

BILL ANALYSIS

Senate Research Center

S.B. 785
By: Flores
Local Government
6/12/2025
Enrolled

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.

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), (g), and (h), 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 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 if the home has been constructed in accordance with federal law and this chapter and the municipality does not require a specific use permit for other residential property in the same zoning classification.

(g) Requires a municipality with zoning regulations or zoning district boundaries, except as provided by Subsection (h), to:

(1) permit the installation, by right, of a new HUD-code manufactured home for use as a dwelling within the municipality's boundaries under at least one

residential zoning classification, type of residential zoning district, or dedicated zoning classification for residential HUD-code manufactured homes;

(2) ensure at least one of the residential zoning classifications or districts described by Subdivision (1) has been adopted and applies to an area of land within the municipality's boundaries; and

(3) if the municipality has a comprehensive zoning classification map, indicate on the map the areas within the municipality's boundaries that comply with Subdivision (2).

(h) Provides that Subsection (g) does not limit the authority of a municipality to adopt or enforce an ordinance, rule, or other measure to protect historic landmarks or include properties within the boundaries of a local historic district, affect deed restrictions established before January 2, 2025, or apply to a municipality in which all areas zoned for residential use have deed restrictions on September 1, 2025, prohibiting the placement of manufactured homes or that does not have any areas or districts zoned for business or industrial use.

SECTION 2. Effective date: September 1, 2026.