

SENATE AMENDMENTS

2nd Printing

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.

ADOPTED

MAY 21 2023

Lacey Spaw
Secretary of the Senate

By: *Laffine*

H.B. No. 2706

Substitute the following for H.B. No. 2706:

By: *Laffine*

C.S.H.B. No. 2706

A BILL TO BE ENTITLED

1

AN ACT

2 relating to the regulation of manufactured homes.

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

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

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

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

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

18 SECTION 2. Section 1201.153(c), Occupations Code, is
19 amended to read as follows:

20 (c) The notice must:

21 (1) contain the information required by:

22 (A) the United States Department of Housing and
23 Urban Development; or

24 (B) the board; and

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 ~~[(A) 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 ~~dwelling when so designated].~~

16 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 financing statement to perfect a 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.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 22, 2023

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2706 by Shine (Relating to the regulation of manufactured homes.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

Based on the analysis of the Texas Department of Housing and Community Affairs, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

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

Source Agencies: 332 Department of Housing and Community Affairs

LBB Staff: JMc, SD, SZ, GDZ, AF, SLee

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 16, 2023

TO: Honorable Charles Schwertner, Chair, Senate Committee on Business & Commerce

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2706 by Shine (relating to the regulation of manufactured homes.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

Based on the analysis of the Texas Department of Housing and Community Affairs, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

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

Source Agencies: 332 Department of Housing and Community Affairs

LBB Staff: JMc, SZ, GDZ, AF, SLee

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 10, 2023

TO: Honorable Charles Schwertner, Chair, Senate Committee on Business & Commerce

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB2706** by Shine (Relating to the regulation of manufactured homes.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

Based on the analysis of the Texas Department of Housing and Community Affairs, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

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

Source Agencies: 332 Department of Housing and Community Affairs

LBB Staff: JMc, SZ, AF, GDZ, SLee

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 20, 2023

TO: Honorable J. M. Lozano, Chair, House Committee on Urban Affairs

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2706 by Shine (Relating to the regulation of manufactured homes.), **As Introduced**

No significant fiscal implication to the State is anticipated.

Based on the analysis of the Texas Department of Housing and Community Affairs, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

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

Source Agencies: 332 Department of Housing and Community Affairs

LBB Staff: JMc, AF, GDZ, SLee