

BILL ANALYSIS

Senate Research Center

H.B. 3361
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Intergovernmental Relations
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Department of Housing and Community Affairs (TDHCA) works to ensure the availability of affordable single-family and multi-family housing, provides funding for community-based support services, and regulates the manufactured housing industry.

This special purpose Sunset review of TDHCA follows up on a full Sunset review of TDHCA conducted in 2010. The 82nd Legislature passed H.B. 2608, containing most of the Sunset Commission's recommendations; however, the Governor vetoed the bill over concerns about language pertaining to TDHCA's disaster recovery functions.

In the special legislative session that summer, the legislature transferred the disaster recovery program to the General Land Office, continued TDHCA for two years, and focused the current Sunset review on the appropriateness of the recommendations voted on and adopted by the Sunset Commission in 2010.

Based on the re-examination, the Sunset Commission concluded that most of its previous recommendations remain appropriate, and that TDHCA continues to need statutory authority and direction to implement them. TDHCA is subject to the Sunset Act and will be abolished on September 1, 2013, unless continued by the legislature.

H.B. 3361 continues TDHCA for 12 years, removes impediments to the effective awarding of Texas's low-income housing tax credits, eliminates inconsistencies in TDHCA's enforcement process, and conforms key elements of the Manufactured Housing Division's functions to common licensing standards.

H.B. 3361 amends current law relating to the continuation and functions of the Texas Department of Housing and Community Affairs, and authorizes and otherwise affects the application of certain fees.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the governing board of the Texas Department of Housing and Community Affairs (TDHCA) is modified in SECTION 1.07 (Section 2306.0504, Government Code) of this bill.

Rulemaking authority is expressly granted to TDHCA in SECTION 2.03 (Section 2306.6710, Government Code) of this bill.

Rulemaking authority is expressly granted to the Manufactured Housing Board within TDHCA in SECTION 3.05 (Section 1201.056, Occupations Code) of this bill.

Rulemaking authority is expressly granted to the executive director of the Manufactured Housing Board within TDHCA in SECTION 3.15 (Section 1201.6041, Occupations Code) of this bill.

SECTION BY SECTION ANALYSIS

ARTICLE 1. GENERAL OPERATIONS AND ADMINISTRATION OF THE TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

SECTION 1.01. Amends Section 2306.022, Government Code, as follows:

Sec. 2306.022. APPLICATION OF SUNSET ACT. Provides that the Texas Department of Housing and Community Affairs (TDHCA) is subject to Chapter 325 (Texas Sunset Act). Provides that TDHCA, unless continued in existence as provided by that chapter, is abolished and this chapter expires September 1, 2025, rather than September 1, 2013.

SECTION 1.02. Amends Section 2306.043(c), Government Code, to require that written notice of violation and penalty given by the executive director of TDHCA (director) include a brief summary of the alleged violation, state the amount of the recommended penalty, and inform the person of the person's right to a hearing before the State Office of Administrative Hearings (SOAH), rather than the governing board of TDHCA (board), on the occurrence of the violation, the amount of the penalty, or both.

SECTION 1.03. Amends Section 2306.044(a), Government Code, to authorize a person in writing, not later than the 20th day after the date the person receives the notice, to accept the determination and recommended penalty of the director, or make a request for a hearing before SOAH, rather than the board, on the occurrence of the violation, the amount of the penalty, or both.

SECTION 1.04. Amends Section 2306.045, Government Code, as follows:

Sec. 2306.045. HEARING. (a) Requires the director, if a person requests a hearing before SOAH, rather than the board, or fails to respond in a timely manner to the notice, to set a hearing and give written notice of the hearing to the person.

(b) Requires SOAH, rather than the board, to hold the hearing, make findings of fact and conclusions of law about the occurrence of the violation and the amount of a proposed penalty, and issue a proposal for decision regarding the penalty and provide notice of the proposal to the board. Makes nonsubstantive changes.

(c) Provides that any administrative proceedings relating to the imposition of a penalty under Section 2306.041 (Imposition of Penalty) is a contested case under Chapter 2001 (Administrative Procedure).

SECTION 1.05. Amends Section 2306.046(a), Government Code, as follows:

(a) Requires the board to issue an order after receiving a proposal for decision from SOAH under Section 2306.045. Deletes existing text authorizing the board by order, based on the findings of fact and conclusions of law, to find that a violation occurred and impose a penalty, or to find that a violation did not occur.

SECTION 1.06. Amends Section 2306.049(a), Government Code, to provide that judicial review of a board order imposing an administrative penalty is under the substantial evidence rule, rather than is by trial de novo.

SECTION 1.07. Transfers Section 2306.6721, Government Code, to Subchapter B, Chapter 2306, Government Code, redesignates it as Section 2306.0504, Government Code, and amends it as follows:

Sec. 2306.0504. DEBARMENT FROM PROGRAM PARTICIPATION. Redesignates existing Section 2306.6721 as Section 2306.0504. (a) Requires the board by rule to adopt a policy providing for the debarment of a person from participation in programs administered by TDHCA, rather than in the low income housing tax credit program as described by this section.

(b) Authorizes TDHCA to debar a person from participation in a TDHCA program on the basis of the person's past failure to comply with any condition

imposed by TDHCA in the administration of its programs, rather than in connection with the allocation of housing tax credits.

(c) Requires TDHCA to debar a person from participation in a TDHCA program if the person:

(1) materially or repeatedly violates any condition imposed TDHCA in connection with the administration of a TDHCA program, including a material or repeated violation of a land use restriction agreement regarding a development supported with a housing tax credit allocation, rather than materially violates any condition imposed by TDHCA in connection with the allocation of housing tax credits; or

(2) is debarred from participation in federal housing programs by the United States Department of Housing and Urban Development (HUD); or

Deletes existing Subdivision (3) requiring TDHCA to debar a person from participation in a TDHCA program if the person is in material noncompliance with or has repeatedly violated a land use restriction agreement regarding a development supported with a housing tax credit allocation. Makes nonsubstantive changes.

(d) Authorizes a person debarred by TDHCA from participation in a TDHCA program to appeal the person's debarment to the board.

SECTION 1.08. Amends Subchapter P, Chapter 2306, Government Code, by adding Section 2306.3591, as follows:

Sec. 2306.3591. **ADDITIONAL APPLICATION REQUIREMENT: NOTICE, HEARING, AND RESOLUTION BY CERTAIN GOVERNING BODIES.** (a) Requires an applicant, not later than the 60th day before submitting to TDHCA an application for the issuance of private activity bonds, to provide notice of the intent to file the application to:

(1) the municipality in which any part of the proposed development is to be located;

(2) the county in which the proposed development is to be located if any part of the development is to be located in an area of a county that is not part of a municipality; and

(3) the municipality and county in which the proposed development is to be located if any part of the development is located in the extraterritorial jurisdiction of a municipality.

(b) Requires a county or municipality, as applicable, not later than the 30th day after receiving notice under Subsection (a), to provide for public comment on the application at a hearing held in compliance with Chapter 551 (Open Meetings), Government Code.

(c) Requires that an application for the issuance of private activity bonds, in addition to the application information otherwise required under this subchapter, be accompanied by a certified copy of a resolution from each governing body described by Subsection (a). Requires that the resolution certify that:

(1) notice has been provided to the governing body as required by Subsection (a);

- (2) the governing body has had sufficient opportunity to obtain a response from the applicant regarding any questions or concerns about the proposed development;
- (3) the governing body has held a hearing under Subsection (b); and
- (4) after due consideration of the information provided by the applicant and public comment, the governing body does not object to the filing of the proposed application.

ARTICLE 2. LOW INCOME HOUSING TAX CREDIT PROGRAM

SECTION 2.01. Amends Section 2306.67021, Government Code, to provide that this subchapter (Low Income Housing Tax Credit Program), except as provided by Sections 2306.6703 (Ineligibility for Consideration) and 2306.67071, rather than except as provided by Section 2306.6703, does not apply to the allocation of housing tax credits to developments financed through the private activity bond program.

SECTION 2.02. Amends Subchapter DD, Chapter 2306, Government Code, by adding Section 2306.67071, as follows:

Sec. 2306.67071. **ADDITIONAL APPLICATION REQUIREMENT: NOTICE, HEARING, AND RESOLUTION BY CERTAIN GOVERNING BODIES.** (a) Requires an applicant, not later than the 60th day before submitting to TDHCA an application for housing tax credits, to provide notice of the intent to file the application to:

- (1) the municipality in which any part of the proposed development is to be located;
- (2) the county in which the proposed development is to be located if any part of the development is to be located in an area of a county that is not part of a municipality; and
- (3) the municipality and county in which the proposed development is to be located if any part of the development is to be located in the extraterritorial jurisdiction of a municipality.

(b) Requires a county or municipality, as applicable, not later than the 30th day after receiving notice under Subsection (a), to provide for public comment on the application at a hearing held in compliance with Chapter 551.

(c) Requires that an application for housing tax credits, in addition to the application information otherwise required under this subchapter, be accompanied by a certified copy of a resolution from each applicable governing body described by Subsection (a). Requires that the resolution certify that:

- (1) notice has been provided to each governing body as required by Subsection (a);
- (2) each governing body has had sufficient opportunity to obtain a response from the applicant regarding any questions or concerns about the proposed development;
- (3) each governing body has held a hearing under Subsection (b); and
- (4) after due consideration of the information provided by the applicant and public comment, the governing body does not object to the filing of the proposed application.

(d) Provides that a preapplication submitted under Section 2306.6704 (Preapplication Process) is not considered an application for purposes of this section.

SECTION 2.03. Amends Section 2306.6710, Government Code, by amending Subsections (b) and (f) and adding Subsection (g), as follows:

(b) Requires TDHCA, if an application satisfies the threshold criteria, to score and rank the application using a point system that:

(1) prioritizes in descending order criteria regarding:

(A) Makes no change to this paragraph;

(B) quantifiable community support, rather than participation, with respect to the development, evaluated on the basis of:

(i) a written statement from the state representative or the state senator who represents the district containing the proposed development site; or

(ii) only if neither a state representative nor a state senator provides a written statement expressing either support or opposition under Subparagraph (i) before the date specified by TDHCA under Subsection (g)(1), a resolution concerning the development that is voted on and adopted by:

(a) the governing body of a municipality in which any part of the proposed development is to be located, rather than written statements from any neighborhood organizations on record with the state or county in which the development is to be located and whose boundaries contain the proposed development site; or

(b) the commissioners court of the county in which the proposed development site is to be located, if any part of the proposed site is to be located in an area of a county that is not part of a municipality; or

(c) the governing bodies of the municipality and county in which the proposed development site is to be located, if any part of the proposed site is to be located in the extraterritorial jurisdiction of a municipality;

(C)-(E) Makes no change to these paragraphs;

(F) the rent levels of the units;

(G)-(I) Redesignates existing Paragraphs (H)-(J) as Paragraphs (G)-(I) and makes no further change to these paragraphs; and

(J) quantifiable community participation with respect to the development, evaluated on the basis of written statements from any neighborhood organizations on record with the state or county in which the development is to be located and whose boundaries contain the proposed development site; and

(2)-(3) Makes no changes to these subdivisions.

Deletes existing text of Paragraph (F) requiring TDHCA, if an application satisfies the threshold criteria, to score and rank the application using the level of community support for the application, evaluated on the basis of written statements from the state representative or the state senator that represents the district containing the proposed development site

(f) Requires TDHCA, in evaluating the level of community support for an application under Subsection (b)(1)(B)(i), rather than under Subsection (b)(1)(F), to award:

- (1) positive points for positive written statements received;
- (2) negative points for negative written statements received; and
- (3) zero points for neutral statements received.

(g) Requires TDHCA by rule to specify the dates by which:

- (1) a state representative or state senator is required to provide a written statement for consideration under Subsection (b)(1)(B)(i); and
- (2) the governing body of a municipality or the commissioners court of a county is required to adopt a resolution for consideration under Subsection (b)(1)(B)(ii).

SECTION 2.04. Amends Section 2306.6717(a), Government Code, to require TDHCA, subject to Section 2306.67041 (On-Line Application System), to make the certain items available on TDHCA's website, including an appeal filed with TDHCA or board under Section 2306.0504 or 2306.6715 (Appeal), rather than under Section 2306.6715 or 2306.6721, and any other document relating to the processing of the appeal.

SECTION 2.05. Amends Section 2306.6719, Government Code, by adding Subsections (c), (d), (e), and (f), as follows:

(c) Requires TDHCA, for a violation other than a violation that poses an imminent hazard or threat to health and safety, to provide the owner of a development with the following periods to correct a failure to comply with a condition or law described by Subsection (a)(1) or (2) (relating to authorizing TDHCA to contract with an independent third party to monitor a development during its construction or rehabilitation and during its operation for compliance with certain conditions and laws):

- (1) 30 days for a failure to file the annual owner's compliance report; and
- (2) 90 days for any other failure to comply under this section.

(d) Authorizes the director, for good cause shown, to extend the periods provided under Subsection (c).

(e) Prohibits a development, for purposes of determining eligibility to apply for and receive financial assistance from TDHCA, from being considered to be in noncompliance with an applicable condition or law if the owner of the development takes appropriate corrective action during the period provided under Subsection (c).

(f) Requires TDHCA, notwithstanding Subsection (e), to:

- (1) submit to the applicable federal agency any report required by federal law regarding an owner's noncompliance with a condition or law described by Subsection (a)(1) or (2); and
- (2) for purposes of developing and administering the policy relating to debarment under Section 2306.0504, consider recurring violations of a condition or law

described by Subsection (a)(1) or (2), including violations that are corrected during the applicable period provided under Subsection (c).

SECTION 2.06. Amends Subchapter DD, Chapter 2306, Government Code, by adding Section 2306.6739, as follows:

Sec. 2306.6739. HOUSING TAX CREDITS FINANCED USING FEDERAL EMERGENCY FUNDS. (a) Provides that any reference in this chapter to the administration of the housing tax credit program, to the extent TDHCA receives federal emergency funds that are required to be awarded by TDHCA in the same manner as and that are subject to the same limitations as awards of housing tax credits, applies equally to the administration of the federal funds, subject to Subsection (b).

(b) Authorizes TDHCA, notwithstanding any other law, to establish a separate application procedure for the federal emergency funds that does not follow the uniform application cycle required by Section 2306.1111 (Uniform Application and Funding Cycles) or the deadlines established by Section 2306.6724 (Deadlines for Allocation of Low Income Housing Tax Credits), and any reference in this chapter to an application period occurring in relation to those federal emergency funds refers to the period beginning on the date TDHCA begins accepting applications for the federal funds and continuing until all of the available federal funds are awarded.

ARTICLE 3. MANUFACTURED HOUSING

SECTION 3.01. Amends Section 2306.6022, Government Code, by adding Subsections (e) and (f), as follows:

(e) Authorizes the executive director of the manufactured housing division (division director) to allow an authorized employee of the manufactured housing division (division) to dismiss a complaint if an investigation demonstrates that a violation did not occur, or the subject of the complaint is outside the division's jurisdiction under this subchapter (Manufactured Housing Division).

(f) Requires an employee who dismisses a complaint under Subsection (e) to report the dismissal to the division director and the Manufactured Housing Board within TDHCA. Requires that the report include a sufficient explanation of the reason the complaint was dismissed.

SECTION 3.02. Amends Subchapter AA, Chapter 2306, Government Code, by adding Section 2306.6023, as follows:

Sec. 2306.6023. NEGOTIATED RULEMAKING AND ALTERNATIVE DISPUTE RESOLUTION. (a) Requires the division to develop and implement a policy to encourage the use of negotiated rulemaking procedures under Chapter 2008 (Negotiated Rulemaking) for the adoption of division rules, and appropriate alternative dispute resolution procedures under Chapter 2009 (Alternative Dispute Resolution for Use by Governmental Bodies) to assist in the resolution of internal and external disputes under the division's jurisdiction.

(b) Requires that the division's procedures relating to alternative dispute resolution conform, to the extent possible, to any model guidelines issued by SOAH for the use of alternative dispute resolution by state agencies.

(c) Requires the division to coordinate the implementation of the policy adopted under Subsection (a), provide training as needed to implement the procedures for negotiated rulemaking or alternative dispute resolution, and collect data concerning the effectiveness of those procedures.

SECTION 3.03. Amends Section 1201.003(17), Occupations Code, to redefine "license holder" or "licensee."

SECTION 3.04. Amends Sections 1201.055(a) and (b), Occupations Code, as follows:

(a) Requires the Manufactured Housing Board, with guidance from the federal Housing and Community Development Act of 1974 (42 U.S.C. Section 5301 et seq.) and from the rules and regulations adopted under the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. Section 5401 et seq.), to establish certain fees, including a fee for the inspection of the rebuilding of a salvaged manufactured home, to be paid by the retailer, rather than the rebuilder.

(b) Deletes existing text requiring a rebuilder, in addition to the fees imposed under Subsections (a)(2), (3), and (4), as appropriate, to be charged for the actual cost of travel of a TDHCA operating through its manufactured housing division representative to and from certain locations.

SECTION 3.05. Amends Section 1201.056, Occupations Code, as follows:

Sec. 1201.056. LICENSE FEES. (a) Creates this subsection from existing text. Removes rebuilders from the list of persons and entities for which the Manufactured Housing Board is required to establish fees for the issuance and renewal of licenses. Makes nonsubstantive changes.

(b) Authorizes the Manufactured Housing Board by rule to establish a fee for reprinting a license issued under this chapter (Manufactured Housing).

SECTION 3.06. Amends Sections 1201.101(e) and (f-1), Occupations Code, as follows:

(e) Prohibits a person from repairing, rebuild, or otherwise alter a salvaged manufactured home unless the person holds a retailer's, rather than a retailer's or rebuilder's, license.

(f-1) Prohibits a retailer from being licensed to operate more than one location under a single license. Deletes existing text authorizing a retailer to be licensed to operate at a principal location and one or more branch locations under a single license; provided, however, that a separate application is required to be made for each branch, and each branch is required to be separately bonded.

SECTION 3.07. Amends Sections 1201.103(a) and (b), Occupations Code, as follows:

(a) Removes an applicant for a license as a rebuilder from the list of persons required to file with the executive director of the manufactured housing division of TDHCA (division director) a license application containing certain information.

(b) Requires that a license application be accompanied by proof of the security required by this subchapter, payment of the fee required for issuance of the license; and the information and the cost required under Section 1201.1031.

SECTION 3.08. Amends Subchapter C, Chapter 1201, Occupations Code, by adding Section 1201.1031, as follows:

Sec. 1201.1031. CRIMINAL HISTORY RECORD INFORMATION REQUIREMENT FOR LICENSE. (a) Requires TDHCA to require that an applicant for a license or renewal of an unexpired license submit a complete and legible set of fingerprints, on a form prescribed by the Manufactured Housing Board, to TDHCA or to the Department of Public Safety of the State of Texas (DPS) for the purpose of obtaining criminal history record information from DPS and the Federal Bureau of Investigation (FBI). Provides that the applicant is required to submit a set of fingerprints only once under this section unless a replacement set is otherwise needed to complete the criminal history check required by this section.

(b) Requires TDHCA to refuse to issue a license to or renew the license of a person who does not comply with the requirement of Subsection (a).

(c) Requires TDHCA to conduct a criminal history check of each applicant for a license or renewal of a license using information provided by the individual under this section, and made available to TDHCA by DPS, the FBI, and any other criminal justice agency under Chapter 411 (Department of Public Safety of the State of Texas), Government Code.

(d) Authorizes TDHCA to enter into an agreement with DPS to administer a criminal history check required under this section.

(e) Requires the applicant to pay the cost of a criminal history check under this section.

SECTION 3.09. Amends Section 1201.104(a), Occupations Code, to remove a salvage rebuilder's license from the list of licenses for which a person who was not licensed or registered with TDHCA or a predecessor agency on September 1, 1987, except as provided by Subsection (g) (relating to providing that certain subsections, including Subsection (a), do not apply to a license holder who applies for a license for an additional business location, or to renew or reinstate a license), is required to, not more than 12 months before applying for the person's first license under this chapter, attend and successfully complete eight hours of instruction in the law, including instruction in consumer protection regulations.

SECTION 3.10. Amends Section 1201.106(a), Occupations Code, as follows:

(a) Requires an applicant for a license or a license holder to file a bond or other security under Section 1201.105 (Security Required) for the issuance or renewal of a license in the following amount:

- (1) \$100,000 for a manufacturer;
- (2) \$50,000 for a retailer, rather than for a retailer's principal location;
- (3) \$50,000 for a broker; or
- (4) \$25,000 for an installer.

Deletes existing text requiring an applicant for a license or a license holder to file a bond or other security under Section 1201.105 for the issuance or renewal of a license in the amounts of \$50,000 for each retailer's branch location and \$50,000 for a rebuilder. Makes nonsubstantive changes.

SECTION 3.11. Amends Section 1201.110, Occupations Code, as follows:

Sec. 1201.110. SECURITY: DURATION. Requires TDHCA to maintain on file a security other than a bond canceled as provided by Section 1201.109(a) (relating to the cancellation of a license if a required bond is canceled) until the later of:

- (1) the second anniversary of the date the manufacturer, retailer, broker, or installer, rather than the manufacturer, retailer, broker, installer, or rebuilder, ceases doing business; or
- (2) the date the division director determines that a claim does not exist against the security.

SECTION 3.12. Amends Section 1201.116(a), Occupations Code, to require TDHCA to renew a license if, before the expiration date of the license, TDHCA receives the renewal application and

payment of the required fee as well as the cost required under Section 1201.1031, rather than before the expiration date of the license.

SECTION 3.13. Amends Section 1201.357, Occupations Code, by adding Subsection (b-1) to authorize the division director, as authorized by Section 1201.6041, to order a manufacturer, retailer, or installer, as applicable, to pay a refund directly to a consumer as part of an agreed order described by Subsection (b) (relating to requiring the division director to arbitrate a warranty dispute between a manufacturer, retailer, or installer and a consumer) instead of or in addition to instituting an administrative action under this chapter.

SECTION 3.14. Amends Section 1201.461(d), Occupations Code, to authorize a salvaged manufactured home to be sold only to a licensed retailer, rather than a licensed retailer or licensed rebuilder.

SECTION 3.15. Amends Subchapter M, Chapter 1201, Occupations Code, by adding Section 1201.6041, as follows:

Sec. 1201.6041. DIRECT CONSUMER COMPENSATION. (a) Authorizes the division director, instead of requiring a consumer to apply for compensation from the trust fund under Subchapter I (Manufactured Homeowners' Recovery Trust Fund), to order a manufacturer, retailer, broker, or installer, as applicable, to pay a refund directly to a consumer who sustains actual damages resulting from an unsatisfied claim against a licensed manufacturer, retailer, broker, or installer if the unsatisfied claim results from a violation of:

- (1) this chapter;
- (2) a rule adopted by the division director;
- (3) the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. Section 5401 et seq.);
- (4) a rule or regulation of the United States Department of Housing and Urban Development; or
- (5) Subchapter E (Deceptive Trade Practices and Consumer Protection), Chapter 17 (Deceptive Trade Practices), Business & Commerce Code.

(b) Provides that the refund of a consumer's actual damages, for purposes of this section, is determined according to Section 1201.405 (Limitations on Claims).

(c) Requires the division director to prepare information for notifying consumers of the division director's option to order a direct refund under this section, to post the information on the TDHCA's Internet website, and to make printed copies available on request.

SECTION 3.16. Amends Sections 1201.610(a), (b), and (f), Occupations Code, as follows:

(a) Authorizes the division director to issue without notice and hearing an order to cease and desist from continuing a particular action or an order to take affirmative action, or both, to enforce compliance with this chapter if the division director has reasonable cause to believe that a person has violated or is about to violate any provision of this chapter or a rule adopted under this chapter, rather than to believe that a person licensed under this chapter has violated or is about to violate any provision of this chapter or rules adopted by TDHCA under this chapter.

(b) Authorizes the division director to issue an order to any person, rather than licensee, to cease and desist from violating any law, rule, or written agreement or to take corrective action with respect to any such violations if the violations in any way are related to the sale, financing, or installation of a manufactured home or the providing of goods or

services in connection with the sale, financing, or installation of a manufactured home unless the matter that is the basis of such violation is expressly subject to inspection and regulation by another state agency; provided, however, that if any matter involves a law that is subject to any other administration or interpretation by another agency, the division director is required to consult with the person in charge of the day-to-day administration of that agency before issuing an order.

(f) Authorizes the division director, if a person licensed under this chapter, rather than a person, fails to pay an administrative penalty that has become final or fails to comply with an order of the division director that has become final, in addition to any other remedy provided by law, after not less than 10 days' notice to the person, to without a prior hearing suspend the person's license.

SECTION 3.17. Amends Section 1302.061, Occupations Code, to delete existing text providing that this chapter (Air Conditioning and Refrigeration Contractors) does not apply to a person or entity licensed as a rebuilder.

ARTICLE 4. WEATHERIZATION ASSISTANCE PROGRAM

SECTION 4.01. Amends Section 39.905(f), Utilities Code, as follows:

(f) Requires the state agency that administers the federal weatherization assistance program to participate in energy efficiency cost recovery factor proceedings related to expenditures under this subsection to ensure that targeted low-income weatherization programs are consistent with federal weatherization programs and adequately funded. Deletes existing text requiring the state agency that administers the federal weatherization assistance program to provide reports as required by the Public Utility Commission to provide the most current information available on energy and peak demand savings achieved in each transmission and distribution utility service area.

ARTICLE 5. REPEALER

SECTION 5.01. Repealers: Sections 2306.255(h) (relating to requiring the office established by TDHCA to promote initiatives for colonias to compose an annual report that evaluates the repayment history and coinciding guarantee percentages for issued guarantees) and 2306.560(d) (relating to requiring that all transfers of funds, personnel, or in-kind contributions from TDHCA to the Texas State Affordable Housing Corporation be reported to the Legislative Budget Board), Government Code.

ARTICLE 6. TRANSITION PROVISIONS

SECTION 6.01. Makes application of Sections 2306.043, 2306.044, 2306.045, 2306.046, and 2306.049, Government Code, prospective.

SECTION 6.02. Makes application of Section 2306.3591, Government Code, as added by this Act, prospective.

SECTION 6.03. Makes application of the change in law made by this Act to Section 2306.6022, Government Code, prospective.

SECTION 6.04. Makes application of the changes in law made by this Act to Section 2306.6710, Government Code, prospective.

SECTION 6.05. Provides that a retailer licensed to operate one or more branch locations, notwithstanding Sections 1201.101(f-1) and 1201.106(a), Occupations Code, as amended by this Act, on or before the effective date of this Act is not required to comply with the changes in law made by those sections until March 1, 2014.

SECTION 6.06. (a) Makes application of the change in law made by this Act to Sections 1201.103 and 1201.104, Occupations Code, prospective.

(b) Makes application of the change in law made by this Act by adding Section 1201.1031, Occupations Code, prospective.

(c) Makes application of the change in law made by this Act in amending Section 1201.116, Occupations Code, prospective.

ARTICLE 7. EFFECTIVE DATE

SECTION 7.01. Effective date: September 1, 2013.