

1-1 By: Hughes S.B. No. 1940
1-2 (In the Senate - Filed March 5, 2025; March 17, 2025, read
1-3 first time and referred to Committee on Jurisprudence;
1-4 April 14, 2025, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 5, Nays 0; April 14, 2025,
1-6 sent to printer.)

1-7 COMMITTEE VOTE

1-8		Yea	Nay	Absent	PNV
1-9	Hughes	X			
1-10	Johnson	X			
1-11	Creighton	X			
1-12	Hinojosa of Hidalgo	X			
1-13	Middleton	X			

1-14 COMMITTEE SUBSTITUTE FOR S.B. No. 1940 By: Creighton

1-15 A BILL TO BE ENTITLED
1-16 AN ACT

1-17 relating to authorizing a beneficiary designation that transfers a
1-18 manufactured home classified as personal property at the owner's
1-19 death.

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-21 SECTION 1. Subtitle C, Title 2, Estates Code, is amended by
1-22 adding Chapter 116 to read as follows:

1-23 CHAPTER 116. BENEFICIARY DESIGNATION FOR CERTAIN MANUFACTURED
1-24 HOMES

1-25 Sec. 116.001. DEFINITIONS. In this chapter:
1-26 (1) "Beneficiary designation" means the designation
1-27 by an owner of a manufactured home of one or more beneficiaries of
1-28 the home as provided by Section 1201.2135, Occupations Code.

1-29 (2) "Designated beneficiary" means a person
1-30 designated as a beneficiary of an owner's interest in a
1-31 manufactured home under Section 1201.2135, Occupations Code.

1-32 (3) "Joint owner with right of survivorship" or "joint
1-33 owner" means a person who owns a manufactured home concurrently
1-34 with one or more other persons with a right of survivorship. The
1-35 term does not include an owner of community property with or without
1-36 a right of survivorship.

1-37 (4) "Manufactured home" has the meaning assigned by
1-38 Section 1201.003, Occupations Code.

1-39 (5) "Person" has the meaning assigned by Section
1-40 311.005, Government Code.

1-41 Sec. 116.002. APPLICABILITY. This chapter applies only to
1-42 a manufactured home classified as personal property under Section
1-43 2.001, Property Code.

1-44 Sec. 116.003. BENEFICIARY DESIGNATION AUTHORIZED. (a) An
1-45 owner of a manufactured home may transfer the owner's interest in
1-46 the home to one or more beneficiaries effective on the owner's death
1-47 by designating each beneficiary as provided by Section 1201.2135,
1-48 Occupations Code.

1-49 (b) A beneficiary designation is:
1-50 (1) subject to Section 116.004(b), revocable and may
1-51 be changed at any time without the consent of the designated
1-52 beneficiaries as provided by Section 1201.2135, Occupations Code;

1-53 (2) a nontestamentary instrument; and

1-54 (3) effective without:
1-55 (A) notice or delivery to or acceptance by the
1-56 designated beneficiaries during the owner's life; or

1-57 (B) consideration.

1-58 (c) A will may not revoke or supersede a beneficiary
1-59 designation, regardless of when the will is made.

1-60 (d) A designated beneficiary may disclaim the designated

beneficiary's interest in the manufactured home as provided by Chapter 240, Property Code.

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

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

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

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

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

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

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

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

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

Sec. 116.006. EFFECT OF BENEFICIARY DESIGNATION AT OWNER'S OR LAST SURVIVING OWNER'S DEATH. (a) On the death of the owner of a 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 and to the same extent as a transfer of real property under a transfer on death deed under Chapter 114.

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

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

(A) by inheritance;

(B) under a will;

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

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

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

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

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

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

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

(J) by a beneficiary designation, as defined by Section 116.001, made for a manufactured home.

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

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

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

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

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

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

(c-1) A beneficiary designation made under this section for a manufactured home is void if an application and proof described by Subsection (c) are not submitted to the department before the 366th day after the date of the owner's death, or if the home is owned by joint owners, the last surviving owner's death.

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

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

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

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

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

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