

BILL ANALYSIS

C.S.H.B. 578
By: Guillen
Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties contend that there is ambiguity and confusion in the interpretation of current laws and administrative rules relating to the state's regulatory authority over the initial construction, installation, and ongoing prescriptive performance of industrialized homes. C.S.H.B. 578 seeks to provide clarity on the regulation of industrialized houses following initial code-compliant construction.

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. 578 amends the Occupations Code to prohibit the Texas Commission of Licensing and Regulation, the Texas Department of Licensing and Regulation (TDLR), and the executive director of TDLR from performing an inspection or investigation, opening a complaint, or initiating an administrative or enforcement action against a manufacturer, builder, or third-party inspector of industrialized housing after the second anniversary of the date of the final on-site inspection of the industrial housing by a municipal building official or an approved third-party inspector. The bill authorizes the commission or the executive director to impose a penalty or sanction in an enforcement action against a manufacturer, builder, or third-party inspector of industrialized housing contingent on the commission, TDLR, or the executive director initiating the enforcement action before the second anniversary of the date of the final on-site inspection.

EFFECTIVE DATE

September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 578 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Subchapter C, Chapter 1202, Occupations Code, is amended by adding Section 1202.107 to read as follows:
Sec. 1202.107. LIMITATION ON CERTAIN ACTIONS. Notwithstanding any other law, the commission or

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Subchapter C, Chapter 1202, Occupations Code, is amended by adding Section 1202.107 to read as follows:
Sec. 1202.107. LIMITATION ON CERTAIN ACTIONS. (a) Notwithstanding any other law, the

department may not perform an inspection or investigation, open a complaint, initiate an administrative or enforcement action, or impose a penalty against a manufacturer, builder, or third-party inspector of industrialized housing after the first anniversary of the date of the final on-site inspection of the industrialized housing conducted under Section 1202.203.

commission, executive director, or department may not perform an inspection or investigation, open a complaint, or initiate an administrative or enforcement action against a manufacturer, builder, or third-party inspector of industrialized housing after the second anniversary of the date of the final on-site inspection of the industrialized housing conducted under Section 1202.203.

(b) The commission or executive director may impose a penalty or sanction in an enforcement action against a manufacturer, builder, or third-party inspector of industrialized housing only if the commission, executive director, or department initiates the enforcement action during the period prescribed by Subsection (a).

SECTION 2. Section 1202.155, Occupations Code, is amended to read as follows:

Sec. 1202.155. COUNCIL ~~[STAMP OF]~~ APPROVAL. ~~[(a)]~~ The department or approved design review agency shall approve ~~[place the council's stamp of approval on each page of]~~ the designs, plans, and specifications of industrialized housing and buildings that:

- (1) meet or exceed the code standards and requirements under council interpretations and instructions; and
- (2) are approved by the department or design review agency.

~~[(b) Each page of the designs, plans, and specifications must bear the council's stamp of approval if the designs, plans, and specifications satisfy the requirements of Subsection (a)(1) and are approved in accordance with Subsection (a)(2).]~~

No equivalent provision.

SECTION 3. Section 1202.252(a), Occupations Code, is amended to read as follows:

(a) A municipality that regulates the on-site construction or installation of industrialized housing and buildings may:

- (1) require and review, for compliance with mandatory building codes, a complete set of designs, plans, and specifications approved by the council ~~[bearing the council's stamp of approval]~~ for each installation of

No equivalent provision.

industrialized housing or buildings in the municipality;

(2) require that all applicable local permits and licenses be obtained before construction begins on a building site;

(3) require, in accordance with commission rules, that all modules or modular components bear an approved decal or insignia indicating inspection by the department; and

(4) establish procedures for the inspection of:

(A) the erection and installation of industrialized housing or buildings to be located in the municipality, to ensure compliance with mandatory building codes and commission rules; and

(B) all foundation and other on-site construction, to ensure compliance with approved designs, plans, and specifications.

SECTION 4. Section 1202.107, Occupations Code, as added by this Act, applies only to a complaint, administrative action, or enforcement action regarding industrialized housing that is the subject of an on-site inspection under Section 1202.203, Occupations Code, conducted on or after the effective date of this Act.

SECTION 5. This Act takes effect September 1, 2013.

SECTION 2. Substantially the same as introduced version.

SECTION 3. Same as introduced version.