BILL ANALYSIS

Senate Research Center

H.B. 2238 By: Cook (Harris) State Affairs 5/4/1999 Engrossed

DIGEST

Currently, under Texas law, in order to sell more than one manufactured home with an outstanding title in any consecutive 12-month period, a person must be registered under the Texas Manufactured Housing Standards Act, Article 5221f, V.T.C.S. Real estate licensees frequently negotiate the sale of real property on which one or more manufactured homes are located. If the certificates of title for those homes have not been surrendered, and if the real estate licensee has participated in the transfer of another manufactured home in the last 12 months, the real estate licensee may not assist the client with obtaining purchasers for the homes, even though the real estate licensee may negotiate the transfer of the real property. The Texas Manufactured Housing Standards Act also requires that all sellers of manufactured homes provide purchasers with a written warranty. This warranty requirement has caused confusion where the transfer of the home is from one consumer to another. This bill would authorize a real estate licensee to negotiate the sale, exchange, or lease-purchase of manufactured homes on behalf of a person for whom the real estate licensee otherwise acts as real estate broker, and eliminates the written warranty requirement for sale, exchange, or lease-purchase of manufactured homes between consumers.

PURPOSE

As proposed, H.B. 2238 authorizes a real estate licensee to negotiate the sale, exchange, or lease-purchase of manufactured homes on behalf of a person for whom the real estate licensee otherwise acts as real estate broker, and eliminates the written warranty requirements for sale, exchange, or lease-purchase of manufactured homes between consumers.

RULEMAKING AUTHORITY

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

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 7, Article 5221f, V.T.C.S. (Texas Manufactured Housing Standards Act), by adding Subsection (s), to authorize a person licensed as a real estate broker or salesperson under Article 6573a, V.T.C.S., to act as a manufactured housing broker or salesperson without holding a license, posting a surety bond or other security under this article, provided the person is also acting as a real estate broker or salesperson.

SECTION 2. Amends Section 8(b), Article 5221f, V.T.C.S., to exempt a sale, exchange, or leasepurchase of a manufactured home from one consumer to another consumer from the warranty requirements of this subsection.

SECTION 3. Effective date: September 1, 1999.

SECTION 4. Emergency clause.