

By: Shine

H.B. No. 2706

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.

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

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

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

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

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

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

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

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

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

27 (1) to a license holder who applies:

1 SECTION 7. Sections 1201.219(a) and (c), Occupations Code,
2 are amended to read as follows:

3 (a) A lien on manufactured homes in inventory is perfected
4 only by filing a financing statement in accordance with Section
5 9.310, Business & Commerce Code, and the other provisions of that
6 code related to security interests for inventory [~~the lien with the~~
7 ~~department on the required form~~]. Once perfected, the lien applies
8 to the manufactured homes in the inventory as well as to any
9 proceeds from the sale of those homes. The department may suspend
10 or revoke the license of a retailer who fails to satisfy a perfected
11 inventory lien.

12 (c) Notwithstanding any other provision of this section or
13 any other law, the filing of a financing statement to perfect a lien
14 [~~security agreement~~] on the inventory of a retailer as described by
15 Subsection (a) does not prevent a buyer in the ordinary course of
16 business, as defined by Section 1.201, Business & Commerce Code,
17 from acquiring good and marketable title free of that lien, and the
18 department may not consider that lien for the purpose of title
19 issuance.

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

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

1 suspended or revoked and at which the consumer may express the
2 person's views. Following the meeting, the director shall either
3 resolve the matter by agreed order, dismiss the matter if no
4 violation is found to have occurred, or institute an administrative
5 action, which may include license suspension or revocation, the
6 assessment of administrative penalties, or a combination of such
7 actions.

8 SECTION 9. This Act takes effect September 1, 2023.