BILL ANALYSIS

Senate Research Center

H.B. 543
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Business & Commerce
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Enrolled

DIGEST AND PURPOSE

Under current Texas law, an individual who purchases a manufactured home with cash may not be protected by federal, state, and local regulations preventing the placement of home in flood-prone areas. An individual may purchase a manufactured home prior to discovering that the proposed site for the home is uninhabitable because of restrictions. H.B. 543 prohibits, unless in compliance with applicable laws, a manufactured home retailer, broker, or salesperson from delivering or installing a manufactured home in a Federal Emergency Management Agency designated flood hazard area. This bill also requires a consumer, prior to closing on the acquisition, to provide evidence that the manufactured home will not be located in a flood hazard area in a manner that violates applicable laws.

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 Subchapter K, Chapter 1201, Occupations Code, by adding Section 1201.512, as follows:

Sec. 1201.512. PROHIBITED DELIVERY OR INSTALLATION OF MANUFACTURED HOME. (a) Defines "homesite."

(b) Prohibits a retailer, broker, or salesperson who sells, exchanges, or lease-purchases a new or used manufactured home to a consumer for use as a permanent dwelling in this state from performing certain acts, unless the retailer, broker, or salesperson complies with the requirements of the National Flood Insurance Act of 1968 (42 U.S.C. Section 4001 et seq.), Subchapter I, Chapter 16, Water Code, and any other applicable local, state, or federal law, and ensures the consumer's compliance with applicable law by requiring the evidence described by Subsection (c).

(c) Requires a consumer seeking to acquire the home, before closing on the acquisition of a new or used manufactured home for use as a permanent dwelling in this state, to provide to the retailer, broker, or salesperson selling, exchanging, or lease-purchasing the home satisfactory evidence that the home will not be located, in a manner that violates local, state, or federal law, on a homesite in a special flood hazard area designated by the director of the Federal Emergency Management Agency. Authorizes a consumer to satisfy the evidentiary requirement of this subsection by providing the retailer, broker, or salesperson, as applicable, with a copy of any required permit to install a septic tank on the homesite.

(d) Sets forth exemptions from the application of this section.

SECTION 2. Makes application of this Act prospective.

SECTION 3. Effective date: June 1, 2003, or September 1, 2003.