

By: Hughes

S.B. No. 1940

A BILL TO BE ENTITLED

AN ACT

relating to authorizing a beneficiary designation that transfers a manufactured home classified as personal property at the owner's death.

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

SECTION 1. Subtitle C, Title 2, Estates Code, is amended by adding Chapter 116 to read as follows:

CHAPTER 116. BENEFICIARY DESIGNATION FOR CERTAIN MANUFACTURED HOMES

Sec. 116.001. DEFINITIONS. In this chapter:

(1) "Beneficiary designation" means the designation by an owner of a manufactured home of one or more beneficiaries of the home as provided by Section 1201.2135, Occupations Code.

(2) "Designated beneficiary" means a person designated as a beneficiary of an owner's interest in a manufactured home under Section 1201.2135, Occupations Code.

(3) "Joint owner with right of survivorship" or "joint owner" means a person who owns a manufactured home concurrently with one or more other persons with a right of survivorship. The term does not include an owner of community property with or without a right of survivorship.

(4) "Manufactured home" has the meaning assigned by Section 1201.003, Occupations Code.

(5) "Person" has the meaning assigned by Section

1 311.005, Government Code.

2 Sec. 116.002. APPLICABILITY. This chapter applies only to
3 a manufactured home classified as personal property under Section
4 2.001, Property Code.

5 Sec. 116.003. BENEFICIARY DESIGNATION AUTHORIZED. (a) An
6 owner of a manufactured home may transfer the owner's interest in
7 the home to one or more beneficiaries effective on the owner's death
8 by designating each beneficiary as provided by Section 1201.2135,
9 Occupations Code.

10 (b) A beneficiary designation is:

11 (1) subject to Section 116.004(b), revocable and may
12 be changed at any time without the consent of the designated
13 beneficiaries as provided by Section 1201.2135, Occupations Code;

14 (2) a nontestamentary instrument; and

15 (3) effective without:

16 (A) notice or delivery to or acceptance by the
17 designated beneficiaries during the owner's life; or

18 (B) consideration.

19 (c) A will may not revoke or supersede a beneficiary
20 designation, regardless of when the will is made.

21 (d) A designated beneficiary may disclaim the designated
22 beneficiary's interest in the manufactured home as provided by
23 Chapter 240, Property Code.

24 Sec. 116.004. JOINT OWNERSHIP. (a) If a manufactured home
25 that is the subject of a beneficiary designation is owned by joint
26 owners with right of survivorship, the beneficiary designation must
27 be made by all of the joint owners.

1 (b) A beneficiary designation made by joint owners with
2 right of survivorship:

3 (1) may be revoked or changed as provided by Section
4 1201.2135, Occupations Code, only if it is revoked or changed by all
5 of the joint owners; and

6 (2) may be revoked or changed by the last surviving
7 joint owner as provided by Section 1201.2135, Occupations Code.

8 Sec. 116.005. EFFECT OF BENEFICIARY DESIGNATION DURING
9 OWNER'S LIFE. During a manufactured home owner's life, a
10 beneficiary designation does not:

11 (1) affect an interest or right of the owner or owners
12 making the designation, including the right to transfer or encumber
13 the home that is the subject of the designation;

14 (2) create a legal or equitable interest in favor of a
15 designated beneficiary in the home that is the subject of the
16 designation, even if the beneficiary has actual or constructive
17 notice of the designation;

18 (3) affect an interest or right of a secured or
19 unsecured creditor or future creditor of the owner or owners making
20 the designation, even if the creditor has actual or constructive
21 notice of the designation; or

22 (4) affect an owner's or any designated beneficiary's
23 eligibility for any form of public assistance, subject to
24 applicable federal law.

25 Sec. 116.006. EFFECT OF BENEFICIARY DESIGNATION AT OWNER'S
26 OR LAST SURVIVING OWNER'S DEATH. (a) On the death of the owner of a
27 manufactured home that is the subject of a beneficiary designation,

the following rules apply to an interest in the home:

(1) if any designated beneficiary survives the owner making the designation by 120 hours, the interest in the home is transferred to each surviving designated beneficiary; and

(2) if each designated beneficiary fails to survive the owner making the designation by 120 hours, the share of each designated beneficiary lapses, notwithstanding Section 111.052, and is subject to and passes in accordance with Subchapter D, Chapter 255, as if each beneficiary designation were a devise made in a will.

(b) If an owner is a joint owner with right of survivorship who is survived by one or more other joint owners, the manufactured home that is the subject of a beneficiary designation belongs to the surviving joint owner or owners. If an owner is a joint owner with right of survivorship who is the last surviving joint owner, the beneficiary designation is effective.

(c) A designated beneficiary takes the manufactured home subject to all encumbrances, assignments, contracts, liens, and other interests to which the home is subject at the owner's or last surviving owner's death, as applicable. The transfer to one or more designated beneficiaries does not affect the ability of a lienholder to pursue an existing means of debt collection permitted under the laws of this state.

Sec. 116.007. CREDITOR CLAIMS; ALLOWANCES IN LIEU OF EXEMPT PROPERTY AND FAMILY ALLOWANCES. Sections 114.104(b), (c), and (d) and Section 114.106 apply to a transfer of an owner's interest in a manufactured home by a beneficiary designation in the same manner

1 and to the same extent as a transfer of real property under a
2 transfer on death deed under Chapter 114.

3 SECTION 2. Section 122.001(1), Estates Code, is amended to
4 read as follows:

5 (1) "Beneficiary" includes a person who would have
6 been entitled, if the person had not made a disclaimer, to receive
7 property as a result of the death of another person:

8 (A) by inheritance;

9 (B) under a will;

10 (C) by an agreement between spouses for community
11 property with a right of survivorship;

12 (D) by a joint tenancy with a right of
13 survivorship;

14 (E) by a survivorship agreement, account, or
15 interest in which the interest of the decedent passes to a surviving
16 beneficiary;

17 (F) by an insurance, annuity, endowment,
18 employment, deferred compensation, or other contract or
19 arrangement;

20 (G) under a pension, profit sharing, thrift,
21 stock bonus, life insurance, survivor income, incentive, or other
22 plan or program providing retirement, welfare, or fringe benefits
23 with respect to an employee or a self-employed individual;

24 (H) by a transfer on death deed; ~~or~~

25 (I) by a beneficiary designation, as defined by
26 Section 115.001, made for a motor vehicle; or

27 (J) by a beneficiary designation, as defined by

1 Section 116.001, made for a manufactured home.

2 SECTION 3. Subchapter E, Chapter 1201, Occupations Code, is
3 amended by adding Section 1201.2135 to read as follows:

4 Sec. 1201.2135. BENEFICIARY DESIGNATION. (a) The owner of
5 a manufactured home may designate one or more beneficiaries to whom
6 the owner's interest in the home transfers on the owner's death as
7 provided by Chapter 116, Estates Code, by submitting an application
8 for the issuance of a new statement of ownership under Section
9 1201.206 with the designation. To be effective, the designation
10 must state that the transfer of an interest in the home to one or
11 more designated beneficiaries is to occur at the transferor's
12 death.

13 (b) The legal name of each beneficiary designated under this
14 section must be included on the statement of ownership.

15 (c) The department shall transfer ownership of a
16 manufactured home to the beneficiary or beneficiaries, as
17 applicable, designated under this section for the home if the sole
18 beneficiary submits or all beneficiaries jointly submit, as
19 applicable:

20 (1) an application for the issuance of a statement of
21 ownership under Section 1201.206 not later than the 365th day after
22 the date of the owner's death or, if the home is owned by joint
23 owners, the last surviving owner's death, as applicable; and

24 (2) satisfactory proof of the death of the owner or
25 owners, as applicable.

26 (c-1) A beneficiary designation made under this section for
27 a manufactured home is void if an application and proof described by

1 Subsection (c) are not submitted to the department before the 366th
2 day after the date of the owner's death, or if the home is owned by
3 joint owners, the last surviving owner's death.

4 (d) A beneficiary designation may be changed or revoked by
5 submitting a new application for the issuance of a statement of
6 ownership under Section [1201.206](#).

7 (e) A beneficiary designation or a change or revocation of a
8 beneficiary designation made on an application for the issuance of
9 a statement of ownership for a manufactured home that has not been
10 submitted to the department before the death of a home's owner or
11 owners who made, changed, or revoked the designation, as
12 applicable, is invalid.

13 (f) An application for issuance of a statement of ownership
14 designating a beneficiary in accordance with this section that is
15 mailed to the department must be mailed by certified or registered
16 mail, return receipt requested. The application is considered
17 submitted to the department on the date the certified or registered
18 mail is postmarked.

19 (g) The department may adopt rules to administer this
20 section.

21 SECTION 4. This Act takes effect September 1, 2025.