

## **BILL ANALYSIS**

C.S.H.B. 1510  
By: Hamilton  
Licensing & Administrative Procedures  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Texas laws regulating manufactured housing date back more than 30 years. Since then, the manufactured housing industry has experienced significant change. C.S.H.B. 1510 amends those provisions of law to provide more consumer protections and to increase the efficiency and productivity of the manufactured housing division of the Texas Department of Housing and Community Affairs by allowing the division to use electronic means of sending certain reports, addressing liens and habitability issues relating to manufactured homes, and repealing redundant provisions.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 1510 amends the Occupations Code, in provisions of law relating to the election by the owner of a manufactured home to treat the home as real property, to specify that such an election is not considered to be perfected until certain filing and notification requirements have been met and to remove the provision of law establishing that the home is not considered to be real property until those requirements have been met. The bill changes from the tax assessor collector to the chief appraiser of the applicable appraisal district the entity an owner must notify on filing a certified copy of a statement of ownership in the real property records of the county in which the manufactured home is located. The bill includes the chief appraiser of the applicable appraisal district, rather than the tax assessor-collector, as an entity that must be notified of the filing of the certified copy in order for a real property election for a manufactured home to be considered perfected. The bill establishes that, after a real property election is perfected, the home is considered to be real property for all purposes and no additional issuance of a statement of ownership and location is required with respect to the manufactured home unless the home is moved from the location specified on the statement of ownership and location, the real property election is changed, or the use of the property is changed in that the owner intends to treat the home as real property or to reserve its use for a business purpose or salvage. The bill removes the provision establishing that a home is considered to be real property for all purposes after the Texas Department of Housing and Community Affairs (TDHCA) and the tax assessor-collector note in their records that a real property election has been perfected.

C.S.H.B. 1510 provides an exception to the restriction placed on the TDHCA that allows the TDHCA, if the department has issued a statement of ownership and location for a manufactured home, to issue a subsequent statement of ownership and location for a home only on the condition that all parties having an interest in a manufactured home have give their written consent or release their interest. The bill makes that provision inapplicable with respect to the release of a lien on a manufactured home by an authorized lienholder. The bill provides an exception to the provision prohibiting the TDHCA from altering the record of ownership or lien status after having issued a statement of ownership if the TDHCA releases a lien in response to a

filed request by an authorized lienholder for that release.

C.S.H.B. 1510 removes from the requirements the TDHCA must meet before issuing a statement of ownership and location for a manufactured home that is being converted from real property to personal property that the TDHCA notify the appropriate tax assessor-collector of the conversion.

C.S.H.B. 1510 establishes, in provisions of law authorizing an owner of real property to declare a manufactured home abandoned under certain circumstances, that the conditions for such a declaration relating to delinquent indebtedness involving the home includes indebtedness related to a lease agreement between the owner of the real property and the owner of the home that is considered delinquent.

C.S.H.B. 1510 limits the TDHCA's authorization to release a lien perfected with the department to the filing of a request for the release with the TDHCA on the form provided by the department or the following of the TDHCA's procedures for electronic lien release on the department's Internet website, and specifies that this provision of the bill does not apply to a tax lien perfected with the TDHCA. The bill specifies, in provisions of law establishing that a tax lien on a manufactured home is perfected only by filing notice of the tax lien with the TDHCA, that the manufactured home is not held in a retailer's inventory. The bill limits the TDHCA's authorization to release a tax lien perfected with the TDHCA to the filing of a tax certificate or tax paid receipt with the TDHCA, the filing of a request for the release with the TDHCA on the form provided by the department, or the following of the TDHCA's procedures for electronic tax lien release on the department's Internet website.

C.S.H.B. 1510 requires the TDHCA to make available to each chief appraiser of an appraisal district in Texas, rather than to each county tax assessor-collector in the state, a monthly report containing specified information relating to certain manufactured homes installed in the county in which the district was established. The bill requires the report to be in electronic format, or in hard-copy format on request, and removes the requirement that the director of the TDHCA's manufactured housing division provide a copy of the monthly report to the chief appraiser of the specified appraisal district.

C.S.H.B. 1510 removes the requirement that a person selling, exchanging, or lease-purchasing or negotiating for the sale, exchange, or lease-purchase of a used manufactured home that does not have the appropriate seal or label attached to the home submit to the TDHCA a copy of any written disclosure describing the condition of the home and of any appliances included in the home as required under state law.

C.S.H.B. 1510 makes conforming and nonsubstantive changes.

C.S.H.B. 1510 repeals the following provisions of the Occupations Code:

- Section 1201.2055(f), relating to the recording of the perfection of a real property election by the TDHCA and the specified tax assessor-collector
- Section 1201.206(d), relating to the filing requirements for a seller who accepts a trade-in manufactured home as part of the consideration for the sale of another manufactured home

### **EFFECTIVE DATE**

September 1, 2011.

### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B 1510 contains a provision not in the original requiring a manufactured home owner to notify the appropriate chief appraiser that a certain statement has been filed in the real property records of the county in which the home is located. The substitute contains a provision not in the original establishing that a real property election for a manufactured home is not considered perfected until certain conditions are met. The substitute contains a provision not in the original establishing the conditions under which a manufactured home is considered to be real property for all purposes. The substitute contains a provision not in the original removing a statutory provision making a home's consideration as real property contingent on the TDHCA and the tax assessor-collector noting in their records that a real property election has been perfected.

C.S.H.B. 1510 contains a provision not in the original providing an exception to the restriction on the TDHCA's issuance of a subsequent statement of ownership and location of a home to allow the reissuance with respect to the release of a lien on a manufactured home by an authorized lienholder. The substitute contains a provision not in the original providing an exception to the prohibition against the TDHCA altering a record of ownership or lien status after issuing a statement of ownership for the purpose of releasing a lien in response to a request filed by an authorized lienholder for such release.

C.S.H.B. 1510 contains a provision not in the original limiting the TDHCA's authorization to release a perfected lien to the filing of a request for the release with the TDHCA or the following of the TDHCA's procedures for electronic lien release and making this limited authorization inapplicable to the release of a tax lien perfected with the TDHCA.

C.S.H.B. 1510 contains a provision not in the original limiting the TDHCA's authorization to release a perfected tax lien to the filing with the TDHCA of a tax certificate or tax paid receipt, the filing of a request for the release on the form provided by the department, or the following of the TDHCA's procedures for electronic tax lien release on the department's Internet website.

C.S.H.B. 1510 differs from the original in nonsubstantive ways by using language reflective of certain bill drafting conventions.