34-14 committed before that date.

34-15 SECTION 78. The changes in law made by this Act to
34-16 provisions of the Tax Code apply only to an ad valorem tax year that
34-17 begins on or after January 1, 2008. The changes in law made to those
34-18 provisions do not affect a tax lien that attached to property for a
34-19 tax year that began before January 1, 2008, and the law in effect
34-20 immediately before January 1, 2008, is continued in effect for
34-21 purposes of the tax lien.

34-22 SECTION 79. This Act takes effect January 1, 2008.

34-23 * * * * *