

## **BILL ANALYSIS**

Senate Research Center

S.B. 499  
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Business & Commerce  
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Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Under current law, the Texas Department of Housing and Community Affairs' manufactured housing division may rely only on a verdict from a contested jury trial or its own independent investigation to set the amount of reimbursement to a consumer who applies for assistance from the Manufactured Homeowners Recovery Trust Fund (fund).

Like other civil matters, claims related to mobile home transactions are often decided in trials heard by judges and not by juries. When a homeowner wins a bench trial (a trial heard by a judge without a jury) against a manufactured housing dealer, there is no reason for the manufactured housing division to undertake an inefficient and expensive inquiry into the same facts simply because the fact-finder at trial was a judge and not a jury.

S.B. 499 streamlines the recovery process and eliminates these inefficiencies by recognizing that a contested trial before a judge results in a judgment that is just as valid as a jury verdict. The bill retains the requirement of a trial to protect the fund.

S.B. 499 amends current law relating to the determination of actual damages to enable compensation from the manufactured homeowners' recovery trust fund.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 1201.405(e), Occupations Code, to require the executive director of the manufactured housing division of the Texas Department of Housing and Community Affairs (executive director), in determining the amount of actual damages under this section, to make an independent inquiry as to the damages actually incurred, unless the damages have been previously established through a contested trial, rather than established by a contested jury trial.

SECTION 2. Provides that the change in law made by this Act applies only to a complaint under Section 1201.406(a) (relating to requiring a consumer, to recover from the trust fund, to file a written, sworn complaint in the form required by the executive director not later than the second anniversary of the date of the alleged act or omission causing the actual damages; or the date the act or omission is discovered or should reasonably have been discovered), Occupations Code, that is pending on the effective date of this Act or is filed on or after the effective date of this Act. Provides that a complaint that is filed before the effective date of this Act and is not pending on the effective date of this Act is covered by the law in effect on the date the complaint was filed, and that law is continued in effect for that purpose.

SECTION 3. Effective date: September 1, 2013.