

By: Taylor

S.B. No. 1673

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of industrialized housing by the manufactured housing division of the Texas Department of Housing and Community Affairs; providing a criminal penalty; authorizing fees.

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

SECTION 1. Section 2306.6002, Government Code, is amended to read as follows:

Sec. 2306.6002. REGULATION AND ENFORCEMENT. The department shall administer and enforce Chapters [~~Chapter~~] 1201 and 1203, Occupations Code, through the division. The Manufactured Housing Board and the division director shall exercise authority and responsibilities assigned to them under those chapters [~~that chapter~~].

SECTION 2. Section 2267.408(b), Government Code, is amended to read as follows:

(b) Subsection (a) does not apply to a job order contract or an order issued under the contract for industrialized housing subject to and approved under Chapter 1203, Occupations Code, or industrialized buildings[7] or relocatable educational facilities subject to and approved under Chapter 1202, Occupations Code, if the contractor employs the services of an architect or engineer who approves the documents for the project.

SECTION 3. Section 233.151(b), Local Government Code, is

1 amended to read as follows:

2 (b) The term does not include a structure that is  
3 constructed in accordance with Chapter 1201, Occupations Code, or a  
4 modular home constructed in accordance with Chapter 1203 [~~1202~~],  
5 Occupations Code.

6 SECTION 4. The heading to Chapter 1202, Occupations Code,  
7 is amended to read as follows:

8 CHAPTER 1202. INDUSTRIALIZED [~~HOUSING AND~~] BUILDINGS

9 SECTION 5. Section 1202.001(5), Occupations Code, is  
10 amended to read as follows:

11 (5) "Modular component" means a structural part of  
12 [~~housing or~~] a building constructed at a location other than the  
13 building site in a manner that prevents the construction from being  
14 adequately inspected for code compliance at the building site  
15 without:

16 (A) damage; or

17 (B) removal and reconstruction of a part of the  
18 housing or building.

19 SECTION 6. Section 1202.051, Occupations Code, is amended  
20 to read as follows:

21 Sec. 1202.051. COUNCIL MEMBERSHIP. The Texas  
22 Industrialized Building Code Council consists of 12 members  
23 appointed by the governor as follows:

24 (1) three members who represent the industrialized  
25 [~~housing and~~] building industry [~~industries~~];

26 (2) three members who represent municipal building  
27 officials from municipalities with a population of more than

1 25,000;

2 (3) three members who represent general contractors  
3 who construct [~~housing or~~] buildings on-site;

4 (4) one member who is an engineer licensed in this  
5 state who acts as a structural engineer;

6 (5) one member who is an engineer licensed in this  
7 state who acts as an electrical engineer; and

8 (6) one member who is an architect registered in this  
9 state.

10 SECTION 7. Section 1202.052, Occupations Code, is amended  
11 to read as follows:

12 Sec. 1202.052. MEMBERSHIP RESTRICTIONS. An engineer or  
13 architect member of the council may not:

14 (1) be designated as, be employed by, or have an  
15 ownership interest in, an entity that is a third-party inspector or  
16 design review agency;

17 (2) have an ownership interest in a business that  
18 manufactures or builds industrialized [~~housing or~~] buildings;

19 (3) in a capacity relating to a matter subject to  
20 council review, be employed by or be a paid consultant to a  
21 manufacturer or builder of industrialized [~~housing or~~] buildings;  
22 or

23 (4) be an officer, employee, or paid consultant of a  
24 trade association that represents the industrialized [~~housing or~~]  
25 building industry.

26 SECTION 8. Section 1202.102, Occupations Code, is amended  
27 to read as follows:

1           Sec. 1202.102. RULES PROVIDING FOR REGISTRATION AND  
2 REGULATION. The commission by rule shall provide for registration  
3 and regulation of manufacturers or builders of industrialized  
4 ~~[housing or]~~ buildings.

5           SECTION 9. Sections 1202.104(a) and (c), Occupations Code,  
6 are amended to read as follows:

7           (a) The commission shall set fees, in amounts sufficient to  
8 cover the costs of the inspections described by this chapter and the  
9 administration of this chapter, for:

10                 (1) the registration of manufacturers or builders of  
11 industrialized ~~[housing or]~~ buildings;

12                 (2) the inspection of industrialized ~~[housing or]~~  
13 buildings; and

14                 (3) the issuance of decals or insignia required under  
15 Section 1202.204.

16           (c) The building and permit fees charged by a municipality  
17 for an inspection of industrialized ~~[housing or]~~ buildings to be  
18 located in the municipality may not exceed the fees charged for the  
19 equivalent inspection of a building constructed on-site.

20           SECTION 10. The heading to Subchapter D, Chapter 1202,  
21 Occupations Code, is amended to read as follows:

22           SUBCHAPTER D. REQUIREMENTS AND STANDARDS FOR INDUSTRIALIZED  
23                                 ~~[HOUSING AND]~~ BUILDINGS

24           SECTION 11. Section 1202.151, Occupations Code, is amended  
25 to read as follows:

26           Sec. 1202.151. BUILDING CODES. (a) In addition to  
27 complying with Subsection (b) or (c), as applicable, industrialized

1 ~~[housing and]~~ buildings must be constructed to meet or exceed the  
2 requirements and standards of the National Electrical Code,  
3 published by the National Fire Protection Association, as that code  
4 existed on January 1, 1985.

5 (b) Industrialized ~~[housing and]~~ buildings erected or  
6 installed in a municipality must be constructed to meet or exceed  
7 the requirements and standards of whichever of the following two  
8 groups of codes is used by the municipality:

9 (1) the Uniform Building Code, Uniform Plumbing Code,  
10 and Uniform Mechanical Code, published by the International  
11 Conference of Building Officials, as those codes existed on January  
12 1, 1985; or

13 (2) the Standard Building Code, Standard Mechanical  
14 Code, Standard Plumbing Code, and Standard Gas Code, published by  
15 the Southern Building Code Congress International, Inc., as those  
16 codes existed on January 1, 1985.

17 (c) Industrialized ~~[housing and]~~ buildings erected or  
18 installed outside a municipality or in a municipality that does not  
19 use a building code group described by Subsection (b)(1) or (2) must  
20 be constructed to meet or exceed the requirements and standards of  
21 whichever of those building code groups is selected by the  
22 manufacturer of the ~~[housing or]~~ buildings.

23 SECTION 12. Section 1202.154, Occupations Code, is amended  
24 to read as follows:

25 Sec. 1202.154. DESIGN REVIEW. To ensure compliance with  
26 the mandatory building codes, the department or approved design  
27 review agency shall review all designs, plans, and specifications

1 of industrialized [~~housing and~~] buildings in accordance with  
2 council interpretations and instructions.

3 SECTION 13. Section 1202.155(a), Occupations Code, is  
4 amended to read as follows:

5 (a) The department or approved design review agency shall  
6 place the council's stamp of approval on each page of the designs,  
7 plans, and specifications of industrialized [~~housing and~~]  
8 buildings that:

9 (1) meet or exceed the code standards and requirements  
10 under council interpretations and instructions; and

11 (2) are approved by the department or design review  
12 agency.

13 SECTION 14. The heading to Section 1202.156, Occupations  
14 Code, is amended to read as follows:

15 Sec. 1202.156. COUNCIL DETERMINATION OF CERTAIN QUESTIONS  
16 RELATED TO INDUSTRIALIZED [~~HOUSING AND~~] BUILDINGS.

17 SECTION 15. Section 1202.156(a), Occupations Code, is  
18 amended to read as follows:

19 (a) The council shall determine all questions raised by a  
20 municipality in connection with the review of designs, plans, and  
21 specifications of industrialized [~~housing and~~] buildings, as  
22 authorized by Section 1202.252.

23 SECTION 16. Section 1202.201, Occupations Code, is amended  
24 to read as follows:

25 Sec. 1202.201. INSPECTION PROCEDURES. The council may  
26 issue instructions to establish procedures for inspecting the  
27 construction and installation of industrialized [~~housing and~~]

1 buildings to ensure compliance with approved designs, plans, and  
2 specifications.

3 SECTION 17. Section 1202.202(a), Occupations Code, is  
4 amended to read as follows:

5 (a) To ensure compliance with the mandatory building codes  
6 or approved designs, plans, and specifications, the department  
7 shall inspect the construction of industrialized ~~[housing and]~~  
8 buildings. The executive director may designate approved  
9 third-party inspectors to perform the inspections subject to the  
10 rules of the commission.

11 SECTION 18. Sections 1202.203(a) and (c), Occupations Code,  
12 are amended to read as follows:

13 (a) A municipal building official shall inspect all  
14 construction involving industrialized ~~[housing and]~~ buildings to  
15 be located in the municipality to ensure compliance with designs,  
16 plans, and specifications, including inspection of:

17 (1) the construction of the foundation system; and

18 (2) the erection and installation of the modules or  
19 modular components on the foundation.

20 (c) An inspection under Subsection (a) shall be conducted[+]

21 ~~[(1) at the permanent site, if the inspection is of~~  
22 ~~industrialized housing, and~~

23 ~~[(2)] at the commercial site[, if the inspection is of~~  
24 ~~industrialized buildings].~~

25 SECTION 19. Sections 1202.205(a) and (b), Occupations Code,  
26 are amended to read as follows:

27 (a) The commission by rule may authorize an inspection of

1 industrialized [~~housing or~~] buildings constructed in another state  
2 to be performed by an inspector of the equivalent regulatory agency  
3 of the other state.

4 (b) The commission by rule may authorize an inspection of  
5 industrialized [~~housing or~~] buildings constructed in this state for  
6 use in another state.

7 SECTION 20. Section 1202.251(b), Occupations Code, is  
8 amended to read as follows:

9 (b) Requirements [~~Except as provided by Section 1202.253,~~  
10 ~~requirements~~] and regulations not in conflict with this chapter or  
11 with other state law relating to transportation, erection,  
12 installation, or use of industrialized [~~housing or~~] buildings must  
13 be reasonably and uniformly applied and enforced without  
14 distinctions as to whether the [~~housing or~~] buildings are  
15 manufactured or are constructed on-site.

16 SECTION 21. The heading to Section 1202.252, Occupations  
17 Code, is amended to read as follows:

18 Sec. 1202.252. MUNICIPAL REGULATION OF INDUSTRIALIZED  
19 [~~HOUSING AND~~] BUILDINGS.

20 SECTION 22. Section 1202.252(a), Occupations Code, is  
21 amended to read as follows:

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

24 (1) require and review, for compliance with mandatory  
25 building codes, a complete set of designs, plans, and  
26 specifications bearing the council's stamp of approval for each  
27 installation of industrialized [~~housing or~~] buildings in the



1 municipality;

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

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

7 (4) establish procedures for the inspection of:

8 (A) the erection and installation of  
9 industrialized [~~housing or~~] buildings to be located in the  
10 municipality, to ensure compliance with mandatory building codes  
11 and commission rules; and

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

15 SECTION 23. Section 1202.301(b), Occupations Code, is  
16 amended to read as follows:

17 (b) A person may not construct, sell or offer to sell, lease  
18 or offer to lease, or transport over a street or highway of this  
19 state any industrialized [~~housing or~~] building, or modular section  
20 or component of a modular section, in violation of this chapter or a  
21 rule of the commission or order of the commission or executive  
22 director.

23 SECTION 24. Subtitle C, Title 7, Occupations Code, is  
24 amended by adding Chapter 1203 to read as follows:

25 CHAPTER 1203. INDUSTRIALIZED HOUSING

26 SUBCHAPTER A. GENERAL PROVISIONS

27 Sec. 1203.001. GENERAL DEFINITIONS. In this chapter:

1           (1) "Board" means the Manufactured Housing Board  
2 within the Texas Department of Housing and Community Affairs.

3           (2) "Construction site building" means a commercial  
4 structure that is:

5                   (A) not open to the public; and

6                   (B) used for any purpose at a commercial site by a  
7 person constructing a building, road, bridge, utility, or other  
8 infrastructure or improvement to real property.

9           (3) "Department" means the Texas Department of Housing  
10 and Community Affairs acting through the manufactured housing  
11 division.

12           (4) "Division" means the manufactured housing  
13 division in the department.

14           (5) "Executive director" means the executive director  
15 of the manufactured housing division in the Texas Department of  
16 Housing and Community Affairs.

17           (6) "Modular component" means a structural part of  
18 housing constructed at a location other than the building site in a  
19 manner that prevents the construction from being adequately  
20 inspected for code compliance at the building site without:

21                   (A) damage; or

22                   (B) removal and reconstruction of a part of the  
23 housing.

24           Sec. 1203.002. DEFINITION OF INDUSTRIALIZED HOUSING. (a)  
25 Industrialized housing is a residential structure that is:

26           (1) designed for the occupancy of one or more  
27 families;

1           (2) constructed in one or more modules or constructed  
2 using one or more modular components built at a location other than  
3 the permanent site; and

4           (3) designed to be used as a permanent residential  
5 structure when the module or the modular component is transported  
6 to the permanent site and erected or installed on a permanent  
7 foundation system.

8           (b) Industrialized housing includes the structure's  
9 plumbing, heating, air conditioning, and electrical systems.

10          (c) Industrialized housing does not include:

11           (1) a residential structure that exceeds three stories  
12 or 49 feet in height;

13           (2) housing constructed of a sectional or panelized  
14 system that does not use a modular component; or

15           (3) a ready-built home constructed in a manner in  
16 which the entire living area is contained in a single unit or  
17 section at a temporary location for the purpose of selling and  
18 moving the home to another location.

19                   SUBCHAPTER B. BOARD POWERS AND DUTIES

20          Sec. 1203.051. RULES; ORDERS. (a) The board shall adopt  
21 rules and issue orders as necessary to:

22           (1) ensure compliance with the purposes of this  
23 chapter; and

24           (2) provide for uniform enforcement of this chapter.

25          (b) The board shall adopt rules as appropriate to implement  
26 the board's actions, decisions, interpretations, and instructions.

27          Sec. 1203.052. RULES PROVIDING FOR REGISTRATION AND

1 REGULATION. The board by rule shall provide for registration and  
2 regulation of manufacturers or builders of industrialized housing.

3 Sec. 1203.053. FEES. (a) The board shall set fees, in  
4 amounts sufficient to cover the costs of the inspections described  
5 by this chapter and the administration of this chapter, for:

6 (1) the registration of manufacturers or builders of  
7 industrialized housing;

8 (2) the inspection of industrialized housing; and

9 (3) the issuance of decals or insignia required under  
10 Section 1203.154.

11 (b) The fees shall be paid to the comptroller and placed in  
12 the general revenue fund, except that a fee for an inspection may be  
13 paid directly to an approved third-party inspector who performs the  
14 inspection.

15 (c) The building and permit fees charged by a municipality  
16 for an inspection of industrialized housing to be located in the  
17 municipality may not exceed the fees charged for the equivalent  
18 inspection of a building constructed on-site.

19 Sec. 1203.054. APPROVAL OF THIRD-PARTY INSPECTORS AND  
20 DESIGN REVIEW AGENCIES. (a) The board shall establish criteria for  
21 the approval of, and approve accordingly, all third-party  
22 inspectors and design review agencies.

23 (b) The executive director shall recommend qualified  
24 third-party inspectors and design review agencies to the board.

25 (c) The executive director shall publish a list of all  
26 approved inspectors and design review agencies.

27 Sec. 1203.055. APPLICABILITY OF OTHER LAW. Sections 51.401

and 51.404 do not apply to this chapter.

SUBCHAPTER C. REQUIREMENTS AND STANDARDS FOR INDUSTRIALIZED  
HOUSING

Sec. 1203.101. BUILDING CODES. (a) In addition to  
complying with Subsection (b) or (c), as applicable, industrialized  
housing must be constructed to meet or exceed the requirements and  
standards of the National Electrical Code, published by the  
National Fire Protection Association, as that code existed on  
January 1, 1985.

(b) Industrialized housing erected or installed in a  
municipality must be constructed to meet or exceed the requirements  
and standards of whichever of the following two groups of codes is  
used by the municipality:

(1) the Uniform Building Code, Uniform Plumbing Code,  
and Uniform Mechanical Code, published by the International  
Conference of Building Officials, as those codes existed on January  
1, 1985; or

(2) the Standard Building Code, Standard Mechanical  
Code, Standard Plumbing Code, and Standard Gas Code, published by  
the Southern Building Code Congress International, Inc., as those  
codes existed on January 1, 1985.

(c) Industrialized housing erected or installed outside a  
municipality or in a municipality that does not use a building code  
group described by Subsection (b)(1) or (2) must be constructed to  
meet or exceed the requirements and standards of whichever of those  
building code groups is selected by the manufacturer of the  
housing.

1       Sec. 1203.102. BUILDING CODE AMENDMENT. If a code  
2 described by Section 1203.101 is amended after January 1, 1985, the  
3 requirements and standards of the amended code shall be used in  
4 place of the January 1, 1985, edition if the board determines that  
5 use of the amended code is:

6           (1) in the public interest; and

7           (2) consistent with the purposes of this chapter.

8       Sec. 1203.103. BUILDING CODE AMENDMENT: MUNICIPALITY OR  
9 OTHER POLITICAL SUBDIVISION. (a) A municipality or other  
10 political subdivision may not require or enforce, as a prerequisite  
11 for granting or approving a building or construction permit or  
12 certificate of occupancy, an amendment to a code described by  
13 Section 1203.101.

14       (b) On the petition of a local building official and after a  
15 hearing, the board may require a reasonable amendment to a building  
16 code group described by Section 1203.101(b)(1) or (2) that the  
17 board determines to be essential for public health and safety. The  
18 amendment shall be applied uniformly on a statewide basis.

19       Sec. 1203.104. DESIGN REVIEW. To ensure compliance with  
20 the mandatory building codes, the department or approved design  
21 review agency shall review all designs, plans, and specifications  
22 of industrialized housing in accordance with board interpretations  
23 and instructions.

24       Sec. 1203.105. BOARD STAMP OF APPROVAL. (a) The department  
25 or approved design review agency shall place the board's stamp of  
26 approval on each page of the designs, plans, and specifications of  
27 industrialized housing that:

1           (1) meet or exceed the code standards and requirements  
2 under board interpretations and instructions; and

3           (2) are approved by the department or design review  
4 agency.

5           (b) Each page of the designs, plans, and specifications must  
6 bear the board's stamp of approval if the designs, plans, and  
7 specifications satisfy the requirements of Subsection (a)(1) and  
8 are approved in accordance with Subsection (a)(2).

9           Sec. 1203.106. BOARD DETERMINATION OF CERTAIN QUESTIONS  
10 RELATED TO INDUSTRIALIZED HOUSING. (a) The board shall determine  
11 all questions raised by a municipality in connection with the  
12 review of designs, plans, and specifications of industrialized  
13 housing, as authorized by Section 1203.202.

14           (b) With reference to the standards and requirements of the  
15 mandatory building codes, the board shall determine, from an  
16 engineering performance standpoint, all questions concerning:

17                   (1) code equivalency; or

18                   (2) alternative materials or methods of construction.

19           Sec. 1203.107. BOARD DECISIONS BINDING. The decisions,  
20 actions, and interpretations of the board are binding on the  
21 department, third-party inspectors, design review agencies, and  
22 municipalities and other political subdivisions.

23                   SUBCHAPTER D. INSPECTIONS

24           Sec. 1203.151. INSPECTION PROCEDURES. The board may issue  
25 instructions to establish procedures for inspecting the  
26 construction and installation of industrialized housing to ensure  
27 compliance with approved designs, plans, and specifications.

1       Sec. 1203.152. DEPARTMENT INSPECTIONS. (a) To ensure  
2 compliance with the mandatory building codes or approved designs,  
3 plans, and specifications, the department shall inspect the  
4 construction of industrialized housing. The executive director may  
5 designate approved third-party inspectors to perform the  
6 inspections subject to the rules of the board.

7       (b) Local building officials may witness department  
8 inspections to enable the local officials to make recommendations  
9 on inspection procedures to the board.

10       Sec. 1203.153. ON-SITE INSPECTIONS. (a) A municipal  
11 building official shall inspect all construction involving  
12 industrialized housing to be located in the municipality to ensure  
13 compliance with designs, plans, and specifications, including  
14 inspection of:

15               (1) the construction of the foundation system; and  
16               (2) the erection and installation of the modules or  
17 modular components on the foundation.

18       (b) An approved third-party inspector shall perform on-site  
19 inspections of industrialized housing to be located outside the  
20 municipality.

21       (c) An inspection under Subsection (a) shall be conducted at  
22 the permanent site of the industrialized housing.

23       Sec. 1203.154. RULES PROVIDING FOR DECALS OR INSIGNIA. (a)  
24 The board by rule shall provide for the placement of decals or  
25 insignia on each transportable modular section or modular component  
26 to indicate compliance with the mandatory building codes.

27       (b) The board by rule shall exempt a construction site



1 building from the requirements of this section.

2 Sec. 1203.155. RECIPROCITY. (a) The board by rule may  
3 authorize an inspection of industrialized housing constructed in  
4 another state to be performed by an inspector of the equivalent  
5 regulatory agency of the other state.

6 (b) The board by rule may authorize an inspection of  
7 industrialized housing constructed in this state for use in another  
8 state.

9 (c) The board shall enter into a reciprocity agreement with  
10 the equivalent regulatory agency of the other state as necessary to  
11 implement this section.

12 SUBCHAPTER E. MUNICIPAL AUTHORITY

13 Sec. 1203.201. RESERVATION OF MUNICIPAL AUTHORITY. (a)  
14 Municipal authority is specifically and entirely reserved to a  
15 municipality, including, as applicable:

- 16 (1) land use and zoning requirements;  
17 (2) building setback requirements;  
18 (3) side and rear yard requirements;  
19 (4) site planning and development and property line  
20 requirements;  
21 (5) subdivision control; and  
22 (6) landscape architectural requirements.

23 (b) Except as provided by Section 1203.203, requirements  
24 and regulations not in conflict with this chapter or with other  
25 state law relating to transportation, erection, installation, or  
26 use of industrialized housing must be reasonably and uniformly  
27 applied and enforced without distinctions as to whether the housing

1 is manufactured or is constructed on-site.

2 Sec. 1203.202. MUNICIPAL REGULATION OF INDUSTRIALIZED  
3 HOUSING. (a) A municipality that regulates the on-site  
4 construction or installation of industrialized housing may:

5 (1) require and review, for compliance with mandatory  
6 building codes, a complete set of designs, plans, and  
7 specifications bearing the board's stamp of approval for each  
8 installation of industrialized housing in the municipality;

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

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

14 (4) establish procedures for the inspection of:

15 (A) the erection and installation of  
16 industrialized housing to be located in the municipality, to ensure  
17 compliance with mandatory building codes and board rules; and

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

21 (b) Procedures described by Subsection (a)(4) may require:

22 (1) before occupancy, a final inspection or test in  
23 accordance with mandatory building codes; and

24 (2) correction of any deficiency identified by the  
25 test or discovered in the final inspection.

26 Sec. 1203.203. MUNICIPAL REGULATION OF SINGLE-FAMILY AND  
27 DUPLEX INDUSTRIALIZED HOUSING. (a) Single-family or duplex

1 industrialized housing must have all local permits and licenses  
2 that are applicable to other single-family or duplex dwellings.

3 (b) For purposes of this section, single-family or duplex  
4 industrialized housing is real property.

5 (c) A municipality may adopt regulations that require  
6 single-family or duplex industrialized housing to:

7 (1) have a value equal to or greater than the median  
8 taxable value for each single-family dwelling located within 500  
9 feet of the lot on which the industrialized housing is proposed to  
10 be located, as determined by the most recent certified tax  
11 appraisal roll for each county in which the properties are located;

12 (2) have exterior siding, roofing, roof pitch,  
13 foundation fascia, and fenestration compatible with the  
14 single-family dwellings located within 500 feet of the lot on which  
15 the industrialized housing is proposed to be located;

16 (3) comply with municipal aesthetic standards,  
17 building setbacks, side and rear yard offsets, subdivision control,  
18 architectural landscaping, square footage, and other site  
19 requirements applicable to single-family dwellings; or

20 (4) be securely fixed to a permanent foundation.

21 (d) For purposes of Subsection (c), "value" means the  
22 taxable value of the industrialized housing and the lot after  
23 installation of the housing.

24 (e) Except as provided by Subsection (c), a municipality may  
25 not adopt a regulation under this section that is more restrictive  
26 for industrialized housing than that required for a new  
27 single-family or duplex dwelling constructed on-site.

1       (f) This section does not:

2               (1) limit the authority of a municipality to adopt  
3 regulations to protect historic properties or historic districts;  
4 or

5               (2) affect deed restrictions.

6       SUBCHAPTER F. PROHIBITED PRACTICES AND DISCIPLINARY PROCEDURES

7       Sec. 1203.251. PROHIBITED PRACTICES. (a) In this section,  
8 "person" means an individual, partnership, company, corporation,  
9 association, or other group, however organized.

10       (b) A person may not construct, sell or offer to sell, lease  
11 or offer to lease, or transport over a street or highway of this  
12 state any industrialized housing, or modular section or component  
13 of a modular section, in violation of this chapter or a rule of the  
14 board or department or order of the board or executive director.

15       Sec. 1203.252. DENIAL OF CERTIFICATE; DISCIPLINARY ACTION.  
16 In addition to imposing sanctions allowed under Section 51.353, the  
17 board may deny, permanently revoke, or suspend for a definite  
18 period and specified location or geographic area a certificate of  
19 registration if the board finds that the applicant or registrant:

20               (1) provided false information on an application or  
21 other document filed with the department, division, or board;

22               (2) failed to pay a fee or file a report required by  
23 the department, division, or board for the administration or  
24 enforcement of this chapter;

25               (3) engaged in a false, misleading, or deceptive act  
26 or practice as described by Subchapter E, Chapter 17, Business &  
27 Commerce Code; or

1           (4) violated:

2                   (A) this chapter;

3                   (B) a rule adopted by the board or department or  
4 order issued by the board or the executive director under this  
5 chapter; or

6                   (C) a decision, action, or interpretation of the  
7 board.

8                           SUBCHAPTER G. PENALTIES

9           Sec. 1203.301. CRIMINAL PENALTY. (a) In this section,  
10 "person" has the meaning assigned by Section 1203.251.

11           (b) A person commits an offense if the person violates this  
12 chapter or a published rule of the board or department or order of  
13 the board or the executive director.

14           (c) An offense under this section is a Class A misdemeanor.

15           SECTION 25. Section 623.091, Transportation Code, is  
16 amended to read as follows:

17           Sec. 623.091. DEFINITION. In this subchapter,  
18 "manufactured house" means "industrialized building" as defined by  
19 Chapter 1202, Occupations Code, "industrialized housing" as  
20 defined by Chapter 1203 [~~1202~~], Occupations Code, or "manufactured  
21 home" as defined by Chapter 1201, Occupations Code. The term  
22 includes a temporary chassis system or returnable undercarriage  
23 used for the transportation of a manufactured house and a  
24 transportable section of a manufactured house that is transported  
25 on a chassis system or returnable undercarriage and that is  
26 constructed so that it cannot, without dismantling or destruction,  
27 be transported within the legal size limits for a motor vehicle.

SECTION 26. Section 158.002, Tax Code, is amended to read as follows:

Sec. 158.002. DEFINITIONS. In this chapter, "manufactured home," "manufacturer," "retailer," and "person" have the same meanings as they are given by Chapter 1201, Occupations Code. In addition, the term "manufactured home" also includes and means "industrialized housing" as defined by Chapter 1203 [~~1202~~], Occupations Code.

SECTION 27. The following provisions of the Occupations Code are repealed:

- (1) Section 1202.002;
- (2) Section 1202.203(b); and
- (3) Section 1202.253.

SECTION 28. On the effective date of this Act:

(1) all powers, duties, functions, and activities performed by the Texas Department of Licensing and Regulation relating to the regulation of industrialized housing immediately before the effective date of this Act are transferred to the manufactured housing division of the Texas Department of Housing and Community Affairs;

(2) a rule or form of the Texas Department of Licensing and Regulation related to the regulation of industrialized housing is a rule or form of the manufactured housing division and remains in effect until changed by the division;

(3) a reference in law to the Texas Department of Licensing and Regulation in relation to the regulation of industrialized housing means the manufactured housing division;

1           (4) a reference in a law or rule to the Texas  
2 Commission of Licensing and Regulation in relation to the  
3 regulation of industrialized housing means the Manufactured  
4 Housing Board;

5           (5) a reference in law to the executive director of the  
6 Texas Department of Licensing and Regulation in relation to the  
7 regulation of industrialized housing means the executive director  
8 of the manufactured housing division;

9           (6) a license, permit, or certification in effect that  
10 was issued by the Texas Department of Licensing and Regulation in  
11 relation to the regulation of industrialized housing is continued  
12 in effect as a license, permit, or certification of the  
13 manufactured housing division;

14           (7) a complaint, investigation, or other proceeding  
15 pending before the Texas Department of Licensing and Regulation in  
16 relation to the regulation of industrialized housing is transferred  
17 without change in status to the manufactured housing division;

18           (8) all obligations, rights, and contracts of the  
19 Texas Department of Licensing and Regulation in relation to the  
20 regulation of industrialized housing are transferred to the  
21 manufactured housing division; and

22           (9) all property, including records and money, in the  
23 custody of the Texas Department of Licensing and Regulation  
24 relating to the regulation of industrialized housing and all funds  
25 appropriated by the legislature for use by the Texas Department of  
26 Licensing and Regulation for the regulation of industrialized  
27 housing shall be transferred to the manufactured housing division.

S.B. No. 1673

1       SECTION 29.   This Act takes effect September 1, 2013.