

BILL ANALYSIS

Senate Research Center
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S.B. 1465
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AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

S.B. 1465 proposes to consolidate certain functions at the Texas Department of Housing and Community Affairs (TDHCA) and transfer its functions to the Texas State Affordable Housing Corporation (TSAHC), the Public Utility Commission of Texas (PUC), and the Texas Department of Licensing and Regulation (TDLR).

S.B. 1465 transfers TDHCA's current single family bond allocation to TSAHC, as well as provides for a small increase in the proportion allocated to local issues. TDHCA's current multifamily bond allocation is transferred equally to TSAHC and local issuers. Responsibility for performing required compliance monitoring and physical inspections for TDHCA's existing multifamily portfolio is also transferred to TSAHC. The formal responsibility for the Texas Statewide Homebuyer Education Program is transferred to TSAHC from TDHCA.

Currently, grant funding for the energy-assistance strategy comes from the federal Low-Income Home Energy Assistance Program and the Weatherization Assistance for Low-Income Persons Program. The strategy also receives other funds from energy efficiency contracts with regulated, investor-owned utilities. The bill proposes to move this function from TDHCA to PUC. PUC offers some low income assistance programs and has a proven history in managing these programs.

TDHCA through its Manufactured Housing Division (division) regulates the manufactured housing industry in Texas. It administers the Texas Manufactured Housing Standards Act (the Standards Act) and acts as the department of housing and urban development's (HUD's) state supervisory agent to administer certain aspects of the United States National Manufactured Housing Construction and Safety Standards Act of 1974.

S.B. 1465 proposes to move the division to TDLR. TDLR regulates 29 professions and has a well established structure for occupational licensing and enforcement. TDLR currently regulates residential and commercial modular buildings, which are similar to manufactured housing. TDLR also regulated manufactured housing until 1995 when this function was transferred to TDHCA.

TDLR uses third-party inspectors to review modular housing installations, which are similar to manufactured housing installations, to enforce state regulation. Using third-party inspectors enables TDLR to ensure every modular home obtains an inspection.

These proposed consolidation efforts could save an additional \$12.2 million in general revenue from the proposed reductions by the legislature.

As proposed, S.B. 1465 amends current law relating to the administration of certain housing and energy assistance programs.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Public Utility Commission of Texas is modified in SECTION 2.04 (Section 39.903, Utilities Code) of this bill.

Rulemaking authority previously granted to the Manufactured Housing Board within the Texas Department of Housing and Community Affairs (TDHCA) is transferred to the Texas Commission of Licensing and Regulations in SECTION 3.04 (Section 1201.053, Occupations Code), SECTION 3.05 (Section 1201.054, Occupations Code), SECTION 3.09 (Section 1201.058, Occupations Code), SECTION 3.10 (Section 1201.104, Occupations Code), SECTION 3.13 (Section 1201.118, Occupations Code), SECTION 3.14 (Section 1201.1521, Occupations Code), SECTION 3.16 (Section 1201.203, Occupations Code), SECTION 3.19 (Section 1201.251, Occupations Code), SECTION 3.23 (Section 1201.302, Occupations Code), SECTION 3.24 (Section 1201.405, Occupations Code), SECTION 3.31 (Section 1201.608, Occupations Code) and SECTION 3.33 (Section 1201.611, Occupations Code) of this bill.

Rulemaking authority previously granted to the Manufactured Housing Board of TDHCA is rescinded in SECTION 3.38.

SECTION BY SECTION ANALYSIS

ARTICLE 1. TRANSFER OF CERTAIN FUNCTIONS FROM TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS TO TEXAS STATE AFFORDABLE HOUSING CORPORATION

SECTION 1.01. Amends Section 1372.0221, Government Code, to require that until August 7, out of that portion of the state ceiling that is available exclusively for reservations by the Texas State Affordable Housing Corporation (TSAHC) under Section 1372.0223, 20 percent, rather than 54.5 percent, be allotted each year and be made available to TSAHC for the purpose of issuing qualified mortgage bonds in connection with the professional educators home loan program established under Section 2306.562 (Professional Educators Home Loan Program).

SECTION 1.02. Amends Section 1372.0222, Government Code, to require that until August 7, out of that portion of the state ceiling that is available exclusively for reservations by TSAHC under Section 1372.0223, 10 percent, rather than 45.5 percent, be allotted each year and be made available to TSAHC for the purpose of issuing qualified mortgage bonds in connection with the fire fighter, law enforcement or security officer, and emergency medical services personnel home loan program established under Section 2306.5621 (Fire Fighter, Law Enforcement or Security Officer, and Emergency Medical Services Personnel Home Loan Program).

SECTION 1.03. Amends Subchapter B, Chapter 1372, Government Code, by adding Section 1372.02221, as follows:

Sec. 1372.02221. DEDICATION OF PORTION OF STATE CEILING FOR PROGRAMS ADMINISTERED BY TEXAS STATE AFFORDABLE HOUSING CORPORATION. Requires that until August 7, out of that portion of the state ceiling that is available exclusively for reservations by TSAHC under Section 1372.0223, 70 percent be allotted each year and be made available to TSAHC for the purpose of issuing qualified mortgage bonds in connection with the programs established under Sections 2306.562 and 2306.5621 or any other home loan program administered by TSAHC.

SECTION 1.04. Amends Section 1372.0223, Government Code, as follows:

Sec. 1372.0223. New heading: DEDICATION OF PORTION OF STATE CEILING TO ISSUERS OF QUALIFIED MORTGAGE BONDS. Provides that until August 7, out of that portion of the state ceiling that is available exclusively for reservations by issuers of qualified mortgage bonds under Section 1372.022 (Availability of state Ceiling to Issuers):

- (1) 40 percent, rather than 10 percent, is available exclusively to TSAHC for the purpose of issuing qualified mortgage bonds; and
- (2) 60 percent, rather than 56.66 percent, is available exclusively to housing finance corporations for the purpose of issuing qualified mortgage bonds.

SECTION 1.05. Amends Sections 1372.0231(a), (b-1), (c), (d), (g), and (i), Government Code, as follows:

(a) Provides that until August 15, of that portion of the state ceiling that is available exclusively for reservations by issuers of qualified residential rental project bonds:

(1) 80 percent, rather than 70 percent is available exclusively to housing finance corporations in the manner described by Subsections (c)-(f); and

(2) 20 percent, rather than 10 percent, is available exclusively to TSAHC in the manner described by Subsection (b-1).

Deletes existing text providing that 20 percent is available exclusively to TDHCA in the manner described by Subsection (b) (relating to providing that until August 15, of that portion of the state ceiling that is available exclusively for reservations by issuers of qualified residential rental project bonds, one-fifth is available exclusively to TDHCA).

(b-1) Requires The Texas Bond Review Board (BRB), with respect to the amount of the state ceiling set aside under Subsection (a)(2), rather than Subsection (a)(3), to issue qualified residential rental project bonds and allocate bond funds at the direction of the TSAHC as provided by Section 2306.565.

(c) Requires BRB, with respect to the amount of the state ceiling set aside under Subsection (a)(1), rather than Subsection (a)(2), to grant reservations in a manner that ensures that not more than 50 percent of the set-aside amount is used for proposed projects that are located in qualified census tracts as defined by the most recent publication by the United States Department of Housing and Urban Development.

(d) Requires BRB, except as provided by Subsection (i), before May 1, to apportion the amount of the state ceiling set aside under Subsection (a)(1), rather than Subsection (a)(2), among the uniform state service regions according to the percentage of the state's population that resides in each of those regions.

(g) Prohibits BRB, on or after May 1, from granting available reservations to housing finance corporations described by Subsection (a)(1), rather than Subsection (a), based on uniform state service regions or any segments of those regions.

(i) Requires BRB, before May 1, to apportion the amount of the state ceiling set aside under Subsection (a)(1), rather than Subsection (a)(2), only among uniform state service regions with respect to which an issuer has submitted an application for a reservation of the state ceiling on or before March 1.

SECTION 1.06. Amends Section 1372.025(b), Government Code, as follows:

(b) Provides that Subsection (a) (relating to the consequences if a type of bond listed does not qualify) does not apply to qualified mortgage bonds or qualified residential rental project bonds made available exclusively to TSAHC under Sections 1372.0221, 1372.0222, and 1372.02221, rather than TDHCA under Section 1372.023 or TSAHC under Sections 1372.0221 and 1372.0222.

SECTION 1.07. Amends Section 1372.028(d), Government Code, as follows:

(f) Provides that an issuer is not required to provide the statement required by Subsection (c)(3)(f) (relating to bonds not being issued for the same stated project for which the issuer has received sufficient carryforward during a previous year) if the issuer:

(1) is an issuer of a stated-voted issue;

(2) is TSAHC, rather than is TDHCA or the TSAHC; or

(3) provides evidence that one or more binding contracts has been entered into, or other evidence acceptable to BRB as described by program rule, to spend the unexpended proceeds by the later of 12 months after the date BRB receives the application, or December 31 of the program year for which the application is filed.

SECTION 1.08. Amends Section 1372.037(a), Government Code, to prohibit BRB, except as provided by Subsection (b) (relating to authorizing BRB to grant to the Texas Water Development Board a reservation for not more than \$100 million of the available state ceiling for a water development issue), before August 15, from granting for any single project a reservation for that year that is greater than certain amounts for certain issuers, including \$40 million, if the issuer is an issuer of qualified mortgage bonds, other than the TSAHC, rather than the TDHCA or the TSAHC.

SECTION 1.09. Amends Section 1372.040, Government Code, to make a conforming change.

SECTION 1.10. Amends Section 2306.1076(b), Government Code, to authorize TDHCA, rather than authorizing TDHCA in addition to funds set aside for the program under Section 1372.023, to solicit and accept funding for the Texas First-Time Homebuyer Program from gifts and grants for the purposes of this section.

SECTION 1.11. Transfers Section 2306.253 Government Code, to Subchapter Y, Chapter 2306, Government Code, redesignates it as Section 2306.570, Government Code, and amends it, as follows:

Sec. 2306.570. **HOMEBUYER EDUCATION PROGRAM.** Redesignates Section 2306.253 as Section 2306.570. (a) Requires TSAHC, rather than TDHCA, to develop and implement a statewide homebuyer education program designed to provide information and counseling to prospective homebuyers about the home buying process.

(b) Requires TSAHC, rather than TDHCA, to develop the program in cooperation with the Texas AgriLife Extension Service, the Health and Human Services Commission, the Real Estate Center at Texas A&M University, the Texas Workforce Commission, experienced homebuyer education providers, community-based organizations, and advocates of affordable housing, rather than in cooperation with the Texas Agricultural Extension Service, the Texas Department of Human Services, the Real Estate Research Center at Texas A&M University, the Texas Workforce Commission, experienced homebuyer education providers, community based organizations, and advocates of affordable housing. Requires TSAHC, rather than TDHCA, when feasible, to implement the program through the self-help centers established under Subchapter Z (Colonias)

(c)-(d) Makes conforming changes.

SECTION 1.12. Amends the heading to Section 2306.565, Government Code, to read as follows:

Sec. 2306.565. **ISSUANCE OF QUALIFIED RESIDENTIAL RENTAL PROJECT BONDS; ALLOCATION OF BOND FUNDS; COMPLIANCE MONITORING.**

SECTION 1.13. Amends Section 2306.565, Government Code, by adding Subsection (k), as follows:

(k) Requires TSAHC to perform compliance monitoring and physical inspections to ensure that the recipients of money funded by bonds issued by TSAHC or TDHCA under Section 1372.0231(a) comply with all legal and contractual requirements for receiving that money, except that TDHCA is required to continue to perform compliance monitoring and physical inspections in relation to contracts maintained under TDHCA programs that are otherwise funded using federal money.

SECTION 1.14. Repealers: Sections 1372.023 (Dedication of Portions of State Ceiling to Texas Department of Housing and Community Affairs), 1372.0231(b) (relating to requiring BRB to grant reservations at the direction of TDHCA as provided by Section 2306.359) and 1372.0231(h) (relating to providing that the allocations of BRB at the direction of TDHCA are subject review and approval by BRB), Government Code.

SECTION 1.15. Provides that the change in law made by this article in amending Chapter 1372, Government Code, applies only to a reservation of state ceiling granted on or after January 1, 2012.

ARTICLE 2. TRANSFER OF ENERGY ASSISTANCE PROGRAMS FROM TEXAS
DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS TO PUBLIC UTILITY
COMMISSION OF TEXAS

SECTION 2.01. Amends Section 2305.036(c), Government Code, to authorize that projects funded under the housing partnership program (program) include certain projects, including funding of a weatherization assistance program through the Public Utility Commission of Texas (PUC), rather than through TDHCA, to benefit individuals of low income.

SECTION 2.02. Transfers Section 2306.097, Government Code to Subchapter B, Chapter 16, Utilities Code, redesignates it as Section 16.022, Utilities Code, and amends it as follows:

Sec. 16.022. New heading: STATE LOW-INCOME ENERGY ASSISTANCE PROGRAM. Redesignates existing Section 2306.097, Government Code, as Section 16.022, Utilities Code. (a) Provides that PUC has jurisdiction and responsibility for administration of certain elements as set forth of the State Low-Income Energy Assistance Program, from whatever sources funded, rather than requires the Energy Services Program for Low-Income Individuals to operate in conjunction with the community services block grant program and has jurisdiction and responsibility for administration of elements as set forth of the State Low-Income Energy Assistance Program, from whatever sources funded.

(b) Makes no changes to this subsection.

SECTION 2.03. Amends Section 2306.187(e), Government Code, replace a reference to TDHCA with PUC.

SECTION 2.04. Amends Section 39.903(f), Utilities Code, as follows:

(f) Requires PUC to adopt rules regarding programs to assist low-income electric customers on the introduction of customer choice. Deletes existing text requiring that the programs include certain items, including target efficiency programs to be administered by TDHCA in coordination with existing weatherization programs.

SECTION 2.05. (a) Requires TDHCA and PUC, as soon as practicable after the effective date of this Act, to develop a transition plan for transferring the functions performed by TDHCA under Section 2306.097 (Texas Department of Housing and Community Affairs), Government Code, to PUC. Requires that the transition plan include a timetable with specific steps and deadlines needed to complete the transfer.

(b) Provides that in accordance with the transition plan developed by TDHCA and PUC under Subsection (a) of this section, on November 1, 2011:

(1) all functions and activities relating to Section 2306.097, Government Code, performed by TDHCA immediately before that date are transferred to PUC;

(2) a rule or form adopted by the executive director of TDHCA (director) that relates to Section 2306.097, Government Code, is a rule or form of PUC and remains in effect until amended or replaced by the PUC;

(3) a reference in law to or an administrative rule of TDHCA that relates to Section 2306.097, Government Code, means PUC;

(4) a complaint, investigation, or other proceeding before TDHCA that is related to Section 2306.097, Government Code, is transferred without change in status to PUC, and PUC assumes, as appropriate and without a change in status, the position of TDHCA in an action or proceeding to which TDHCA is a party;

(5) any employee of TDHCA who is primarily involved in administering Section 2306.097, Government Code, becomes an employee of PUC;

(6) all money, contracts, leases, property, and obligations of TDHCA related to Section 2306.097, Government Code, are transferred to PUC;

(7) all property in the custody of TDHCA related to Section 2306.097, Government Code, is transferred to PUC; and

(8) the unexpended and unobligated balance of any money appropriated by the legislature for TDHCA related to Section 2306.097, Government Code, is transferred to PUC.

(c) Authorizes TDHCA, before November 1, 2011, to agree with PUC to transfer any property of TDHCA to PUC to implement the transfer required by this article.

(d) Requires TDHCA, in the period beginning September 1, 2011, and ending on November 1, 2011, to continue to perform functions and activities under Section 2306.097, Government Code, as if that section had not been transferred, redesignated, and amended by this article, and the former law is continued in effect for that purpose.

ARTICLE 3. REGULATION OF MANUFACTURED HOUSING

SECTION 3.01. Section 2306.0521, Government Code, as follows:

Sec. 2306.0521. ORGANIZATIONAL FLEXIBILITY OF DEPARTMENT. Authorizes the executive director of TDHCA (director), notwithstanding any other provision of this chapter, with the approval of the governing board of TDHCA (board), to create divisions and assign to the newly created divisions any duties and powers imposed on or granted to an existing division or TDHCA generally; eliminate any division created under this section and assign any duties or powers previously assigned to the eliminated division to another division, created under this section; or eliminate all divisions created under this section and reorganize the distribution of powers and duties granted to or imposed on a division in any manner the director determines appropriate for the proper administration of the TDHCA. Deletes existing designation of Subsection (a) and existing text relating to divisions listed in Section 2306.021(b). Deletes existing Subsection (b) providing that this section does not apply to the manufactured housing division.

SECTION 3.02. Amends Section 2306.591(a), Government Code, to provide that for a manufactured home to be approved for installation and use as a dwelling in a colonia certain conditions are required to be met, including that ownership of the home must be properly recorded with the Texas Department of Licensing and Regulation (TDLR), rather than the manufactured housing division of TDHCA.

SECTION 3.03. Amends Section 1201.003, Occupations Code, by adding Subdivision (7-a) and amending Subdivisions (10) and (11), to define, respectively, "commission," and to redefine "department" and "director."

SECTION 3.04. Amends Section 1201.053(a), Occupations Code, to require the Texas Commission of Licensing and Regulation (TCLR), rather than the Manufactured Housing Board within TDHCA (board), to adopt rules and otherwise act as necessary to comply with the

National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. Section 5401 et seq.), including adopting and enforcing rules reasonably required to implement the notification and correction procedures provided by 42 U.S.C. Section 5414; and provide for the effective enforcement of all HUD-code manufactured housing construction and safety standards in order to have the state plan authorized by the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. Section 5401 et seq.) approved by the secretary of HUD.

SECTION 3.05. Amends Sections 1201.054(b) and (c), Occupations Code, to make conforming changes.

SECTION 3.06. Amends Sections 1201.055(a), (c), and (d), Occupations Code, to make conforming changes.

SECTION 3.07. Amends Section 1201.056, Occupations Code, to make a conforming change.

SECTION 3.08. Amends Section 1201.057, Occupations Code, to make a conforming change.

SECTION 3.09. Amends Sections 1201.058(a), (d) and (e), Occupations Code, to make conforming changes.

SECTION 3.10. Amends Sections 1201.104(e) and (f), Occupations Code, as follows:

(e) Requires TCLR, rather than the board, to adopt rules relating to course content and approval.

(f) Requires an applicant for an initial installer's license to receive a license on a provisional basis. Provides that the person's provisional status remains in effect until a sufficient number of installations completed by the person have been inspected by TDLR and found not to have any identified material violations of the TDLR's rules. Requires TCLR, rather than the board, with the advice of the advisory committee to be established under Section 1201.251, to adopt rules to establish what constitutes a sufficient number of installations under this subsection.

SECTION 3.11. Amends Section 1201.105(c), Occupations Code, to make a conforming change.

SECTION 3.12. Amends Section 1201.113(a), Occupations Code, to make conforming changes.

SECTION 3.13. Section 1201.118, Occupations Code, is amended to read as follows:

Sec. 1201.118. RULES RELATING TO CERTAIN PERSONS. Requires TCLR, rather than the board, to adopt rules providing for additional review and scrutiny of any application for an initial or renewal license that involves a person who has previously:

- (1) been found in a final order to have participated in one or more violations of this chapter that served as grounds for the suspension or revocation of a license;
- (2) been found to have engaged in activity subject to this chapter without possessing the required license;
- (3) caused the trust fund to incur unreimbursed payments or claims; or
- (4) failed to abide by the terms of a final order, including the payment of any assessed administrative penalties.

SECTION 3.14. Amends Section 1201.1521(b), Occupations Code, to make a conforming change.

SECTION 3.15. Amends Section 1201.162(a), Occupations Code, as follows:

(a) Requires a retailer, before the completion of a credit application or more than one day before entering into any agreement for a sale, exchange, or the exercise of the lease purchase option that will not be financed, to provide to a consumer a written disclosure in the form promulgated by TCLR, rather than the board. Requires that the disclosure be in at least 12-point type and address matters of concern relating to costs and obligations that may be associated with home ownership, matters to be considered in making financing decisions, related costs that may arise when purchasing a manufactured home, and such other matters as TCLR, rather than the board, may consider, rather than deem, appropriate to promote informed purchase, financing, and related decisions regarding the acquisition and ownership of a manufactured home.

SECTION 3.16. Amends Section 1201.203, Occupations Code, as follows:

Sec. 1201.203. FORMS; RULES. (a) Requires TCLR, rather than the board, to adopt rules and forms relating to the manufacturer's certificate, the statement of ownership and location, the application for a statement of ownership and location, and the issuance of an initial or revised statement of ownership.

(b) Requires TCLR, rather than the board, to adopt rules for the documenting of the ownership and location of a manufactured home that has been previously owned in this state or another state.

SECTION 3.17. Amends Section 1201.205, Occupations Code, as follows:

Sec. 1201.205. STATEMENT OF OWNERSHIP AND LOCATION FORM. Requires that a statement of ownership and location be evidenced by a TCLR-approved, rather than board-approved, form issued by TCLR. Sets forth the requirements for the form.

SECTION 3.18. Amends the heading to Section 1201.251, Occupations Code, to read as follows:

Sec. 1201.251. STANDARDS AND REQUIREMENTS ADOPTED BY COMMISSION.

SECTION 3.19. Amends Sections 1201.251(a), (d), and (e), Occupations Code, as follows:

(a) Requires TCLR, rather than the board, to adopt standards and requirements for the installation and construction of manufactured housing that are reasonably necessary to protect the health, safety, and welfare of the occupants and the public, and the construction of HUD-code manufactured homes in compliance with the federal standards and requirements established under the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. Section 5401 et seq.).

(d) Provides that in order to ensure that the determinations required by this section are properly made by qualified persons TCLR's rules, rather than the board's rules, are authorized to provide for the approval of foundation systems and devices that have been approved by licensed engineers, and any generic installation standards promulgated by rule are required first be reviewed by an advisory committee established by TCLR, rather than the board, comprised of representatives of manufacturers, installers, and manufacturers of stabilization systems or devices, including one or more licensed engineers.

(e) Requires the advisory committee established by Subsection (d) to make a report to TCLR, rather than board, setting forth each comment and concern over any proposed rules. Provides that the members of the committee do not have any, rather than are prohibited from having, personal liability for providing this advice.

SECTION 3.20. Amends Section 1201.252(a), Occupations Code, to make conforming changes.

SECTION 3.21. Amends Section 1201.254, Occupations Code, to make a conforming change.

SECTION 3.22. Amends Section 1201.255(b), Occupations Code, to make a conforming change.

SECTION 3.23. Amends Sections 1201.302(a) and (b), Occupations Code, to make conforming changes.

SECTION 3.24. Amends Section 1201.405(g), Occupations Code, to authorize TCLR, rather than the board, by rule to place reasonable limits on the costs that may be approved for payment from the trust fund, including the costs of reassigned warranty work, and require consumers making claims that may be subject to reimbursement from the trust fund to provide estimates establishing that the cost will be reasonable. Authorizes such rules to also specify such procedures and requirements as TCLR, rather than the board, deems necessary and advisable for the administration of the trust fund.

SECTION 3.25. Amends Section 1201.407(e), Occupations Code, to make conforming changes.

SECTION 3.26. Amends Section 1201.513(b), Occupations Code, to make a conforming change.

SECTION 3.27. Amends Section 1201.552, Occupations Code, to make a conforming change.

SECTION 3.28. Amends Section 1201.553, Occupations Code, to make a conforming change.

SECTION 3.29. Amends Section 1201.605(d), Occupations Code, to make a conforming change.

SECTION 3.30. Amends Section 1201.607, Occupations Code, to make a conforming change.

SECTION 3.31. Amends Section 1201.608(c), Occupations Code, to authorize TCLR to carry out "sting" or undercover investigations in accordance with TCLR-adopted, rather than board-adopted, rules if the executive director of TCLR (director) believes such action to be appropriate in order to detect and address suspected violations of this chapter.

SECTION 3.32. Amends Section 1201.610(c), Occupations Code, to make a conforming change.

SECTION 3.33. Amends Section 1201.611(a), Occupations Code, to require TCLR, rather than the board, to adopt rules relating to the administrative sanctions that are authorized to be enforced against a person regulated by TDLR.

SECTION 3.34. Amends Section 11.432(a), Tax Code, as follows:

(a) Requires that the application for the exemption, for a manufactured home to qualify for an exemption under Section 11.13 (Residence Homestead), be accompanied by a copy of the statement of ownership and location for the manufactured home issued by TDLR, rather than the manufactured housing division of TDHCA, under Section 1201.207 (Issuance of Statement of Ownership and Location), Occupations Code, showing that the individual applying for the exemption is the owner of the manufactured home or be accompanied by a verified copy of the purchase contract showing that the applicant is the purchaser of the manufactured home, unless a photostatic copy of the current title page for the home is displayed on the computer website of TDLR, rather than TDHCA. Authorizes the appraisal district to rely upon the computer records of TDLR, rather than TDHCA, to determine whether a manufactured home qualifies for an exemption.

SECTION 3.35. Amends Section 23.127(a)(4), Tax Code, to redefine "department."

SECTION 3.36. Amends Sections 32.03(a-2), (b), and (e), Tax Code, as follows:

(a-2) Prohibits a person from transferring ownership of a manufactured home until all tax liens perfected on the home that have been timely filed with TDLR, rather than TDHCA, have been extinguished or satisfied and released and any personal property taxes on the manufactured home which accrued on each January 1 that falls within the 18 months preceding the date of the sale have been paid.

(b) Makes conforming changes.

(e) Makes a conforming change.

SECTION 3.37. Amends Section 623.094(a), Transportation Code, as follows:

(a) Authorizes the Texas Department of Transportation (TxDOT), except as authorized by Section 623.095 (Permit Types), to issue a permit only to a person licensed by the TDLR, rather than TDHCA, as a manufacturer, retailer, or installer; or motor carriers registered with TxDOT.

SECTION 3.38. Repealers: Section 2306.067(d) (relating to authorizing the director to enter into an agreement with the manufactured housing division to loan or assign TDHCA employees, equipment, and facilities to that division) and Subchapter AA (Manufactured Housing Division), Chapter 2306, Government Code; and

Repealer: Section 1201.003(5) (defining "board"), Occupations Code.

SECTION 3.39. Provides that on the effective date of this Act:

(1) the manufactured housing division of TDHCA and the board within TDHCA, as they exist immediately before the effective date of this Act, are each abolished and the offices of the members of the board serving on that date are abolished;

(2) all powers, duties, functions, and activities performed by the manufactured housing division immediately before the effective date of this Act are transferred to TDLR;

(3) all employees of the manufactured housing division become employees of TDLR, to be assigned duties by the executive director of TDLR;

(4) a rule or form of the manufactured housing division is a rule or form of TDLR and remains in effect until changed by TDLR;

(5) a reference in law to the manufactured housing division means TDLR;

(6) a reference in a law or rule to the Manufactured Housing Board means TDLR;

(7) a reference in law to the executive director of the manufactured housing division means the executive director of TDLR;

(8) a license, permit, or certification in effect that was issued by the manufactured housing division is continued in effect as a license, permit, or certification of TDLR;

(9) a complaint, investigation, or other proceeding pending before the manufactured housing division is transferred without change in status to TDLR;

(10) all obligations, rights, and contracts of the manufactured housing division are transferred to TDLR; and

(11) all property, including records and money, in the custody of the manufactured housing division and all funds appropriated by the legislature for use by the manufactured housing division shall be transferred to TDLR.

SECTION 3.40. Provides that a member of the advisory committee described by Section 1201.251, Occupations Code, who was appointed by the board before the effective date of this Act shall continue to perform the member's duties under Sections 1201.251 and 1201.104, Occupations Code, as amended by this article, under the direction of TCLR until the expiration of the member's term.

ARTICLE 4. EFFECTIVE DATE

SECTION 4.01. Effective date: September 1, 2011.