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2
   relating to the regulation of manufactured homes.
 3
          BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
          SECTION 1. Section 1201.1025, Occupations Code, is amended
 4
5
   by adding Subsection (a-1) and amending Subsection (c) to read as
   follows:
6
7
          (a-1) A person is exempt from holding a retailer's license
   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
12
               (2) sold or offered for sale to the same purchaser in
13
   connection with a sale of the real property of the community.
14
               A person who is eligible for an exemption under this
   section remains subject to the other applicable provisions of this
15
    subchapter and department rules regarding the sale or transfer of
16
17
   manufactured homes.
18
          SECTION 2. Section
                               1201.153(c), Occupations Code,
                                                                    is
    amended to read as follows:
19
          (c)
              The notice must:
20
21
                    contain the information required by:
22
                    (A) the United States Department of Housing and
23
   Urban Development; or
24
                    (B) the board; and
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AN ACT

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- 1 (2) be of the type, size, and format required by the
- 2 director.
- 3 SECTION 3. Section 1201.201(5), Occupations Code, is
- 4 amended to read as follows:
- 5 (5) "Inventory":
- 6 (A) has the meaning assigned by Section 9.102,
- 7 Business & Commerce Code; and
- 8 (B) does not include manufactured homes used by a
- 9 retailer as equipment, as defined by Section 9.102(a)(33), Business
- 10 & Commerce Code [means new and used manufactured homes that:
- 11 $\frac{(\Lambda)}{(\Lambda)}$ a retailer has designated as the
- 12 retailer's inventory for sale pursuant to the process implemented
- 13 by the department; and
- 14 [(B) are not used as residential
- 15 <u>dwellings when so designated</u>].
- SECTION 4. Sections 1201.219(a) and (c), Occupations Code,
- 17 are amended to read as follows:
- 18 (a) A lien on manufactured homes in inventory is perfected
- 19 only by filing a financing statement in accordance with Section
- 20 9.310, Business & Commerce Code, and the other provisions of that
- 21 code related to security interests for inventory [the lien with the
- 22 department on the required form]. Once perfected, the lien applies
- 23 to the manufactured homes in the inventory as well as to any
- 24 proceeds from the sale of those homes. The department may suspend
- 25 or revoke the license of a retailer who fails to satisfy a perfected
- 26 inventory lien.
- 27 (c) Notwithstanding any other provision of this section or

- 1 any other law, the filing of a <u>financing statement to perfect a</u> lien
- 2 [security agreement] on the inventory of a retailer as described by
- 3 Subsection (a) does not prevent a buyer in the ordinary course of
- 4 business, as defined by Section 1.201, Business & Commerce Code,
- 5 from acquiring good and marketable title free of that lien, and the
- 6 department may not consider that lien for the purpose of title
- 7 issuance.
- 8 SECTION 5. Section 1201.357(b), Occupations Code, is
- 9 amended to read as follows:
- 10 (b) If the manufacturer, retailer, or installer, as
- 11 applicable, fails or refuses to provide warranty service in
- 12 accordance with the department order under Section 1201.356, the
- 13 director may [shall] hold an informal meeting at which the
- 14 manufacturer, retailer, or installer must show cause as to why the
- 15 manufacturer's, retailer's, or installer's license should not be
- 16 suspended or revoked and at which the consumer may express the
- 17 person's views. Following the meeting, the director shall either
- 18 resolve the matter by agreed order, dismiss the matter if no
- 19 violation is found to have occurred, or institute an administrative
- 20 action, which may include license suspension or revocation, the
- 21 assessment of administrative penalties, or a combination of such
- 22 actions.
- 23 SECTION 6. This Act takes effect September 1, 2023.

H.B. No. 2706

| President of the Senate | Speaker of the House |
|----------------------------------|---------------------------------------|
| I certify that H.B. No. | 2706 was passed by the House on April |
| 14, 2023, by the following vot | te: Yeas 120, Nays 23, 2 present, not |
| voting; and that the House co | oncurred in Senate amendments to H.B. |
| No. 2706 on May 25, 2023, by the | ne following vote: Yeas 127, Nays 12, |
| 1 present, not voting. | |
| | |
| | Chief Clerk of the House |
| I certify that H.B. No | . 2706 was passed by the Senate, with |
| amendments, on May 21, 2023, | by the following vote: Yeas 29, Nays |
| 2. | |
| | |
| | Secretary of the Senate |
| APPROVED: | |
| Date | |
| | |
| Governor | |