

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 85TH LEGISLATIVE REGULAR SESSION

May 5, 2017

TO: Honorable Kelly Hancock, Chair, Senate Committee on Business & Commerce

FROM: Ursula Parks, Director, Legislative Budget Board

IN RE: HB2019 by King, Tracy O. (Relating to the regulation of manufactured homes.), As
Engrossed

No significant fiscal implication to the State is anticipated.

The bill would amend Chapter 1201 of the Occupations Code, relating to manufactured housing, to require the Texas Department of Housing and Community Affairs (TDHCA) - Manufactured Housing Division (MHD) to provide information to the public on its Internet website regarding manufactured home ownership records, lien records manufacturers' monthly shipment reports, and enforcement actions. The bill would require the Manufactured Housing Board to conduct a cost benefit analysis for any rule, process, or policy change that will increase a fee or other incurred cost by more than \$50 for license holders or consumers. The bill would repeal Occupations Code §§1201.402 and 1201.403 relating to the administration and payment of costs from the Manufactured Homeowners' Recovery Trust Fund and require MHD to administer a manufactured homeowner consumer claims program to provide a remedy for damages resulting from prohibited conduct by a person licensed under Chapter 1201. The bill would stipulate that MHD may make a payment under the manufactured homeowner consumer claims program only after all other MHD operating expenses are sufficiently funded.

The bill would take effect on September 1, 2017.

Based on the analysis of TDHCA and the Office of the Attorney General, it is assumed any costs or duties associated with implementing the provisions of the bill could be absorbed within existing resources.

The bill would repeal and replace statutory provisions related to the Manufactured Homeowners' Recovery Trust Fund with provisions that reflect the MHD's current process and method of financing for the payment of manufactured homeowner consumer claims. The Manufactured Homeowners' Recovery Trust Fund was inactivated in fiscal year 2002. The Comptroller's office indicates that the provisions of the bill repealing the trust fund and disposition of certain revenue to the fund would not impact the state's cash flows.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 302 Office of the Attorney General, 304 Comptroller of Public Accounts,
332 Department of Housing and Community Affairs

LBB Staff: UP, CL, EH, SD, TG