

By: Fierro

H.B. No. 3417

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of manufactured homes.

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

SECTION 1. Subchapter C, Chapter 1201, Occupations Code, is amended by adding Section 1201.1021 to read as follows:

Sec. 1201.1021. POWERS OF DIRECTOR DURING DECLARED EMERGENCY. (a) For purposes of this section, a declared emergency exists when an emergency declaration is issued by the governor or a federal agency.

(b) During a declared emergency that exceeds a period of 14 days, the director may:

(1) waive licensing requirements to ensure the continued and adequate supply of professionals to build, sell, transport, insure, finance, and install manufactured homes; and

(2) require a person to register with the department before engaging in any activity regulated under this chapter.

(c) Following the cessation of a declared emergency, the director may require a person registered with the department under Subsection (b)(2) to comply with the criminal history background check requirements and other licensing requirements of this chapter.

(d) All actions regulated by this chapter and actions needed to construct, transport, install, sell, finance, rent, and insure manufactured homes are essential services that must be allowed to

1 continue to operate at a statewide level during a declared
2 emergency.

3 SECTION 2. Section 1201.1025, Occupations Code, is amended
4 by adding Subsection (a-1) and amending Subsection (c) to read as
5 follows:

6 (a-1) A person is exempt from holding a retailer's license
7 as required by Section 1201.101(b) if all manufactured homes sold
8 or offered for sale by the person are:

9 (1) located in a manufactured home community, as
10 defined by Section 94.001, Property Code; and

11 (2) sold or offered for sale to the same purchaser in
12 connection with a sale of the real property of the community.

13 (c) A person who is eligible for an exemption under this
14 section remains subject to the other applicable provisions of this
15 subchapter and department rules regarding the sale or transfer of
16 manufactured homes.

17 SECTION 3. Section 1201.1031(a), Occupations Code, is
18 amended to read as follows:

19 (a) Except as provided by Section 1201.1021, the ~~[The]~~
20 department shall require that an applicant for a license or renewal
21 of an unexpired license submit a complete and legible set of
22 fingerprints, on a form prescribed by the board, to the department
23 or to the Department of Public Safety for the purpose of obtaining
24 criminal history record information from the Department of Public
25 Safety and the Federal Bureau of Investigation. The applicant is
26 required to submit a set of fingerprints only once under this
27 section unless a replacement set is otherwise needed to complete

1 the criminal history check required by this section.

2 SECTION 4. Section 1201.104(g), Occupations Code, is
3 amended to read as follows:

4 (g) Subsections (a), (a-2), (a-3), and (a-4) do not apply:

5 (1) to a license holder who applies:

6 (A) [~~(1)~~] for a license for an additional
7 business location; or

8 (B) [~~(2)~~] to renew or reinstate a license; or

9 (2) during a declared emergency as described by
10 Section 1201.1021.

11 SECTION 5. Section 1201.153(c), Occupations Code, is
12 amended to read as follows:

13 (c) The notice must:

14 (1) contain the information required by:

15 (A) the United States Department of Housing and
16 Urban Development; or

17 (B) the board; and

18 (2) be of the type, size, and format required by the
19 director.

20 SECTION 6. Section 1201.201(5), Occupations Code, is
21 amended to read as follows:

22 (5) "Inventory":

23 (A) means:

24 (i) new manufactured homes purchased by a
25 retailer from a manufacturer; and

26 (ii) used manufactured homes that:

27 (a) [~~(A)~~] a retailer has designated

1 as the retailer's inventory for sale pursuant to the process
2 implemented by the department; and

3 (b) [~~(B)~~] are not used as residential
4 dwellings when so designated; and

5 (B) does not include manufactured homes used by a
6 retailer as equipment, as defined by Section 9.102(a)(33), Business
7 & Commerce Code.

8 SECTION 7. Section 1201.219(a), Occupations Code, is
9 amended to read as follows:

10 (a) Notwithstanding Section 9.310, Business & Commerce
11 Code, a [A] lien on manufactured homes in a retailer's inventory is
12 perfected only by filing the lien with the department on the
13 required form. Once perfected, the lien applies to the
14 manufactured homes in the inventory as well as to any proceeds from
15 the sale of those homes. The department may suspend or revoke the
16 license of a retailer who fails to satisfy a perfected inventory
17 lien.

18 SECTION 8. Section 1201.357(b), Occupations Code, is
19 amended to read as follows:

20 (b) If the manufacturer, retailer, or installer, as
21 applicable, fails or refuses to provide warranty service in
22 accordance with the department order under Section 1201.356, the
23 director may [~~shall~~] hold an informal meeting at which the
24 manufacturer, retailer, or installer must show cause as to why the
25 manufacturer's, retailer's, or installer's license should not be
26 suspended or revoked and at which the consumer may express the
27 person's views. Following the meeting, the director shall either

1 resolve the matter by agreed order, dismiss the matter if no
2 violation is found to have occurred, or institute an administrative
3 action, which may include license suspension or revocation, the
4 assessment of administrative penalties, or a combination of such
5 actions.

6 SECTION 9. This Act takes effect September 1, 2021.