**BILL ANALYSIS**

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| Senate Research Center | S.B. 785 |
| 89R3895 MP-F | By: Flores |
|  | Local Government |
|  | 3/14/2025 |
|  | As Filed |

**AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Texas needs more options and solutions to meet the growing demand for affordable housing. As one of several policies to bring new housing type options and increase the supply of homes, in particular affordable homes, S.B. 785 ensures that in some capacity manufactured homes serve a role in every city's housing stock.

Modern manufactured housing demonstrates modern features, aesthetics, and value. This bill requires that every city allow new HUD-code manufactured homes to be built, by right, in at least one area of residential zoning and prohibits cities from, directly or indirectly, prohibiting manufactured homes within the entire city limits. Cities still maintain the right to choose size and location for suitable manufactured homes placement and exclude manufactured homes from unsuitable locations.

As proposed, S.B. 785 amends current law relating to the regulation of new HUD-code manufactured housing.

**RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

**SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Section 1201.008, Occupations Code, by amending Subsections (b) and (d) and adding Subsections (d-1) and (g), as follows:

(b) Requires a municipality, subject to Subsection (g), on application, to permit the installation of a HUD-code manufactured home for use as a dwelling in any area determined appropriate by the municipality, including a subdivision, planned unit development, single lot, and rental community or park. Makes a nonsubstantive change.

(d) Prohibits a local government unit, except as approved by the Texas Department of Housing and Community Affairs operating through its manufactured housing division and subject to Subsection (d-1), from requiring a permit, a fee, a bond, or insurance for the transportation and installation of manufactured housing by a licensed retailer or installer.

(d-1) Prohibits a municipality from unreasonably regulating or restricting the installation of new HUD-code manufactured homes. Prohibits a municipality from requiring a specific use permit or other permit that serves a similar purpose to a specific use permit for a new HUD-code manufactured home that has been constructed in accordance with federal law and Chapter 1201 (Manufactured Housing).

(g) Provides that a municipality with zoning regulations or zoning district boundaries is required to permit the installation of a new HUD-code manufactured home for use as a dwelling under at least one residential zoning classification or type of residential district and is prohibited from adopting or enforcing other zoning regulations or zoning district boundaries that directly or indirectly prohibit the installation of new HUD-code manufactured homes in all residential zoning classifications or types of residential zoning districts adopted by the municipality.

SECTION 2. Effective date: September 1, 2025.