

By: J. Davis of Harris

H.B. No. 2916

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the administration of certain housing and energy
3 assistance programs.

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

5 ARTICLE 1. TRANSFER OF CERTAIN FUNCTIONS
6 FROM TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS TO TEXAS
7 STATE AFFORDABLE HOUSING CORPORATION

8 SECTION 1.01. Section 1372.0221, Government Code, is
9 amended to read as follows:

10 Sec. 1372.0221. DEDICATION OF PORTION OF STATE CEILING FOR
11 PROFESSIONAL EDUCATORS HOME LOAN PROGRAM. Until August 7, out of
12 that portion of the state ceiling that is available exclusively for
13 reservations by the Texas State Affordable Housing Corporation
14 under Section 1372.0223, 20 [~~54.5~~] percent shall be allotted each
15 year and made available to the corporation for the purpose of
16 issuing qualified mortgage bonds in connection with the
17 professional educators home loan program established under Section
18 2306.562.

19 SECTION 1.02. Section 1372.0222, Government Code, is
20 amended to read as follows:

21 Sec. 1372.0222. DEDICATION OF PORTION OF STATE CEILING FOR
22 FIRE FIGHTER, LAW ENFORCEMENT OR SECURITY OFFICER, AND EMERGENCY
23 MEDICAL SERVICES PERSONNEL HOME LOAN PROGRAM. Until August 7, out
24 of that portion of the state ceiling that is available exclusively

1 for reservations by the Texas State Affordable Housing Corporation
2 under Section 1372.0223, 10 [~~45.5~~] percent shall be allotted each
3 year and made available to the corporation for the purpose of
4 issuing qualified mortgage bonds in connection with the fire
5 fighter, law enforcement or security officer, and emergency medical
6 services personnel home loan program established under Section
7 2306.5621.

8 SECTION 1.03. Subchapter B, Chapter 1372, Government Code,
9 is amended by adding Section 1372.02221 to read as follows:

10 Sec. 1372.02221. DEDICATION OF PORTION OF STATE CEILING FOR
11 PROGRAMS ADMINISTERED BY TEXAS STATE AFFORDABLE HOUSING
12 CORPORATION. Until August 7, out of that portion of the state
13 ceiling that is available exclusively for reservations by the Texas
14 State Affordable Housing Corporation under Section 1372.0223, 70
15 percent shall be allotted each year and made available to the
16 corporation for the purpose of issuing qualified mortgage bonds in
17 connection with the programs established under Sections 2306.562
18 and 2306.5621 or any other home loan program administered by the
19 corporation.

20 SECTION 1.04. Section 1372.0223, Government Code, is
21 amended to read as follows:

22 Sec. 1372.0223. DEDICATION OF PORTION OF STATE CEILING TO
23 [~~CERTAIN~~] ISSUERS OF QUALIFIED MORTGAGE BONDS. Until August 7, out
24 of that portion of the state ceiling that is available exclusively
25 for reservations by issuers of qualified mortgage bonds under
26 Section 1372.022:

27 (1) 40 [~~10~~] percent is available exclusively to the

1 Texas State Affordable Housing Corporation for the purpose of
2 issuing qualified mortgage bonds; and

3 (2) 60 [~~56.66~~] percent is available exclusively to
4 housing finance corporations for the purpose of issuing qualified
5 mortgage bonds.

6 SECTION 1.05. Sections 1372.0231(a), (b-1), (c), (d), (g),
7 and (i), Government Code, are amended to read as follows:

8 (a) Until August 15, of that portion of the state ceiling
9 that is available exclusively for reservations by issuers of
10 qualified residential rental project bonds:

11 (1) 80 [~~20 percent is available exclusively to the~~
12 ~~Texas Department of Housing and Community Affairs in the manner~~
13 ~~described by Subsection (b)~~];

14 [~~(2) 70~~] percent is available exclusively to housing
15 finance corporations in the manner described by Subsections
16 (c)-(f); and

17 (2) 20 [~~(3) 10~~] percent is available exclusively to
18 the Texas State Affordable Housing Corporation in the manner
19 described by Subsection (b-1).

20 (b-1) With respect to the amount of the state ceiling set
21 aside under Subsection (a)(2) [~~(a)(3)~~], the board shall issue
22 qualified residential rental project bonds and allocate bond funds
23 at the direction of the Texas State Affordable Housing Corporation
24 as provided by Section 2306.565. Issuances made by the board under
25 this subsection are subject to review and approval by the board
26 under Section 1231.041.

27 (c) With respect to the amount of the state ceiling set

1 aside under Subsection (a)(1) [~~(a)(2)~~], the board shall grant
2 reservations in a manner that ensures that not more than 50 percent
3 of the set-aside amount is used for proposed projects that are
4 located in qualified census tracts as defined by the most recent
5 publication by the United States Department of Housing and Urban
6 Development.

7 (d) Except as provided by Subsection (i), before May 1, the
8 board shall apportion the amount of the state ceiling set aside
9 under Subsection (a)(1) [~~(a)(2)~~] among the uniform state service
10 regions according to the percentage of the state's population that
11 resides in each of those regions.

12 (g) On or after May 1, the board may not grant available
13 reservations to housing finance corporations described by
14 Subsection (a)(1) [~~(a)~~] based on uniform state service regions or
15 any segments of those regions.

16 (i) Before May 1, the board shall apportion the amount of
17 the state ceiling set aside under Subsection (a)(1) [~~(a)(2)~~] only
18 among uniform state service regions with respect to which an issuer
19 has submitted an application for a reservation of the state ceiling
20 on or before March 1.

21 SECTION 1.06. Section 1372.025(b), Government Code, is
22 amended to read as follows:

23 (b) Subsection (a) does not apply to qualified mortgage
24 bonds or qualified residential rental project bonds made available
25 exclusively to [~~the Texas Department of Housing and Community~~
26 ~~Affairs under Section 1372.023 or~~] the Texas State Affordable
27 Housing Corporation under Sections 1372.0221, [~~and~~] 1372.0222, and

1 1372.02221.

2 SECTION 1.07. Section 1372.028(d), Government Code, is
3 amended to read as follows:

4 (d) An issuer is not required to provide the statement
5 required by Subsection (c)(3)(F) if the issuer:

6 (1) is an issuer of a state-voted issue;

7 (2) is the [~~Texas Department of Housing and Community~~
8 ~~Affairs or the~~] Texas State Affordable Housing Corporation; or

9 (3) provides evidence that one or more binding
10 contracts have been entered into, or other evidence acceptable to
11 the board as described by program rule, to spend the unexpended
12 proceeds by the later of:

13 (A) 12 months after the date the board receives
14 the application; or

15 (B) December 31 of the program year for which the
16 application is filed.

17 SECTION 1.08. Section 1372.037(a), Government Code, is
18 amended to read as follows:

19 (a) Except as provided by Subsection (b), before August 15
20 the board may not grant for any single project a reservation for
21 that year that is greater than:

22 (1) \$40 million, if the issuer is an issuer of
23 qualified mortgage bonds, other than the [~~Texas Department of~~
24 ~~Housing and Community Affairs or the~~] Texas State Affordable
25 Housing Corporation;

26 (2) \$50 million, if the issuer is an issuer of a
27 state-voted issue, other than the Texas Higher Education

1 Coordinating Board, or \$75 million, if the issuer is the Texas
2 Higher Education Coordinating Board;

3 (3) the amount to which the Internal Revenue Code
4 limits issuers of qualified small issue bonds and enterprise zone
5 facility bonds, if the issuer is an issuer of those bonds;

6 (4) the lesser of \$20 million or 15 percent of the
7 amount set aside for reservation by issuers of qualified
8 residential rental project bonds, if the issuer is an issuer of
9 those bonds;

10 (5) the amount as prescribed in Sections 1372.033(d),
11 (e), and (f), if the issuer is an issuer authorized by Section
12 53B.47, Education Code, to issue qualified student loan bonds; or

13 (6) \$50 million, if the issuer is any other issuer of
14 bonds that require an allocation.

15 SECTION 1.09. Section 1372.040, Government Code, is amended
16 to read as follows:

17 Sec. 1372.040. RESERVATION BY CERTAIN ISSUERS OF QUALIFIED
18 MORTGAGE BONDS OF MONEY FOR MORTGAGES FOR CERTAIN PERSONS. An
19 issuer of qualified mortgage bonds, other than the [~~Texas~~
20 ~~Department of Housing and Community Affairs or the~~] Texas State
21 Affordable Housing Corporation, shall reserve for six months 50
22 percent of the funds available for loans outside the federally
23 designated target areas to provide mortgages to individuals and
24 families with incomes below 80 percent of the applicable median
25 family income, as defined by Section 143(f)(4), Internal Revenue
26 Code (26 U.S.C. Section 143(f)(4)).

27 SECTION 1.10. Section 2306.1076(b), Government Code, is

1 amended to read as follows:

2 (b) The [~~In addition to funds set aside for the program~~
3 ~~under Section 1372.023, the~~] department may solicit and accept
4 funding for the program from gifts and grants for the purposes of
5 this section.

6 SECTION 1.11. Section 2306.253, Government Code, is
7 transferred to Subchapter Y, Chapter 2306, Government Code,
8 redesignated as Section 2306.570, Government Code, and amended to
9 read as follows:

10 Sec. 2306.570 [~~2306.253~~]. HOMEBUYER EDUCATION PROGRAM.

11 (a) The corporation [~~department~~] shall develop and implement a
12 statewide homebuyer education program designed to provide
13 information and counseling to prospective homebuyers about the home
14 buying process.

15 (b) The corporation [~~department~~] shall develop the program
16 in cooperation with the Texas AgriLife [~~Agricultural~~] Extension
17 Service, the Health and [~~Texas Department of~~] Human Services
18 Commission, the Real Estate [~~Research~~] Center at Texas A&M
19 University, the Texas Workforce Commission, experienced homebuyer
20 education providers, community-based organizations, and advocates
21 of affordable housing. When feasible, the corporation [~~The~~
22 ~~department~~] shall implement the program through the self-help
23 centers established under Subchapter Z [~~when feasible~~].

24 (c) The corporation [~~department~~] shall make full use of
25 existing training and informational materials available from
26 sources such as the United States Department of Housing and Urban
27 Development, the cooperative extension system, the Neighborhood

1 Reinvestment Corporation, and existing homebuyer education
2 providers.

3 (d) In order to implement this section, the corporation
4 ~~[department]~~ may use money available to the corporation
5 ~~[department]~~ for housing purposes that the corporation
6 ~~[department]~~ is not prohibited from spending on the homebuyer
7 education program, including:

8 (1) the amount of administrative or service fees the
9 corporation ~~[department]~~ receives from the issuance or refunding of
10 bonds that exceeds the amount the corporation ~~[department]~~ needs to
11 pay its overhead costs in administering its bond programs; and

12 (2) money the corporation ~~[department]~~ receives from
13 other entities by gift or grant under a contract.

14 SECTION 1.12. The heading to Section 2306.565, Government
15 Code, is amended to read as follows:

16 Sec. 2306.565. ISSUANCE OF QUALIFIED RESIDENTIAL RENTAL
17 PROJECT BONDS; ALLOCATION OF BOND FUNDS; COMPLIANCE MONITORING.

18 SECTION 1.13. Section 2306.565, Government Code, is amended
19 by adding Subsection (k) to read as follows:

20 (k) The corporation shall perform compliance monitoring and
21 physical inspections to ensure that recipients of money funded by
22 bonds issued by the corporation or the department under Section
23 1372.0231(a) comply with all legal and contractual requirements for
24 receiving that money, except that the department shall continue to
25 perform compliance monitoring and physical inspections in relation
26 to contracts maintained under department programs that are
27 otherwise funded using federal money.

1 SECTION 1.14. The following provisions of the Government
2 Code are repealed:

- 3 (1) Section 1372.023;
4 (2) Section 1372.0231(b), as amended by Chapters 330
5 (S.B. 264) and 1329 (S.B. 1664), Acts of the 78th Legislature,
6 Regular Session, 2003; and
7 (3) Section 1372.0231(h).

8 SECTION 1.15. The change in law made by this article in
9 amending Chapter 1372, Government Code, applies only to a
10 reservation of state ceiling granted on or after January 1, 2012.

11 ARTICLE 2. TRANSFER OF ENERGY ASSISTANCE PROGRAMS FROM TEXAS
12 DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS TO PUBLIC UTILITY
13 COMMISSION OF TEXAS

14 SECTION 2.01. Section 2305.036(c), Government Code, is
15 amended to read as follows:

- 16 (c) Projects funded under this program may include:
17 (1) projects to demonstrate commercially available
18 cost-effective energy-saving techniques and technologies;
19 (2) training and technical assistance in
20 energy-efficient construction, design, or remodeling;
21 (3) projects to provide energy education workshops or
22 seminars for consumers;
23 (4) financing for energy designs and improvements,
24 energy-efficient appliances, and energy management systems; and
25 (5) funding of a weatherization assistance program
26 through the Public Utility Commission of Texas [~~Texas Department Of~~
27 ~~Housing and Community Affairs~~] to benefit individuals of low

1 income.

2 SECTION 2.02. Section 2306.097, Government Code, is
3 transferred to Subchapter B, Chapter 16, Utilities Code,
4 redesignated as Section 16.022, Utilities Code, and amended to read
5 as follows:

6 Sec. 16.022 [~~2306.097~~]. STATE LOW-INCOME ENERGY
7 ASSISTANCE PROGRAM [~~ENERGY SERVICES PROGRAM FOR LOW-INCOME~~
8 ~~INDIVIDUALS~~]. (a) The commission [~~The Energy Services Program for~~
9 ~~Low-Income Individuals shall operate in conjunction with the~~
10 ~~community services block grant program and~~] has jurisdiction and
11 responsibility for administration of the following elements of the
12 State Low-Income Energy Assistance Program, from whatever sources
13 funded:

- 14 (1) the Energy Crisis Intervention Program;
15 (2) the weatherization program; and
16 (3) the Low-Income Home Energy Assistance Program.

17 (b) Applications, forms, and educational materials for a
18 program administered under Subsection (a)(1), (2), or (3) must be
19 provided in English, Spanish, and any other appropriate language.

20 SECTION 2.03. Section 2306.187(e), Government Code, is
21 amended to read as follows:

22 (e) Subsections (a) and (b) do not apply to a single or
23 multifamily dwelling that receives weatherization assistance money
24 from the Public Utility Commission of Texas [~~department~~] or money
25 provided under the first-time homebuyer program.

26 SECTION 2.04. Section 39.903(f), Utilities Code, is amended
27 to read as follows:

1 (f) Notwithstanding Section 39.106(b), the commission shall
2 adopt rules regarding programs to assist low-income electric
3 customers on the introduction of customer choice. The programs may
4 not be targeted to areas served by municipally owned utilities or
5 electric cooperatives that have not adopted customer choice. The
6 programs shall include:

7 (1) reduced electric rates as provided by Subsections
8 (h)-(1); and

9 (2) targeted energy efficiency programs to be
10 administered [~~by the Texas Department of Housing and Community~~
11 ~~Affairs~~] in coordination with existing weatherization programs.

12 SECTION 2.05. (a) As soon as practicable after the
13 effective date of this Act, the Texas Department of Housing and
14 Community Affairs and the Public Utility Commission of Texas shall
15 develop a transition plan for transferring the functions performed
16 by the department under Section 2306.097, Government Code, to the
17 commission. The transition plan must include a timetable with
18 specific steps and deadlines needed to complete the transfer.

19 (b) In accordance with the transition plan developed by the
20 Texas Department of Housing and Community Affairs and the Public
21 Utility Commission of Texas under Subsection (a) of this section,
22 on November 1, 2011:

23 (1) all functions and activities relating to Section
24 2306.097, Government Code, performed by the Texas Department of
25 Housing and Community Affairs immediately before that date are
26 transferred to the Public Utility Commission of Texas;

27 (2) a rule or form adopted by the executive director of

1 the Texas Department of Housing and Community Affairs that relates
2 to Section 2306.097, Government Code, is a rule or form of the
3 Public Utility Commission of Texas and remains in effect until
4 amended or replaced by the commission;

5 (3) a reference in law to or an administrative rule of
6 the Texas Department of Housing and Community Affairs that relates
7 to Section 2306.097, Government Code, means the Public Utility
8 Commission of Texas;

9 (4) a complaint, investigation, or other proceeding
10 before the Texas Department of Housing and Community Affairs that
11 is related to Section 2306.097, Government Code, is transferred
12 without change in status to the Public Utility Commission of Texas,
13 and the commission assumes, as appropriate and without a change in
14 status, the position of the department in an action or proceeding to
15 which the department is a party;

16 (5) any employee of the Texas Department of Housing
17 and Community Affairs who is primarily involved in administering
18 Section 2306.097, Government Code, becomes an employee of the
19 Public Utility Commission of Texas;

20 (6) all money, contracts, leases, property, and
21 obligations of the Texas Department of Housing and Community
22 Affairs related to Section 2306.097, Government Code, are
23 transferred to the Public Utility Commission of Texas;

24 (7) all property in the custody of the Texas
25 Department of Housing and Community Affairs related to Section
26 2306.097, Government Code, is transferred to the Public Utility
27 Commission of Texas; and

1 (8) the unexpended and unobligated balance of any
2 money appropriated by the legislature for the Texas Department of
3 Housing and Community Affairs related to Section 2306.097,
4 Government Code, is transferred to the Public Utility Commission of
5 Texas.

6 (c) Before November 1, 2011, the Texas Department of Housing
7 and Community Affairs may agree with the Public Utility Commission
8 of Texas to transfer any property of the department to the
9 commission to implement the transfer required by this article.

10 (d) In the period beginning September 1, 2011, and ending on
11 November 1, 2011, the Texas Department of Housing and Community
12 Affairs shall continue to perform functions and activities under
13 Section 2306.097, Government Code, as if that section had not been
14 transferred, redesignated, and amended by this article, and the
15 former law is continued in effect for that purpose.

16 ARTICLE 3. REGULATION OF MANUFACTURED HOUSING

17 SECTION 3.01. Section 2306.0521, Government Code, is
18 amended to read as follows:

19 Sec. 2306.0521. ORGANIZATIONAL FLEXIBILITY OF DEPARTMENT.
20 ~~[(a)]~~ Notwithstanding ~~[Section 2306.021(b) or]~~ any other provision
21 of this chapter, the director, with the approval of the board, may:

22 (1) create divisions ~~[in addition to those listed in~~
23 ~~Section 2306.021(b)]~~ and assign to the newly created divisions any
24 duties and powers imposed on or granted to an existing division or
25 the department generally;

26 (2) eliminate any division ~~[listed in Section~~
27 ~~2306.021(b) or]~~ created under this section and assign any duties or

1 powers previously assigned to the eliminated division to another
2 division [~~listed in Section 2306.021(b) or~~] created under this
3 section; or

4 (3) eliminate all divisions [~~listed in Section~~
5 ~~2306.021(b) or~~] created under this section and reorganize the
6 distribution of powers and duties granted to or imposed on a
7 division in any manner the director determines appropriate for the
8 proper administration of the department.

9 [~~(b) This section does not apply to the manufactured housing~~
10 ~~division.~~]

11 SECTION 3.02. Section 2306.591(a), Government Code, is
12 amended to read as follows:

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

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

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

19 (3) ownership of the home must be properly recorded
20 with the Texas Department of Licensing and Regulation [~~manufactured~~
21 ~~housing division of the department~~].

22 SECTION 3.03. Section 1201.003, Occupations Code, is
23 amended by adding Subdivision (7-a) and amending Subdivisions (10)
24 and (11) to read as follows:

25 (7-a) "Commission" means the Texas Commission of
26 Licensing and Regulation.

27 (10) "Department" means the Texas Department of

1 Licensing and Regulation [~~Housing and Community Affairs operating~~
2 ~~through its manufactured housing division~~].

3 (11) "Director" means the executive director of the
4 department [~~manufactured housing division of the Texas Department~~
5 ~~of Housing and Community Affairs~~].

6 SECTION 3.04. Section 1201.053(a), Occupations Code, is
7 amended to read as follows:

8 (a) The commission [~~board~~] shall adopt rules and otherwise
9 act as necessary to:

10 (1) comply with the National Manufactured Housing
11 Construction and Safety Standards Act of 1974 (42 U.S.C. Section
12 5401 et seq.), including adopting and enforcing rules reasonably
13 required to implement the notification and correction procedures
14 provided by 42 U.S.C. Section 5414; and

15 (2) provide for the effective enforcement of all
16 HUD-code manufactured housing construction and safety standards in
17 order to have the state plan authorized by the National
18 Manufactured Housing Construction and Safety Standards Act of 1974
19 (42 U.S.C. Section 5401 et seq.) approved by the secretary of
20 housing and urban development.

21 SECTION 3.05. Sections 1201.054(b) and (c), Occupations
22 Code, are amended to read as follows:

23 (b) If requested, the commission [~~board~~] shall, after at
24 least 10 days' notice, hold a hearing on any rule that it proposes
25 to adopt, other than a rule that is to be adopted under emergency
26 rulemaking, in which case only the requirements of Chapter 2001,
27 Government Code, shall apply.

1 (c) A rule takes effect on the 30th day after the date of
2 publication of notice that the rule has been adopted, except that a
3 rule relating to installation standards may not take effect earlier
4 than the 60th day after the date of publication of notice unless the
5 commission [~~board~~] has determined that an earlier effective date is
6 required to meet an emergency and the standard was adopted under the
7 emergency rulemaking provisions of Chapter 2001, Government Code.

8 SECTION 3.06. Sections 1201.055(a), (c), and (d),
9 Occupations Code, are amended to read as follows:

10 (a) With guidance from the federal Housing and Community
11 Development Act of 1974 (42 U.S.C. Section 5301 et seq.) and from
12 the rules and regulations adopted under the National Manufactured
13 Housing Construction and Safety Standards Act of 1974 (42 U.S.C.
14 Section 5401 et seq.), the commission [~~board~~] shall establish fees
15 as follows:

16 (1) if the department acts as a design approval
17 primary inspection agency, a schedule of fees for the review of
18 HUD-code manufactured home blueprints and supporting information,
19 to be paid by the manufacturer seeking approval of the blueprints
20 and supporting information;

21 (2) except as provided by Subsection (e), a fee for the
22 inspection of each HUD-code manufactured home manufactured or
23 assembled in this state, to be paid by the manufacturer of the home;

24 (3) a fee for the inspection of an alteration made to
25 the structure or plumbing, heating, or electrical system of a
26 HUD-code manufactured home, to be charged on an hourly basis and to
27 be paid by the person making the alteration;

1 (4) a fee for the inspection of the rebuilding of a
2 salvaged manufactured home, to be paid by the rebuilder;

3 (5) a fee for the inspection of a used manufactured
4 home to determine whether the home is habitable for the issuance of
5 a new statement of ownership and location; and

6 (6) a fee for the issuance of a seal for a used mobile
7 or HUD-code manufactured home.

8 (c) The commission [~~board~~] shall establish a fee for the
9 inspection of the installation of a mobile or HUD-code manufactured
10 home, to be paid by the installer of the home.

11 (d) The commission [~~board~~] shall charge a fee for a consumer
12 complaint home inspection requested by a manufacturer or retailer
13 under Section 1201.355(b), to be paid by the manufacturer or
14 retailer.

15 SECTION 3.07. Section 1201.056, Occupations Code, is
16 amended to read as follows:

17 Sec. 1201.056. LICENSE FEES. The commission [~~board~~] shall
18 establish fees for the issuance and renewal of licenses for:

- 19 (1) manufacturers;
- 20 (2) retailers;
- 21 (3) brokers;
- 22 (4) salespersons;
- 23 (5) rebuilders; and
- 24 (6) installers.

25 SECTION 3.08. Section 1201.057, Occupations Code, is
26 amended to read as follows:

27 Sec. 1201.057. INSTRUCTION FEE. The commission [~~board~~]

1 shall charge a fee to each person attending a course of instruction
2 described by Section 1201.104.

3 SECTION 3.09. Sections 1201.058(a), (d), and (e),
4 Occupations Code, are amended to read as follows:

5 (a) The commission [~~board~~] shall establish reasonable fees
6 for all matters under this chapter providing for fees. If the
7 department's rules provide an option to file a document
8 electronically, the department may charge a discounted fee for the
9 electronic filing.

10 (d) Notwithstanding Subsection (c), the director may, in
11 limited and appropriate circumstances and in accordance with rules
12 adopted by the commission [~~board~~], approve the refund of fees.

13 (e) If the governor by executive order or proclamation
14 declares a state of disaster under Chapter 418, Government Code,
15 the director, in accordance with rules adopted by the commission
16 [~~board~~], may waive the imposition of any fee under this chapter in
17 the affected area.

18 SECTION 3.10. Sections 1201.104(e) and (f), Occupations
19 Code, are amended to read as follows:

20 (e) The commission [~~board~~] shall adopt rules relating to
21 course content and approval.

22 (f) An applicant for an initial installer's license shall
23 receive a license on a provisional basis. The person's provisional
24 status remains in effect until a sufficient number of installations
25 completed by the person have been inspected by the department and
26 found not to have any identified material violations of the
27 department's rules. The commission [~~board~~], with the advice of the

1 advisory committee to be established under Section 1201.251, shall
2 adopt rules to establish what constitutes a sufficient number of
3 installations under this subsection.

4 SECTION 3.11. Section 1201.105(c), Occupations Code, is
5 amended to read as follows:

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

11 SECTION 3.12. Section 1201.113(a), Occupations Code, is
12 amended to read as follows:

13 (a) The commission [~~board~~] shall approve or administer
14 continuing education programs for licensees under this chapter. A
15 continuing education program must be at least eight hours long and
16 must include the current rules of the department and such other
17 matters as the commission [~~board~~] may deem relevant.

18 SECTION 3.13. Section 1201.118, Occupations Code, is
19 amended to read as follows:

20 Sec. 1201.118. RULES RELATING TO CERTAIN PERSONS. The
21 commission [~~board~~] shall adopt rules providing for additional
22 review and scrutiny of any application for an initial or renewal
23 license that involves a person who has previously:

24 (1) been found in a final order to have participated in
25 one or more violations of this chapter that served as grounds for
26 the suspension or revocation of a license;

27 (2) been found to have engaged in activity subject to

1 this chapter without possessing the required license;

2 (3) caused the trust fund to incur unreimbursed
3 payments or claims; or

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

6 SECTION 3.14. Section 1201.1521(b), Occupations Code, is
7 amended to read as follows:

8 (b) Subject to rules adopted by the commission [~~board~~], a
9 consumer may waive a right of rescission in the event of a bona fide
10 emergency. Such rules shall, to the extent practical, be modeled
11 on the federal rules for the waiver of a right of rescission under
12 12 C.F.R. Part 226.

13 SECTION 3.15. Section 1201.162(a), Occupations Code, is
14 amended to read as follows:

15 (a) Before the completion of a credit application or more
16 than one day before entering into any agreement for a sale,
17 exchange, or the exercise of the lease purchase option that will not
18 be financed, the retailer must provide to the consumer a written
19 disclosure in the form promulgated by the commission [~~board~~]. The
20 disclosure shall be in at least 12-point type and must address
21 matters of concern relating to costs and obligations that may be
22 associated with home ownership, matters to be considered in making
23 financing decisions, related costs that may arise when purchasing a
24 manufactured home, and such other matters as the commission [~~board~~]
25 may consider [~~deem~~] appropriate to promote informed purchase,
26 financing, and related decisions regarding the acquisition and
27 ownership of a manufactured home. The form shall also

1 conspicuously disclose the consumer's right of rescission.

2 SECTION 3.16. Section 1201.203, Occupations Code, is
3 amended to read as follows:

4 Sec. 1201.203. FORMS; RULES. (a) The commission [~~board~~]
5 shall adopt rules and forms relating to:

6 (1) the manufacturer's certificate;

7 (2) the statement of ownership and location;

8 (3) the application for a statement of ownership and
9 location; and

10 (4) the issuance of an initial or revised statement of
11 ownership.

12 (b) The commission [~~board~~] shall adopt rules for the
13 documenting of the ownership and location of a manufactured home
14 that has been previously owned in this state or another state. The
15 rules must protect a lienholder recorded with the department.

16 SECTION 3.17. Section 1201.205, Occupations Code, is
17 amended to read as follows:

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

22 (1) the name and address of the seller and the name
23 and, if it is different from the location of the home, the mailing
24 address of the new owner;

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

27 (3) in accordance with the commission's [~~board's~~]

1 rules:

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

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

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

10 (5) the physical address where the home is installed
11 for occupancy, including the name of the county, and, if it is
12 different from the physical address, the mailing address of the
13 owner of the home;

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

18 (7) a statement regarding tax liens as follows:

19 "On January 1st of each year, a new tax lien comes into
20 existence on a manufactured home in favor of each taxing unit having
21 jurisdiction where the home is actually located on January 1st. In
22 order to be enforced, any such lien must be recorded with the Texas
23 Department of Licensing and Regulation [~~Housing and Community~~
24 ~~Affairs - Manufactured Housing Division~~] as provided by law. You
25 may check that department's [~~division's~~] records through its
26 website or contact that department [~~division~~] to learn any recorded
27 tax liens. To find out about the amount of any unpaid tax

1 liabilities, contact the tax office for the county where the home
2 was actually located on January 1st of that year.";

3 (8) a statement that if two or more eligible persons,
4 as determined by Section 1201.213, file with the application for
5 the issuance of a statement of ownership and location an agreement
6 signed by all the persons providing that the home is to be held
7 jointly with a right of survivorship, the director shall issue the
8 statement of ownership and location in all the names;

9 (9) the location of the home;

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

12 (11) statements of whether the home is a salvaged
13 manufactured home and whether the home is reserved for business use
14 only; and

15 (12) any other information the commission [~~board~~]
16 requires.

17 SECTION 3.18. The heading to Section 1201.251, Occupations
18 Code, is amended to read as follows:

19 Sec. 1201.251. STANDARDS AND REQUIREMENTS ADOPTED BY
20 COMMISSION [~~BOARD~~].

21 SECTION 3.19. Sections 1201.251(a), (d), and (e),
22 Occupations Code, are amended to read as follows:

23 (a) The commission [~~board~~] shall adopt standards and
24 requirements for:

25 (1) the installation and construction of manufactured
26 housing that are reasonably necessary to protect the health,
27 safety, and welfare of the occupants and the public; and

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

5 (d) In order to ensure that the determinations required by
6 this section are properly made by qualified persons:

7 (1) the commission's [~~board's~~] rules may provide for
8 the approval of foundation systems and devices that have been
9 approved by licensed engineers; and

10 (2) any generic installation standards promulgated by
11 rule shall first be reviewed by an advisory committee established
12 by the commission [~~board~~] comprised of representatives of
13 manufacturers, installers, and manufacturers of stabilization
14 systems or devices, including one or more licensed engineers.

15 (e) The advisory committee established by Subsection (d)
16 shall make a report to the commission [~~board~~] setting forth each
17 comment and concern over any proposed rules. The members of the
18 committee do not have any [~~shall have no~~] personal liability for
19 providing this advice.

20 SECTION 3.20. Section 1201.252(a), Occupations Code, is
21 amended to read as follows:

22 (a) A local governmental unit of this state may not adopt a
23 standard for the construction or installation of manufactured
24 housing in the local governmental unit that is different from a
25 standard adopted by the commission [~~board~~] unless, after a hearing,
26 the commission [~~board~~] expressly approves the proposed standard.

27 SECTION 3.21. Section 1201.254, Occupations Code, is

1 amended to read as follows:

2 Sec. 1201.254. EFFECTIVE DATE OF REQUIREMENT OR STANDARD.

3 Each requirement or standard that is adopted, modified, amended, or
4 repealed by the commission [~~board~~] must state its effective date.

5 SECTION 3.22. Section 1201.255(b), Occupations Code, is
6 amended to read as follows:

7 (b) An installer may not install a used manufactured home at
8 a location on a site that has evidence of ponding, runoff under
9 heavy rains, or bare uncompacted soil unless the installer first
10 obtains the owner's signature on a form promulgated by the
11 commission [~~board~~] disclosing that such conditions may contribute
12 to problems with the stabilization system for that manufactured
13 home, including possible damage to that home, and the owner accepts
14 that risk.

15 SECTION 3.23. Sections 1201.302(a) and (b), Occupations
16 Code, are amended to read as follows:

17 (a) To ensure that a manufactured home sold or installed in
18 this state complies with the standards code, the director may by
19 contract provide for a federal agency or an agency or political
20 subdivision of this state or another state to perform an inspection
21 or inspection program under this chapter or under rules adopted by
22 the commission [~~board~~].

23 (b) On request, the department shall authorize a local
24 governmental unit in this state to perform an inspection or
25 enforcement activity related to the construction of a foundation
26 system or the erection or installation of manufactured housing at a
27 homesite under a contract or other official designation and rules

1 adopted by the commission [~~board~~]. The department may withdraw the
2 authorization if the local governmental unit fails to follow the
3 rules, interpretations, and written instructions of the
4 department.

5 SECTION 3.24. Section 1201.405(g), Occupations Code, is
6 amended to read as follows:

7 (g) The commission [~~board~~] by rule may place reasonable
8 limits on the costs that may be approved for payment from the trust
9 fund, including the costs of reassigned warranty work, and require
10 consumers making claims that may be subject to reimbursement from
11 the trust fund to provide estimates establishing that the cost will
12 be reasonable. Such rules may also specify such procedures and
13 requirements as the commission [~~board~~] may deem necessary and
14 advisable for the administration of the trust fund.

15 SECTION 3.25. Section 1201.407(e), Occupations Code, is
16 amended to read as follows:

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

23 SECTION 3.26. Section 1201.513(b), Occupations Code, is
24 amended to read as follows:

25 (b) A retailer may not knowingly permit a consumer to occupy
26 a manufactured home that is the subject of a sale, exchange, or
27 lease-purchase to that consumer before the closing of any required

1 financing unless the consumer is first given a form adopted by the
2 commission [~~board~~] disclosing that if for any reason the financing
3 does not close, the consumer may be required to vacate the home.

4 SECTION 3.27. Section 1201.552, Occupations Code, is
5 amended to read as follows:

6 Sec. 1201.552. LICENSE REVOCATION, SUSPENSION, OR DENIAL;
7 HEARING. The director may issue an order to revoke, suspend, or
8 deny a new or renewal license. If, before the 31st day after an
9 order revoking, suspending, or denying a license is issued, the
10 person against whom the order is issued requests a hearing by giving
11 written notice to the director, the director shall set a hearing
12 before the State Office of Administrative Hearings. If the person
13 does not request a hearing before the 31st day after the date the
14 order is issued, the order becomes final. Any administrative
15 proceedings relating to the revocation, suspension, or denial of a
16 license under this subsection shall be a contested case under
17 Chapter 2001, Government Code. The commission [~~board~~] shall issue
18 an order after receiving a proposal for decision.

19 SECTION 3.28. Section 1201.553, Occupations Code, is
20 amended to read as follows:

21 Sec. 1201.553. JUDICIAL REVIEW. Judicial review of any
22 order, decision, or determination of the commission [~~board~~] is
23 instituted by filing a petition with a district court in Travis
24 County as provided by Chapter 2001, Government Code.

25 SECTION 3.29. Section 1201.605(d), Occupations Code, is
26 amended to read as follows:

27 (d) The director may impose an administrative penalty in

1 accordance with this section. If, before the 31st day after the
2 date a person receives notice of the imposition of an
3 administrative penalty, the person requests a hearing by giving
4 written notice to the director, the director shall set a hearing
5 before the State Office of Administrative Hearings. If the person
6 does not request a hearing before the 31st day after the date the
7 person receives notice of the imposition of the administrative
8 penalty, the penalty becomes final. Any administrative proceedings
9 relating to the imposition of an administrative penalty under this
10 subsection shall be a contested case under Chapter 2001, Government
11 Code. The commission [~~board~~] shall issue an order after receiving a
12 proposal for decision.

13 SECTION 3.30. Section 1201.607, Occupations Code, is
14 amended to read as follows:

15 Sec. 1201.607. ISSUANCE OF ORDERS AND REQUESTS FOR
16 HEARINGS. Any order issued by the director under this chapter, if
17 not appealed before the 31st day after the date the order was
18 issued, shall automatically become a final order. If the person
19 made the subject of the order files a written request for a hearing
20 with the director, the order shall be deemed to have been appealed
21 and shall be a contested case under Chapter 2001, Government Code.
22 The director shall set any appealed order for a hearing before the
23 State Office of Administrative Hearings, and the commission [~~board~~]
24 shall issue a final order after receiving and reviewing the
25 proposal for decision issued pursuant to such hearing.

26 SECTION 3.31. Section 1201.608(c), Occupations Code, is
27 amended to read as follows:

1 (c) The department may carry out "sting" or undercover
2 investigations in accordance with commission-adopted
3 ~~[board-adopted]~~ rules if the director believes such action to be
4 appropriate in order to detect and address suspected violations of
5 this chapter.

6 SECTION 3.32. Section 1201.610(c), Occupations Code, is
7 amended to read as follows:

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

17 SECTION 3.33. Section 1201.611(a), Occupations Code, is
18 amended to read as follows:

19 (a) The commission ~~[board]~~ shall adopt rules relating to the
20 administrative sanctions that may be enforced against a person
21 regulated by the department.

22 SECTION 3.34. Section 11.432(a), Tax Code, is amended to
23 read as follows:

24 (a) For a manufactured home to qualify for an exemption
25 under Section 11.13, the application for the exemption must be
26 accompanied by a copy of the statement of ownership and location for
27 the manufactured home issued by the ~~[manufactured housing division]~~

1 ~~of the~~] Texas Department of Licensing and Regulation [~~Housing and~~
2 ~~Community Affairs~~] under Section 1201.207, Occupations Code,
3 showing that the individual applying for the exemption is the owner
4 of the manufactured home or be accompanied by a verified copy of the
5 purchase contract showing that the applicant is the purchaser of
6 the manufactured home, unless a photostatic copy of the current
7 title page for the home is displayed on the computer website of the
8 Texas Department of Licensing and Regulation [~~Housing and Community~~
9 ~~Affairs~~]. The appraisal district may rely upon the computer
10 records of the Texas Department of Licensing and Regulation
11 [~~Housing and Community Affairs~~] to determine whether a manufactured
12 home qualifies for an exemption.

13 SECTION 3.35. Section 23.127(a)(4), Tax Code, is amended to
14 read as follows:

15 (4) "Department" means the Texas Department of
16 Licensing and Regulation [~~Housing and Community Affairs~~].

17 SECTION 3.36. Sections 32.03(a-2), (b), and (e), Tax Code,
18 are amended to read as follows:

19 (a-2) A person may not transfer ownership of a manufactured
20 home until all tax liens perfected on the home that have been timely
21 filed with the Texas Department of Licensing and Regulation
22 [~~Housing and Community Affairs~~] have been extinguished or satisfied
23 and released and any personal property taxes on the manufactured
24 home which accrued on each January 1 that falls within the 18 months
25 preceding the date of the sale have been paid. This subsection does
26 not apply to the sale of a manufactured home in inventory.

27 (b) A bona fide purchaser for value or the holder of a lien

1 recorded on a manufactured home statement of ownership and location
2 is not required to pay any taxes that have not been recorded with
3 the Texas Department of Licensing and Regulation [~~Housing and~~
4 ~~Community Affairs~~]. In this section, manufactured home has the
5 meaning assigned by Section 32.015(b). Unless a tax lien has been
6 filed timely with the Texas Department of Licensing and Regulation
7 [~~Housing and Community Affairs~~], no taxing unit, nor anyone acting
8 on its behalf, may use a tax warrant or any other method to attempt
9 to execute or foreclose on the manufactured home.

10 (e) If personal property taxes on a manufactured home have
11 not been levied by the taxing unit, the taxing unit shall provide,
12 upon request, an estimated amount of taxes computed by multiplying
13 the taxable value of the manufactured home, according to the most
14 recent certified appraisal roll for the taxing unit, by the taxing
15 unit's adopted tax rate for the preceding tax year. In order to
16 enable the transfer of the manufactured home, the tax collector
17 shall accept the payment of the estimated personal property taxes
18 and issue a certification to the Texas Department of Licensing and
19 Regulation [~~Housing and Community Affairs~~] that the estimated taxes
20 are being held in escrow until the taxes are levied. Once the taxes
21 are levied, the tax collector shall apply the escrowed sums to the
22 levied taxes. At the time the tax collector accepts the payment of
23 the taxes, the tax collector shall provide notice that the payment
24 of the estimated taxes is an estimate that may be raised once the
25 appraisal rolls for the year are certified and that the new owner
26 may be liable for the payment of any difference between the tax
27 established by the certified appraisal roll and the estimate

1 actually paid.

2 SECTION 3.37. Section 623.094(a), Transportation Code, is
3 amended to read as follows:

4 (a) Except as authorized by Section 623.095, the department
5 may issue a permit only to:

6 (1) a person licensed by the Texas Department of
7 Licensing and Regulation [~~Housing and Community Affairs~~] as a
8 manufacturer, retailer, or installer; or

9 (2) motor carriers registered with the department.

10 SECTION 3.38. The following laws are repealed:

11 (1) Section 2306.067(d), Government Code;

12 (2) Subchapter AA, Chapter 2306, Government Code; and

13 (3) Section 1201.003(5), Occupations Code.

14 SECTION 3.39. On the effective date of this Act:

15 (1) the manufactured housing division of the Texas
16 Department of Housing and Community Affairs and the Manufactured
17 Housing Board within that department, as they exist immediately
18 before the effective date of this Act, are each abolished and the
19 offices of the members of the board serving on that date are
20 abolished;

21 (2) all powers, duties, functions, and activities
22 performed by the manufactured housing division immediately before
23 the effective date of this Act are transferred to the Texas
24 Department of Licensing and Regulation;

25 (3) all employees of the manufactured housing division
26 become employees of the Texas Department of Licensing and
27 Regulation, to be assigned duties by the executive director of the

1 department;

2 (4) a rule or form of the manufactured housing
3 division is a rule or form of the Texas Department of Licensing and
4 Regulation and remains in effect until changed by the department;

5 (5) a reference in law to the manufactured housing
6 division means the Texas Department of Licensing and Regulation;

7 (6) a reference in a law or rule to the Manufactured
8 Housing Board means the Texas Commission of Licensing and
9 Regulation;

10 (7) a reference in law to the executive director of the
11 manufactured housing division means the executive director of the
12 Texas Department of Licensing and Regulation;

13 (8) a license, permit, or certification in effect that
14 was issued by the manufactured housing division is continued in
15 effect as a license, permit, or certification of the Texas
16 Department of Licensing and Regulation;

17 (9) a complaint, investigation, or other proceeding
18 pending before the manufactured housing division is transferred
19 without change in status to the Texas Department of Licensing and
20 Regulation;

21 (10) all obligations, rights, and contracts of the
22 manufactured housing division are transferred to the Texas
23 Department of Licensing and Regulation; and

24 (11) all property, including records and money, in the
25 custody of the manufactured housing division and all funds
26 appropriated by the legislature for use by the manufactured housing
27 division shall be transferred to the Texas Department of Licensing

1 and Regulation.

2 SECTION 3.40. A member of the advisory committee described
3 by Section 1201.251, Occupations Code, who was appointed by the
4 Manufactured Housing Board before the effective date of this Act
5 shall continue to perform the member's duties under Sections
6 1201.251 and 1201.104, Occupations Code, as amended by this
7 article, under the direction of the Texas Commission of Licensing
8 and Regulation until the expiration of the member's term.

9 ARTICLE 4. EFFECTIVE DATE

10 SECTION 4.01. This Act takes effect September 1, 2011.