

## SENATE AMENDMENTS

## 2<sup>nd</sup> Printing

By: Harper-Brown

H.B. No. 2608

A BILL TO BE ENTITLED

# 1 AN ACT

2 relating to the continuation and functions of the Texas Department  
3 of Housing and Community Affairs.

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

5 ARTICLE 1. GENERAL OPERATIONS AND ADMINISTRATION OF THE TEXAS  
6 DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

7 SECTION 1.01. Section 2306.022, Government Code, is amended  
8 to read as follows:

9 Sec. 2306.022. APPLICATION OF SUNSET ACT. The Texas  
10 Department of Housing and Community Affairs is subject to Chapter  
11 325 (Texas Sunset Act). Unless continued in existence as provided  
12 by that chapter, the department is abolished and this chapter  
13 expires September 1, 2023 [2011].

14 SECTION 1.02. Section 2306.043(c), Government Code, is  
15 amended to read as follows:

16 (c) The notice must:

17 (1) include a brief summary of the alleged violation;

18 (2) state the amount of the recommended penalty; and

19 (3) inform the person of the person's right to a  
20 hearing before the State Office of Administrative Hearings [board]  
21 on the occurrence of the violation, the amount of the penalty, or  
22 both.

23 SECTION 1.03. Section 2306.044(a), Government Code, is  
24 amended to read as follows:

1                   (a) Not later than the 20th day after the date the person  
2 receives the notice, the person in writing may:

3                   (1) accept the determination and recommended penalty  
4 of the director; or

5                   (2) make a request for a hearing before the State  
6 Office of Administrative Hearings [board] on the occurrence of the  
7 violation, the amount of the penalty, or both.

8                   SECTION 1.04. Section 2306.045, Government Code, is amended  
9 to read as follows:

10                  Sec. 2306.045. HEARING. (a) If the person requests a  
11 hearing before the State Office of Administrative Hearings [board]  
12 or fails to respond in a timely manner to the notice, the director  
13 shall set a hearing and give written notice of the hearing to the  
14 person.

15                  (b) The State Office of Administrative Hearings [board]  
16 shall:

17                   (1) hold the hearing;

18                   (2) [and] make findings of fact and conclusions of law  
19 about the occurrence of the violation and the amount of a proposed  
20 penalty; and

21                   (3) issue a proposal for decision regarding the  
22 penalty and provide notice of the proposal to the board.

23                  (c) Any administrative proceedings relating to the  
24 imposition of a penalty under Section 2306.041 is a contested case  
25 under Chapter 2001.

26                  SECTION 1.05. Section 2306.046(a), Government Code, is  
27 amended to read as follows:

1       (a) The board shall issue an order after receiving a  
2 proposal for decision from the State Office of Administrative  
3 Hearings under Section 2306.045. [Based on the findings of fact and  
4 conclusions of law, the board by order may:

5               [(1) find that a violation occurred and impose a  
6 penalty, or

7               [(2) find that a violation did not occur.]

8       SECTION 1.06. Section 2306.049(a), Government Code, is  
9 amended to read as follows:

10      (a) Judicial review of a board order imposing an  
11 administrative penalty is under the substantial evidence rule [by  
12 trial de novo].

13      SECTION 1.07. Section 2306.6721, Government Code, is  
14 transferred to Subchapter B, Chapter 2306, Government Code,  
15 redesignated as Section 2306.0504, Government Code, and amended to  
16 read as follows:

17      Sec. 2306.0504 [2306.6721]. DEBARMENT FROM PROGRAM  
18 PARTICIPATION. (a) The board by rule shall adopt a policy  
19 providing for the debarment of a person from participation in  
20 programs administered by the department [the low income housing tax  
21 credit program as described by this section].

22      (b) The department may debar a person from participation in  
23 a department [the] program on the basis of the person's past failure  
24 to comply with any condition imposed by the department in the  
25 administration of its programs [connection with the allocation of  
26 housing tax credits].

27      (c) The department shall debar a person from participation

1 in a department [~~the~~] program if the person:

2 (1) materially or repeatedly violates any condition  
3 imposed by the department in connection with the administration of  
4 a department program, including a material or repeated violation of  
5 a land use restriction agreement regarding a development supported  
6 with a [allocation of] housing tax credit allocation [credits]; or  
7 (2) is debarred from participation in federal housing  
8 programs by the United States Department of Housing and Urban  
9 Development [~~, or~~

10 [~~(3) is in material noncompliance with or has~~  
11 ~~repeatedly violated a land use restriction agreement regarding a~~  
12 ~~development supported with a housing tax credit allocation].~~

13 (d) A person debarred by the department from participation  
14 in a department [~~the~~] program may appeal the person's debarment to  
15 the board.

16 SECTION 1.08. Subchapter H, Chapter 2306, Government Code,  
17 is amended by adding Section 2306.1875 to read as follows:

18 Sec. 2306.1875. ENERGY EFFICIENCY MEASURES: MANDATORY  
19 DISCLOSURE AND TRAINING. (a) An energy service provider that, in  
20 connection with the provision of any energy conservation and  
21 efficiency measures required under Section 2306.187 or in  
22 connection with the provision of weatherization measures under a  
23 program described by Section 2306.097 or another program  
24 administered by the department, recommends any energy efficiency  
25 measure, including a weatherization measure, to a consumer must  
26 provide to the consumer a written disclosure regarding whether the  
27 provider receives or has received any financial or other benefit

1 from recommending energy efficiency measures to consumers. The  
2 disclosure must specify any particular energy efficiency measure  
3 with respect to which the provider receives or has received a  
4 financial or other benefit, regardless of whether the provider  
5 makes a specific recommendation regarding that measure to the  
6 consumer.

7       (b) Each person who performs state-funded or federally  
8 funded energy or green facility audits, energy code inspections,  
9 energy performance testing, or other energy efficiency or green  
10 analyses or evaluations of single-family or multifamily dwellings  
11 in connection with the provision of any energy conservation and  
12 efficiency measures or weatherization measures described by  
13 Subsection (a) or who awards energy ratings with respect to the  
14 provision of those measures must be an independent third party  
15 without any direct or indirect financial or other interest in the  
16 services performed, other than direct compensation for those  
17 services.

18       (c) Each person providing services described by Subsection  
19 (b) is entitled to independently inspect, test, and analyze  
20 building systems and equipment to evaluate factors relating to  
21 energy efficiency, energy usage, or carbon emissions or other  
22 factors in order to determine the appropriate energy or green  
23 conservation measures or improvements or to make other related  
24 recommendations or perform other related actions.

25       (d) Each person providing services described by Subsection  
26 (b) must complete appropriate training from a training organization  
27 that is approved by the department and that is accredited by an

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1 industry organization or a state or federal governmental entity  
2 that has written standards, an ethics policy, and an  
3 industry-acceptable quality control policy and process.

## ARTICLE 2. DISASTER MANAGEMENT PLANNING

5 SECTION 2.01. Section 418.106, Government Code, is amended  
6 by adding Subsection (b-1) to read as follows:

(b-1) The plan must identify:

12 (B) prepare for long-term disaster recovery; and

16 SECTION 2.02. Chapter 2306, Government Code, is amended by  
17 adding Subchapter X-1 to read as follows:

## SUBCHAPTER X-1. LONG-TERM DISASTER RECOVERY PLAN

19                   Sec. 2306.531. LONG-TERM DISASTER RECOVERY PLAN. (a) The  
20 department, in consultation with the Texas Department of Rural  
21 Affairs and the office of the governor, shall develop a long-term  
22 disaster recovery plan to administer money received for disaster  
23 recovery from the federal government or any other source.

24 (b) In developing and administering the plan:

25 (1) the department:

26 (A) has primary responsibility over matters  
27 related to housing; and

(B) shall consult with:

(i) existing disaster recovery entities

3 established by law or local, state, or federal agreements;

(ii) local government officials,

5 contractors, community advocates, businesses, nonprofit  
6 organizations, and other stakeholders; and

(iii) the United States Department of

8 Housing and Urban Development to ensure that the plan complies with  
9 federal law; and

(2) the Texas Department of Rural Affairs:

(A) has primary responsibility over matters

12 related to infrastructure; and

(B) shall consult with:

(i) existing disaster recovery entities

15 established by law or local, state, or federal agreements; and

(ii) local government officials

17 contractors, community advocates, businesses, nonprofit  
18 organizations, and other stakeholders.

19           (c) The plan developed under this section must establish or  
20 identify:

26 (3) eligibility criteria for program applicants:

#### (4) housing quality standards;



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1 of distributing federal funding for long-term disaster recovery.

2                   (e) The plan established under this section must be updated  
3 biennially and approved by the governor.

4                   (f) Biennially, the governor shall designate a state agency  
5 to be the primary agency in charge of coordinating the distribution  
6 of long-term disaster recovery funding.

9 SECTION 3.01. Sections 2306.111(d-1) and (d-2), Government  
10 Code, are amended to read as follows:

11 (d-1) In allocating low income housing tax credit  
12 commitments under Subchapter DD, the department shall, before  
13 applying the regional allocation formula prescribed by Section  
14 2306.1115, set aside for at-risk developments, as defined by  
15 Section 2306.6702, not less than the minimum amount of housing tax  
16 credits required under Section 2306.6714. Funds or credits are not  
17 required to be allocated according to the regional allocation  
18 formula under Subsection (d) if:

19 (1) the funds or credits are reserved for  
20 contract-for-deed conversions or for set-asides mandated by state  
21 or federal law and each contract-for-deed allocation or set-aside  
22 allocation equals not more than 10 percent of the total allocation  
23 of funds or credits for the applicable program;

24 (2) the funds or credits are allocated by the  
25 department primarily to serve persons with disabilities; or

26 (3) the funds are housing trust funds administered by  
27 the department under Sections 2306.201-2306.206 that are not

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1 otherwise required to be set aside under state or federal law and do  
2 not exceed \$3 million for each programmed activity during each  
3 application cycle.

4 (d-2) In allocating low income housing tax credit  
5 commitments under Subchapter DD, the department shall allocate five  
6 percent of the housing tax credits in each application cycle to  
7 developments that receive federal financial assistance through the  
8 Texas Rural Development Office of the United States Department of  
9 Agriculture. Any funds allocated to developments under this  
10 subsection that involve rehabilitation must come from the funds set  
11 aside for at-risk developments under Section 2306.6714 and any  
12 additional funds set aside for those developments under Subsection  
13 (d-1). This subsection does not apply to a development financed  
14 wholly or partly under Section 538 of the Housing Act of 1949 (42  
15 U.S.C. Section 1490p-2) unless the development involves the  
16 rehabilitation of an existing property that has received and will  
17 continue to receive as part of the financing of the development  
18 federal financial assistance provided under Section 515 of the  
19 Housing Act of 1949 (42 U.S.C. Section 1485).

20 SECTION 3.02. Section 2306.67022, Government Code, is  
21 amended to read as follows:

22 Sec. 2306.67022. QUALIFIED ALLOCATION PLAN; MANUAL. At  
23 least biennially, the [The] board [annually] shall adopt a  
24 qualified allocation plan and a corresponding manual to provide  
25 information regarding the administration of and eligibility for the  
26 low income housing tax credit program. The board may adopt the plan  
27 and manual annually, as considered appropriate by the board.

1 SECTION 3.03. Sections 2306.6711(b) and (f), Government  
2 Code, are amended to read as follows:

3 (b) Not later than the deadline specified in the qualified  
4 allocation plan, the board shall issue commitments for available  
5 housing tax credits based on the application evaluation process  
6 provided by Section 2306.6710. The board may not allocate to an  
7 applicant housing tax credits in any unnecessary amount, as  
8 determined by the department's underwriting policy and by federal  
9 law, and in any event may not allocate to the applicant housing tax  
10 credits in an amount greater than \$3 [\$2] million in a single  
11 application round.

12 (f) The board may allocate housing tax credits to more than  
13 one development in a single community, as defined by department  
14 rule, in the same calendar year only if the developments are or will  
15 be located more than two [one] linear miles [mile] apart. This  
16 subsection applies only to communities contained within counties  
17 with populations exceeding one million.

18 SECTION 3.04. Sections 2306.6724(a), (b), and (c),  
19 Government Code, are amended to read as follows:

20 (a) Regardless of whether the board will adopt the plan  
21 annually or biennially [~~Not later than September 30 of each year~~],  
22 the department, not later than September 30 of the year preceding  
23 the year in which the new plan is proposed for use, shall prepare  
24 and submit to the board for adoption any proposed [~~the~~] qualified  
25 allocation plan required by federal law for use by the department in  
26 setting criteria and priorities for the allocation of tax credits  
27 under the low income housing tax credit program.

1       (b) Regardless of whether the board has adopted the plan  
2 annually or biennially, the [The] board shall [adopt and] submit to  
3 the governor any proposed [the] qualified allocation plan not later  
4 than November 15 of the year preceding the year in which the new  
5 plan is proposed for use.

6       [←e] The governor shall approve, reject, or modify and  
7 approve the proposed qualified allocation plan not later than  
8 December 1.

9       SECTION 3.05. Section 2306.6725, Government Code, is  
10 amended by adding Subsections (b-1) and (b-2) to read as follows:

11       (b-1) The department shall provide appropriate incentives  
12 as determined through the qualified allocation plan to reward  
13 applicants who:

14           (1) on the date an application round begins, are doing  
15 business in this state for purposes of Chapter 171, Tax Code;

16           (2) using financing or other assistance from the  
17 department, have developed and completed:

18              (A) at least 150 units of comparable housing if  
19 the proposed project is located in a rural area; or

20              (B) at least 350 units of comparable housing if  
21 the proposed project is located in an area other than a rural area;  
22 and

23              (3) in the five-year period preceding the date the  
24 application round begins, have not had any instances of material  
25 noncompliance with respect to a project for which the department  
26 provided financing or other assistance.

27       (b-2) If points are awarded to an application under

1 Subsection (b-1), the department shall increase the points awarded  
2 under Section 2306.6710(b)(1)(F) by the amount of points awarded  
3 under Subsection (b-1).

4 SECTION 3.06. Subchapter DD, Chapter 2306, Government Code,  
5 is amended by adding Section 2306.6739 to read as follows:

6 Sec. 2306.6739. HOUSING TAX CREDITS FINANCED USING FEDERAL  
7 EMERGENCY FUNDS. (a) To the extent the department receives federal  
8 emergency funds that must be awarded by the department in the same  
9 manner as and that are subject to the same limitations as awards of  
10 housing tax credits, any reference in this chapter to the  
11 administration of the housing tax credit program applies equally to  
12 the administration of the federal funds, subject to Subsection (b).

13 (b) Notwithstanding any other law, the department may  
14 establish a separate application procedure for the federal  
15 emergency funds that does not follow the uniform application cycle  
16 required by Section 2306.1111 or the deadlines established by  
17 Section 2306.6724, and any reference in this chapter to an  
18 application period occurring in relation to those federal emergency  
19 funds refers to the period beginning on the date the department  
20 begins accepting applications for the federal funds and continuing  
21 until all of the available federal funds are awarded.

22 ARTICLE 4. MANUFACTURED HOUSING

23 SECTION 4.01. Section 2306.6022, Government Code, is  
24 amended by adding Subsections (e) and (f) to read as follows:

25 (e) The division director may allow an authorized employee  
26 of the division to dismiss a complaint if an investigation  
27 demonstrates that:

1                   (1) a violation did not occur; or  
2                   (2) the subject of the complaint is outside the  
3 division's jurisdiction under this subchapter.

4                   (f) An employee who dismisses a complaint under Subsection  
5 (e) shall report the dismissal to the division director and the  
6 board. The report must include a sufficient explanation of the  
7 reason the complaint was dismissed.

8                   SECTION 4.02. Subchapter AA, Chapter 2306, Government Code,  
9 is amended by adding Section 2306.6023 to read as follows:

10                  Sec. 2306.6023. NEGOTIATED RULEMAKING AND ALTERNATIVE  
11 DISPUTE RESOLUTION. (a) The division shall develop and implement a  
12 policy to encourage the use of:

13                  (1) negotiated rulemaking procedures under Chapter  
14 2008 for the adoption of division rules; and  
15                  (2) appropriate alternative dispute resolution  
16 procedures under Chapter 2009 to assist in the resolution of  
17 internal and external disputes under the division's jurisdiction.

18                  (b) The division's procedures relating to alternative  
19 dispute resolution must conform, to the extent possible, to any  
20 model guidelines issued by the State Office of Administrative  
21 Hearings for the use of alternative dispute resolution by state  
22 agencies.

23                  (c) The division shall:  
24                  (1) coordinate the implementation of the policy  
25 adopted under Subsection (a);

26                  (2) provide training as needed to implement the  
27 procedures for negotiated rulemaking or alternative dispute

1 resolution; and

2           (3) collect data concerning the effectiveness of those  
3 procedures.

4           SECTION 4.03. Section 1201.003, Occupations Code, is  
5 amended by amending Subdivision (17) and adding Subdivision (17-a)  
6 to read as follows:

7           (17) "License holder" or "licensee" means a person who  
8 holds a department-issued license as a manufacturer, retailer,  
9 broker, ~~rebuilder,~~ salesperson, or installer.

10           (17-a) "Management official" means an individual with  
11 authority over employees involved in the sale of manufactured homes  
12 at a retail location.

13           SECTION 4.04. Sections 1201.055(a) and (b), Occupations  
14 Code, are amended to read as follows:

15           (a) With guidance from the federal Housing and Community  
16 Development Act of 1974 (42 U.S.C. Section 5301 et seq.) and from  
17 the rules and regulations adopted under the National Manufactured  
18 Housing Construction and Safety Standards Act of 1974 (42 U.S.C.  
19 Section 5401 et seq.), the board shall establish fees as follows:

20           (1) if the department acts as a design approval  
21 primary inspection agency, a schedule of fees for the review of  
22 HUD-code manufactured home blueprints and supporting information,  
23 to be paid by the manufacturer seeking approval of the blueprints  
24 and supporting information;

25           (2) except as provided by Subsection (e), a fee for the  
26 inspection of each HUD-code manufactured home manufactured or  
27 assembled in this state, to be paid by the manufacturer of the home;

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5 (4) a fee for the inspection of the rebuilding of a  
6 salvaged manufactured home, to be paid by the retailer [~~rebuilder~~];

10 (6) a fee for the issuance of a seal for a used mobile  
11 or HUD-code manufactured home.

12 (b) In addition to the fees imposed under Subsections  
13 (a)(2), (3), and (4), a manufacturer or [or] a person making an  
14 alteration, [or a rebuilder,] as appropriate, shall be charged for  
15 the actual cost of travel of a department representative to and  
16 from:

19 (2) the place of inspection, for an inspection  
20 described by Subsection (a)(3) or (4).

21 SECTION 4.05. Section 1201.056, Occupations Code, is  
22 amended to read as follows:

23 Sec. 1201.056. LICENSE FEES. (a) The board shall establish  
24 fees for the issuance and renewal of licenses for:

25 (1) manufacturers;

26 (2) *retailers*;

27 (3) brokers;

(4) salespersons; and  
(5) [rebuilters, and  
[+6)] installers.

4                   (b) The board by rule may establish a fee for reprinting a  
5 license issued under this chapter.

6 SECTION 4.06. Sections 1201.101(e) and (f-1), Occupations  
7 Code, are amended to read as follows:

8 (e) A person may not repair, rebuild, or otherwise alter a  
9 salvaged manufactured home unless the person holds a ~~rebuilder's~~  
10 ~~or~~ retailer's license.

11 (f-1) A retailer may not be licensed to operate more than  
12 [at a principal location and] one location [or more branch  
13 locations] under a single license[, provided, however, that a  
14 separate application must be made for each branch, and each branch  
15 must be separately bonded].

16 SECTION 4.07. Sections 1201.103(a) and (b), Occupations  
17 Code, are amended to read as follows:

18 (a) An applicant for a license as a manufacturer, retailer,  
19 broker, [rebuilder,] or installer must file with the director a  
20 license application containing:

21 (1) the legal name, address, and telephone number of  
22 the applicant and each person who will be a related person at the  
23 time the requested license is issued:

24 (2) all trade names, and the names of all other  
25 business organizations, under which the applicant does business  
26 subject to this chapter, the name of each such business  
27 organization registered with the secretary of state, and the

1 address of such business organization;  
2 (3) the dates on which the applicant became the owner  
3 and operator of the business; and  
4 (4) the location to which the license will apply.

5 (b) A license application must be accompanied by:  
6 (1) proof of the security required by this subchapter;  
7 [and]  
8 (2) payment of the fee required for issuance of the  
9 license; and

10 (3) the information and the cost required under  
11 Section 1201.1031.

12 SECTION 4.08. Subchapter C, Chapter 1201, Occupations Code,  
13 is amended by adding Section 1201.1031 to read as follows:

14 Sec. 1201.1031. CRIMINAL HISTORY RECORD INFORMATION  
15 REQUIREMENT FOR LICENSE. (a) The department shall require that an  
16 applicant for a license or renewal of an unexpired license submit a  
17 complete and legible set of fingerprints, on a form prescribed by  
18 the board, to the department or to the Department of Public Safety  
19 for the purpose of obtaining criminal history record information  
20 from the Department of Public Safety and the Federal Bureau of  
21 Investigation. The applicant is required to submit a set of  
22 fingerprints only once under this section unless a replacement set  
23 is otherwise needed to complete the criminal history check required  
24 by this section.

25 (b) The department shall refuse to issue a license to or  
26 renew the license of a person who does not comply with the  
27 requirement of Subsection (a).

1        (c) The department shall conduct a criminal history check of  
2 each applicant for a license or renewal of a license using  
3 information:

4            (1) provided by the individual under this section; and  
5            (2) made available to the department by the Department  
6 of Public Safety, the Federal Bureau of Investigation, and any  
7 other criminal justice agency under Chapter 411, Government Code.

8        (d) The department may enter into an agreement with the  
9 Department of Public Safety to administer a criminal history check  
10 required under this section.

11        (e) The applicant shall pay the cost of a criminal history  
12 check under this section.

13        SECTION 4.09. Section 1201.104, Occupations Code, is  
14 amended by amending Subsections (a), (g), and (h) and adding  
15 Subsections (a-1), (a-2), (a-3), and (a-4) to read as follows:

16        (a) Except as provided by Subsection (g) [+(e)], as a  
17 requirement for a manufacturer's, retailer's, broker's,  
18 installer's, ~~[salvage rebuilder's]~~ or salesperson's license, a  
19 person who was not licensed or registered with the department or a  
20 predecessor agency on September 1, 1987, must, not more than 12  
21 months before applying for the person's first license under this  
22 chapter, attend and successfully complete eight [20] hours of  
23 instruction in the law, including instruction in consumer  
24 protection regulations.

25        (a-1) If the applicant is not an individual, the applicant  
26 must have at least one related person who satisfies the  
27 requirements of Subsection (a) [meets this requirement]. If that

1 applicant is applying for a retailer's license, the related person  
2 must be a management official who satisfies the requirements of  
3 Subsections (a) and (a-2) at each retail location operated by the  
4 applicant.

5       (a-2) An applicant for a retailer's license must complete  
6 four hours of specialized instruction relevant to the sale,  
7 exchange, and lease-purchase of manufactured homes. The  
8 instruction under this subsection is in addition to the instruction  
9 required under Subsection (a).

10      (a-3) An applicant for an installer's license must complete  
11 four hours of specialized instruction relevant to the installation  
12 of manufactured homes. The instruction under this subsection is in  
13 addition to the instruction required under Subsection (a).

14      (a-4) An applicant for a joint installer-retailer license  
15 must comply with Subsections (a-2) and (a-3), for a total of eight  
16 hours of specialized instruction. The instruction under this  
17 subsection is in addition to the instruction required under  
18 Subsection (a).

19      (g) Subsections [Subsection] (a), (a-2), (a-3), and (a-4)  
20 do [does] not apply to a license holder who applies:

21           (1) for a license for an additional business location;  
22 or

23           (2) to renew or reinstate a license.

24      (h) An examination must be a requirement of successful  
25 completion of any initial required course of instruction under this  
26 section. The period needed to complete an examination under this  
27 subsection may not be used to satisfy the minimum education

1 requirements under Subsection (a), (a-2), (a-3), or (a-4).

2 SECTION 4.10. Section 1201.106(a), Occupations Code, is  
3 amended to read as follows:

4 (a) An applicant for a license or a license holder shall  
5 file a bond or other security under Section 1201.105 for the  
6 issuance or renewal of a license in the following amount:

7 (1) \$100,000 for a manufacturer;

8 (2) \$50,000 for a retailer [~~retailer's principal~~  
9 ~~location~~];

10 (3) [~~\$50,000 for each retailer's branch location,~~

11 [~~4~~] \$50,000 for a ~~rebuilder~~,

12 [~~5~~] \$50,000 for a broker; or

13 (4) [~~6~~] \$25,000 for an installer.

14 SECTION 4.11. Section 1201.110, Occupations Code, is  
15 amended to read as follows:

16 Sec. 1201.110. SECURITY: DURATION. The department shall  
17 maintain on file a security other than a bond canceled as provided  
18 by Section 1201.109(a) until the later of:

19 (1) the second anniversary of the date the  
20 manufacturer, retailer, broker, or installer[~~, or rebuild~~]  
21 ceases doing business; or

22 (2) the date the director determines that a claim does  
23 not exist against the security.

24 SECTION 4.12. Section 1201.116(a), Occupations Code, is  
25 amended to read as follows:

26 (a) The department shall renew a license if, before the  
27 expiration date of the license, the department receives the renewal

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1 application and payment of the required fee as well as the cost  
2 required under Section 1201.1031 [before the expiration date of the  
3 license].

4 SECTION 4.13. Section 1201.303, Occupations Code, is  
5 amended by amending Subsection (b) and adding Subsections (c), (d),  
6 (e), (f), and (g) to read as follows:

7 (b) The department shall establish an installation  
8 inspection program in which at least 75 [25] percent of installed  
9 manufactured homes are inspected on a sample basis for compliance  
10 with the standards and rules adopted and orders issued by the  
11 director. The program must place priority on inspecting  
12 multisection homes and homes installed in Wind Zone II counties.

13 (c) On or after January 1, 2015, the director by rule shall  
14 establish a third-party installation inspection program to  
15 supplement the inspections of the department if the department is  
16 not able to inspect at least 75 percent of manufactured homes  
17 installed in each of the calendar years 2012, 2013, and 2014.

18 (d) The third-party installation inspection program  
19 established under Subsection (c) must:

20 (1) establish qualifications for third-party  
21 inspectors to participate in the program;

22 (2) require third-party inspectors to register with  
23 the department before participating in the program;

24 (3) establish a biennial registration and renewal  
25 process for third-party inspectors;

26 (4) require the list of registered third-party  
27 inspectors to be posted on the department's Internet website;

- 1        (5) establish clear processes governing inspection
- 2        fees and payment to third-party inspectors;
- 3        (6) establish the maximum inspection fee that may be
- 4        charged to a consumer;
- 5        (7) require a third-party inspection to occur not
- 6        later than the 14th day after the date of installation of the
- 7        manufactured home;
- 8        (8) establish a process for a retailer or broker to
- 9        contract, as part of the sale of a new or used manufactured home,
- 10        with an independent third-party inspector to inspect the
- 11        installation of the home;
- 12        (9) establish a process for an installer to schedule
- 13        an inspection for each consumer-to-consumer sale where a home is
- 14        reinstalled;
- 15        (10) if a violation is noted in an inspection, require
- 16        the installer to:
  - 17        (A) remedy the violations noted;
  - 18        (B) have the home reinspected at the installer's
  - 19        expense; and
  - 20        (C) certify to the department that all violations
  - 21        have been corrected;
- 22        (11) require an inspector to report inspection results
- 23        to the retailer, installer, and the department;
- 24        (12) require all persons receiving inspection results
- 25        under Subdivision (11) to maintain a record of the results at least
- 26        until the end of the installation warranty period;
- 27        (13) authorize the department to charge a filing fee

1 and an inspection fee for third-party inspections;

2                   (14) authorize the department to continue to conduct  
3 no-charge complaint inspections under Section 1201.355 on request,  
4 but only after an initial installation inspection is completed;

5                   (15) establish procedures to revoke the registration  
6 of inspectors who fail to comply with rules adopted under this  
7 section; and

8                   (16) require the department to notify the relevant  
9 state agency if the department revokes an inspector registration  
10 based on a violation that is relevant to a license issued to the  
11 applicable person by another state agency.

12                   (e) Not later than January 1, 2015, the department shall  
13 submit to the Legislative Budget Board, the Governor's Office of  
14 Budget, Planning, and Policy, and the standing committee of each  
15 house of the legislature having primary jurisdiction over housing a  
16 report concerning whether the department inspected at least 75  
17 percent of manufactured homes installed in each of the calendar  
18 years 2012, 2013, and 2014.

19                   (f) Not later than December 1, 2015, the director shall  
20 adopt rules as necessary to implement Subsections (c) and (d) if the  
21 department did not inspect at least 75 percent of manufactured  
22 homes installed in each of the calendar years 2012, 2013, and 2014.  
23 Not later than January 1, 2016, the department shall begin  
24 registering third-party inspectors under Subsections (c) and (d) if  
25 the department inspections did not occur as described by this  
26 subsection.

27                   (g) If the department is not required to establish a

1 third-party installation inspection program as provided by  
2 Subsection (c), Subsections (c), (d), (e), and (f) and this  
3 subsection expire September 1, 2016.

4 SECTION 4.14. Section 1201.357, Occupations Code, is  
5 amended by adding Subsection (b-1) to read as follows:

6 (b-1) As authorized by Section 1201.6041, the director may  
7 order a manufacturer, retailer, or installer, as applicable, to pay  
8 a refund directly to a consumer as part of an agreed order described  
9 by Subsection (b) instead of or in addition to instituting an  
10 administrative action under this chapter.

11 SECTION 4.15. Section 1201.461(d), Occupations Code, is  
12 amended to read as follows:

13 (d) A person may not sell, convey, or otherwise transfer to  
14 a consumer in this state a manufactured home that is salvaged. A  
15 salvaged manufactured home may be sold only to a licensed retailer  
16 ~~[or licensed rebuilder]~~.

17 SECTION 4.16. Subchapter M, Chapter 1201, Occupations Code,  
18 is amended by adding Section 1201.6041 to read as follows:

19 Sec. 1201.6041. DIRECT CONSUMER COMPENSATION. (a) Instead  
20 of requiring a consumer to apply for compensation from the trust  
21 fund under Subchapter I, the director may order a manufacturer,  
22 retailer, broker, or installer, as applicable, to pay a refund  
23 directly to a consumer who sustains actual damages resulting from  
24 an unsatisfied claim against a licensed manufacturer, retailer,  
25 broker, or installer if the unsatisfied claim results from a  
26 violation of:

27 (1) this chapter;

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8                   (b) For purposes of this section, the refund of a consumer's  
9 actual damages is determined according to Section 1201.405.

10                   (c) The director shall prepare information for notifying  
11 consumers of the director's option to order a direct refund under  
12 this section, shall post the information on the department's  
13 Internet website, and shall make printed copies available on  
14 request.

15 SECTION 4.17. Sections 1201.610(a), (b), and (f),  
16 Occupations Code, are amended to read as follows:

17 (a) The [If the director has reasonable cause to believe  
18 ~~that a person licensed under this chapter has violated or is about~~  
19 ~~to violate any provision of this chapter or rules adopted by the~~  
20 ~~department under this chapter, the] director may issue without~~  
21 notice and hearing an order to cease and desist from continuing a  
22 particular action or an order to take affirmative action, or both,  
23 to enforce compliance with this chapter if the director has  
24 reasonable cause to believe that a person has violated or is about  
25 to violate any provision of this chapter or a rule adopted under  
26 this chapter.

27 (b) The director may issue an order to any person [licensee]

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1 to cease and desist from violating any law, rule, or written  
2 agreement or to take corrective action with respect to any such  
3 violations if the violations in any way are related to the sale,  
4 financing, or installation of a manufactured home or the providing  
5 of goods or services in connection with the sale, financing, or  
6 installation of a manufactured home unless the matter that is the  
7 basis of such violation is expressly subject to inspection and  
8 regulation by another state agency; provided, however, that if any  
9 matter involves a law that is subject to any other administration or  
10 interpretation by another agency, the director shall consult with  
11 the person in charge of the day-to-day administration of that  
12 agency before issuing an order.

13 (f) If a person licensed under this chapter fails to pay an  
14 administrative penalty that has become final or fails to comply  
15 with an order of the director that has become final, in addition to  
16 any other remedy provided by law, the director, after not less than  
17 10 days' notice to the person, may without a prior hearing suspend  
18 the person's license. The suspension shall continue until the  
19 person has complied with the cease and desist order or paid the  
20 administrative penalty. During the period of suspension, the  
21 person may not perform any act requiring a license under this  
22 chapter, and all compensation received by the person during the  
23 period of suspension is subject to forfeiture to the person from  
24 whom it was received.

25 SECTION 4.18. Section 1302.061, Occupations Code, is  
26 amended to read as follows:

27 Sec. 1302.061. MANUFACTURED HOMES. This chapter does not

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1 apply to a person or entity licensed as a manufacturer, retailer,  
2 [~~rebuilder~~] or installer under Chapter 1201 and engaged  
3 exclusively in air conditioning and refrigeration contracting for  
4 manufactured homes if the installation of air conditioning  
5 components at the site where the home will be occupied is performed  
6 by a person licensed under this chapter.

## ARTICLE 5. TRANSITION PROVISIONS

8 SECTION 5.01. (a) Not later than March 1, 2012, the Texas  
9 Department of Housing and Community Affairs shall develop the plan  
10 required under Section 2306.531, Government Code, as added by this  
11 Act.

12 (b) Not later than May 1, 2012, the Texas Department of  
13 Housing and Community Affairs shall obtain the governor's approval  
14 of the plan developed under Section 2306.531, Government Code, as  
15 added by this Act.

16 (c) Not later than May 1, 2012, the governor shall designate  
17 a state agency to be the primary agency in charge of coordinating  
18 the distribution of long-term disaster recovery funding as required  
19 under Section 2306.531, Government Code, as added by this Act.

20 SECTION 5.02. The change in law made by this Act to Sections  
21 2306.043, 2306.044, 2306.045, 2306.046, and 2306.049, Government  
22 Code, applies only to a violation committed on or after the  
23 effective date of this Act. A violation committed before the  
24 effective date of this Act is governed by the law in effect when the  
25 violation was committed, and the former law is continued in effect  
26 for that purpose.

27 SECTION 5.03. The change in law made by this Act in adding

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1 Section 2306.1875, Government Code, does not affect an energy audit  
2 or analysis or energy testing performed or an energy rating awarded  
3 before the effective date of this Act. An energy audit or analysis  
4 or energy testing performed or an energy rating awarded before the  
5 effective date of this Act is governed by the law in effect on the  
6 date the audit, analysis, or testing was performed or the rating was  
7 awarded, and the former law is continued in effect for that purpose.

8 SECTION 5.04. The change in law made by this Act to Section  
9 2306.6022, Government Code, applies only to a complaint filed on or  
10 after the effective date of this Act. A complaint filed before the  
11 effective date of this Act is governed by the law in effect at the  
12 time the complaint was filed, and the former law is continued in  
13 effect for that purpose.

14 SECTION 5.05. The changes in law made by this Act to  
15 Sections 2306.6711 and 2306.6725, Government Code, apply only to an  
16 application for low income housing tax credits that is submitted to  
17 the Texas Department of Housing and Community Affairs during an  
18 application cycle that begins on or after the effective date of this  
19 Act. An application that is submitted during an application cycle  
20 that began before the effective date of this Act is governed by the  
21 law in effect at the time the application cycle began, and the  
22 former law is continued in effect for that purpose.

23 SECTION 5.06. Notwithstanding Sections 1201.101(f-1) and  
24 1201.106(a), Occupations Code, as amended by this Act, a retailer  
25 licensed to operate one or more branch locations on or before the  
26 effective date of this Act is not required to comply with the  
27 changes in law made by those sections until March 1, 2012.

1         SECTION 5.07. (a) The change in law made by this Act in  
2 amending Sections 1201.103 and 1201.104, Occupations Code, applies  
3 only to an application for a license filed with the executive  
4 director of the manufactured housing division of the Texas  
5 Department of Housing and Community Affairs on or after the  
6 effective date of this Act. An application for a license filed  
7 before that date is governed by the law in effect on the date the  
8 application was filed, and the former law is continued in effect for  
9 that purpose.

10         (b) The change in law made by this Act in adding Section  
11 1201.1031, Occupations Code, applies only to an application for a  
12 license or license renewal filed with the executive director of the  
13 manufactured housing division of the Texas Department of Housing  
14 and Community Affairs on or after the effective date of this Act.  
15 An application for a license or license renewal filed before that  
16 date is governed by the law in effect on the date the application  
17 was filed, and the former law is continued in effect for that  
18 purpose.

19         (c) The change in law made by this Act in amending Section  
20 1201.116, Occupations Code, applies only to an application for a  
21 license renewal filed with the executive director of the  
22 manufactured housing division of the Texas Department of Housing  
23 and Community Affairs on or after the effective date of this Act.  
24 An application for a license renewal filed before that date is  
25 governed by the law in effect on the date the application was filed,  
26 and the former law is continued in effect for that purpose.

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1                   ARTICLE 6. EFFECTIVE DATE

2               SECTION 6.01. (a) Except as provided by Subsection (b) of  
3 this section, this Act takes effect September 1, 2011.

4               (b) Section 2306.1875, Government Code, as added by this  
5 Act, takes effect April 1, 2012.

# ADOPTED

MAY 23 2011

*Arturo Sosa*  
Secretary of the Senate

By: Hinojosa

H.B. No. 2608

Substitute the following for H.B. No. 2608:

By: Heggen

C.S. H.B. No. 2608

## A BILL TO BE ENTITLED

1 AN ACT

2 relating to the continuation and functions of the Texas Department  
3 of Housing and Community Affairs.

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

5 ARTICLE 1. GENERAL OPERATIONS AND ADMINISTRATION OF THE TEXAS  
6 DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

7 SECTION 1.01. Section 2306.022, Government Code, is amended  
8 to read as follows:

9 Sec. 2306.022. APPLICATION OF SUNSET ACT. The Texas  
10 Department of Housing and Community Affairs is subject to Chapter  
11 325 (Texas Sunset Act). Unless continued in existence as provided  
12 by that chapter, the department is abolished and this chapter  
13 expires September 1, 2023 [2011].

14 SECTION 1.02. Section 2306.043(c), Government Code, is  
15 amended to read as follows:

16 (c) The notice must:

17 (1) include a brief summary of the alleged violation;

18 (2) state the amount of the recommended penalty; and

19 (3) inform the person of the person's right to a  
20 hearing before the State Office of Administrative Hearings [board]  
21 on the occurrence of the violation, the amount of the penalty, or  
22 both.

23 SECTION 1.03. Section 2306.044(a), Government Code, is  
24 amended to read as follows:

1                   (a) Not later than the 20th day after the date the person  
2 receives the notice, the person in writing may:

3 (1) accept the determination and recommended penalty  
4 of the director; or

8 SECTION 1.04. Section 2306.045, Government Code, is amended  
9 to read as follows:

10 Sec. 2306.045. HEARING. (a) If the person requests a  
11 hearing before the State Office of Administrative Hearings [board]  
12 or fails to respond in a timely manner to the notice, the director  
13 shall set a hearing and give written notice of the hearing to the  
14 person.

15 (b) The State Office of Administrative Hearings [board]  
16 shall:

17 (1) hold the hearing;

18                           (2) [and] make findings of fact and conclusions of law  
19 about the occurrence of the violation and the amount of a proposed  
20 penalty; and

23           (c) Any administrative proceedings relating to the  
24 imposition of a penalty under Section 2306.041 is a contested case  
25 under Chapter 2001.

26 SECTION 1.05. Section 2306.046(a), Government Code, is  
27 amended to read as follows:

5 [ (1) find that a violation occurred and impose a  
6 ~~penalty, or~~

7 [ (2) ~~find that a violation did not occur.~~ ]

8 SECTION 1.06. Section 2306.049(a), Government Code, is  
9 amended to read as follows:

10 (a) Judicial review of a board order imposing an  
11 administrative penalty is under the substantial evidence rule [by  
12 ~~trial de novo~~].

13 SECTION 1.07. Section 2306.6721, Government Code, is  
14 transferred to Subchapter B, Chapter 2306, Government Code,  
15 redesignated as Section 2306.0504, Government Code, and amended to  
16 read as follows:

17 Sec. 2306.0504 [~~2306.6721~~]. DEBARMENT FROM PROGRAM  
18 PARTICIPATION. (a) The board by rule shall adopt a policy  
19 providing for the debarment of a person from participation in  
20 programs administered by the department [~~the low income housing tax~~  
21 ~~credit program as described by this section~~].

22 (b) The department may debar a person from participation in  
23 a department [~~the~~] program on the basis of the person's past failure  
24 to comply with any condition imposed by the department in the  
25 administration of its programs [~~connection with the allocation of~~  
26 ~~housing tax credits~~].

27 (c) The department shall debar a person from participation

1 in a department [~~the~~] program if the person:

2 (1) materially or repeatedly violates any condition  
3 imposed by the department in connection with the administration of  
4 a department program, including a material or repeated violation of  
5 a land use restriction agreement regarding a development supported  
6 with a [allocation of] housing tax credit allocation [credits]; or  
7 (2) is debarred from participation in federal housing  
8 programs by the United States Department of Housing and Urban  
9 Development [~~or~~]

10 [~~(3) is in material noncompliance with or has~~  
11 ~~repeatedly violated a land use restriction agreement regarding a~~  
12 ~~development supported with a housing tax credit allocation.~~]

13 (d) A person debarred by the department from participation  
14 in a department [~~the~~] program may appeal the person's debarment to  
15 the board.

16 ARTICLE 2. GENERAL HOUSING MATTERS

17 SECTION 2.01. Section 481.078, Government Code, is amended  
18 by amending Subsection (c) and adding Subsection (d-1) to read as  
19 follows:

20 (c) Except as provided by Subsections [~~Subsection~~] (d) and  
21 (d-1), the fund may be used only for economic development,  
22 infrastructure development, community development, job training  
23 programs, and business incentives.

24 (d-1) The fund may be used for the Texas homeless housing  
25 and services program administered by the Texas Department of  
26 Housing and Community Affairs. Subsections (e-1), (f), (g), (h),  
27 (i), and (j) and Section 481.080 do not apply to a grant awarded for

1    a purpose specified by this subsection.

2            SECTION 2.02. Section 481.079, Government Code, is amended  
3 by adding Subsection (a-1) to read as follows:

4            (a-1) For grants awarded for a purpose specified by Section  
5 481.078(d-1), the report must include only the amount and purpose  
6 of each grant.

7            SECTION 2.03. Subchapter K, Chapter 2306, Government Code,  
8 is amended by adding Section 2306.2585 to read as follows:

9            Sec. 2306.2585. HOMELESS HOUSING AND SERVICES PROGRAM. (a)  
10 The department may administer a homeless housing and services  
11 program in each municipality in this state with a population of  
12 285,500 or more to:

13            (1) provide for the construction, development, or  
14 procurement of housing for homeless persons; and

15            (2) provide local programs to prevent and eliminate  
16 homelessness.

17            (b) If the department implements the homeless housing and  
18 services program under Subsection (a), the department shall adopt  
19 rules to govern the administration of the program, including rules  
20 that:

21            (1) provide for the allocation of any available  
22 funding; and

23            (2) provide detailed guidelines as to the scope of the  
24 local programs in the municipalities described by Subsection (a).

25            (c) The department may use any available revenue, including  
26 legislative appropriations, and shall solicit and accept gifts and  
27 grants for the purposes of this section. The department shall use

1   gifts and grants received for the purposes of this section before  
2   using any other revenue.

3                   ARTICLE 3. DISASTER MANAGEMENT PLANNING

4                   SECTION 3.01. Section 418.106, Government Code, is amended  
5    by adding Subsection (b-1) to read as follows:

6                   (b-1) The plan must identify:

7                    (1) any requirements or procedures that local agencies  
8    and officials must satisfy or implement to:

9                    (A) qualify for long-term federal disaster  
10   recovery funding; and

11                   (B) prepare for long-term disaster recovery; and

12                   (2) any appropriate state or local resources available  
13   to assist the local agencies and officials in satisfying or  
14   implementing those requirements or procedures.

15                   SECTION 3.02. Chapter 2306, Government Code, is amended by  
16   adding Subchapter X-1 to read as follows:

17                   SUBCHAPTER X-1. LONG-TERM DISASTER RECOVERY PLAN

18                   Sec. 2306.531. LONG-TERM DISASTER RECOVERY PLAN. (a) In  
19   consultation with the office of the governor, the department or  
20   another agency or office designated under Subsection (f) shall  
21   develop a long-term disaster recovery plan to administer money  
22   received for disaster recovery from the federal government or any  
23   other source.

24                   (b) The department and the Texas Department of Rural Affairs  
25   each must be consulted in developing and administering the plan, if  
26   those agencies are not designated under Subsection (f). The  
27   following entities must also be consulted:

(1) existing disaster recovery entities established by law or local, state, or federal agreements;

(2) local government officials, contractors, community advocates, businesses, nonprofit organizations, and other stakeholders; and

(3) the United States Department of Housing and Urban Development to ensure that the plan complies with federal law.

(c) The plan developed under this section must establish or identify:

15 (3) eligibility criteria for program applicants;

16 (4) housing quality and energy efficiency standards;

17 (5) priorities for serving local populations;

22 (8) pre-disaster and post-disaster training programs;

27 (10) federal and state monitoring and reporting

1 requirements, including a list of the types of data that local  
2 government officials may be required to collect, analyze, and  
3 report;

13           (d) In developing the plan under this section, the agency or  
14 office designated under Subsection (f) shall seek from county  
15 judges and mayors in areas impacted by large-scale natural  
16 disasters input regarding the development of future methods of  
17 distributing federal funding for long-term disaster recovery.

18                   (e) The plan established under this section must be updated  
19 biennially and approved by the governor.

20                   (f) Biennially, the governor shall designate a state agency  
21 or office to be the primary agency or office in charge of  
22 coordinating the distribution of long-term disaster recovery  
23 funding.

24 ARTICLE 4. HOUSING TRUST FUND PROGRAM; LOW INCOME HOUSING TAX  
25 CREDIT PROGRAM

26 SECTION 4.01. Sections 2306.111(d-1) and (d-2), Government  
27 Code, are amended to read as follows:

14 (2) the funds or credits are allocated by the  
15 department primarily to serve persons with disabilities; or

16 (3) the funds are housing trust funds administered by  
17 the department under Sections 2306.201-2306.206 that are not  
18 otherwise required to be set aside under state or federal law and do  
19 not exceed \$3 million for each programmed activity during each  
20 application cycle.

21 (d-2) In allocating low income housing tax credit  
22 commitments under Subchapter DD, the department shall allocate five  
23 percent of the housing tax credits in each application cycle to  
24 developments that receive federal financial assistance through the  
25 Texas Rural Development Office of the United States Department of  
26 Agriculture. Any funds allocated to developments under this  
27 subsection that involve rehabilitation must come from the funds set

1 aside for at-risk developments under Section 2306.6714 and any  
2 additional funds set aside for those developments under Subsection  
3 (d-1). This subsection does not apply to a development financed  
4 wholly or partly under Section 538 of the Housing Act of 1949 (42  
5 U.S.C. Section 1490p-2) unless the development involves the  
6 rehabilitation of an existing property that has received and will  
7 continue to receive as part of the financing of the development  
8 federal financial assistance provided under Section 515 of the  
9 Housing Act of 1949 (42 U.S.C. Section 1485).

10 SECTION 4.02. Section 2306.6702(a)(5), Government Code, is  
11 amended to read as follows:

12 (5) "At-risk development" means:  
13 (A) a development that:  
14 (i) ~~(A)~~ has received the benefit of a  
15 subsidy in the form of a below-market interest rate loan, interest  
16 rate reduction, rental subsidy, Section 8 housing assistance  
17 payment, rental supplement payment, rental assistance payment, or  
18 equity incentive under the following federal laws, as applicable:  
19 (a) ~~(i)~~ Sections 221(d)(3) and (5),  
20 National Housing Act (12 U.S.C. Section 17151);  
21 (b) ~~(ii)~~ Section 236, National  
22 Housing Act (12 U.S.C. Section 1715z-1);  
23 (c) ~~(iii)~~ Section 202, Housing Act  
24 of 1959 (12 U.S.C. Section 1701q);  
25 (d) ~~(iv)~~ Section 101, Housing and  
26 Urban Development Act of 1965 (12 U.S.C. Section 1701s);  
27 (e) ~~(v)~~ the Section 8 Additional

1 Assistance Program for housing developments with HUD-Insured and  
2 HUD-Held Mortgages administered by the United States Department of  
3 Housing and Urban Development;

6 SECTION 4.03. Section 2306.67022, Government Code, is  
7 amended to read as follows:

8 Sec. 2306.67022. QUALIFIED ALLOCATION PLAN; MANUAL. At  
9 least biennially, the [The] board [annually] shall adopt a  
10 qualified allocation plan and a corresponding manual to provide  
11 information regarding the administration of and eligibility for the  
12 low income housing tax credit program. The board may adopt the plan  
13 and manual annually, as considered appropriate by the board.

14 SECTION 4.04. Section 2306.6710(b), Government Code, is  
15 amended to read as follows:

16                   (b) If an application satisfies the threshold criteria, the  
17 department shall score and rank the application using a point  
18 system that:

19 (1) prioritizes in descending order criteria  
20 regarding:

21 (A) financial feasibility of the development  
22 based on the supporting financial data required in the application  
23 that will include a project underwriting pro forma from the  
24 permanent or construction lender;

25 (B) quantifiable community participation with  
26 respect to the development, evaluated on the basis of a resolution  
27 concerning the development that is voted on and adopted by the

1 governing body of a municipality [~~written statements from any~~  
2 ~~neighborhood organizations on record with the state or county in~~  
3 ~~which the development is to be located and~~] whose boundaries  
4 contain the proposed development site or by the commissioners court  
5 of a county whose boundaries contain the proposed development site;

6 (C) the income levels of tenants of the  
7 development;

8 (D) the size and quality of the units;

9 (E) the commitment of development funding by  
10 local political subdivisions;

11 (F) [the level of community support for the  
12 application, evaluated on the basis of written statements from the  
13 state representative or the state senator that represents the  
14 district containing the proposed development site,

15 [C] the rent levels of the units;

24 (2) uses criteria imposing penalties on applicants or  
25 affiliates who have requested extensions of department deadlines  
26 relating to developments supported by housing tax credit  
27 allocations made in the application round preceding the current

1 round or a developer or principal of the applicant that has been  
2 removed by the lender, equity provider, or limited partners for its  
3 failure to perform its obligations under the loan documents or  
4 limited partnership agreement; and

5 (3) encourages applicants to provide free notary  
6 public service to the residents of the developments for which the  
7 allocation of housing tax credits is requested.

8 SECTION 4.05. Sections 2306.6711(b) and (f), Government  
9 Code, are amended to read as follows:

10 (b) Not later than the deadline specified in the qualified  
11 allocation plan, the board shall issue commitments for available  
12 housing tax credits based on the application evaluation process  
13 provided by Section 2306.6710. The board may not allocate to an  
14 applicant housing tax credits in any unnecessary amount, as  
15 determined by the department's underwriting policy and by federal  
16 law, and in any event may not allocate to the applicant housing tax  
17 credits in an amount greater than \$3 ~~[\$2]~~ million in a single  
18 application round or to an individual development more than \$2  
19 million in a single application round.

20 (f) The board may allocate housing tax credits to more than  
21 one development in a single community, as defined by department  
22 rule, in the same calendar year only if the developments are or will  
23 be located more than two ~~[one]~~ linear miles ~~[mile]~~ apart. This  
24 subsection applies only to communities contained within counties  
25 with populations exceeding one million.

26 SECTION 4.06. Section 2306.6718(b), Government Code, is  
27 amended to read as follows:

6 SECTION 4.07. Sections 2306.6724(a), (b), and (c),  
7 Government Code, are amended to read as follows:

16 (b) Regardless of whether the board has adopted the plan  
17 annually or biennially, the [The] board shall [adopt and] submit to  
18 the governor any proposed [the] qualified allocation plan not later  
19 than November 15 of the year preceding the year in which the new  
20 plan is proposed for use.

21 [+] The governor shall approve, reject, or modify and  
22 approve the proposed qualified allocation plan not later than  
23 December 1.

24 SECTION 4.08. Subchapter DD, Chapter 2306, Government Code,  
25 is amended by adding Section 2306.6739 to read as follows:

26                   Sec. 2306.6739. HOUSING TAX CREDITS FINANCED USING FEDERAL  
27                   EMERGENCY FUNDS. (a) To the extent the department receives federal

1 emergency funds that must be awarded by the department in the same  
2 manner as and that are subject to the same limitations as awards of  
3 housing tax credits, any reference in this chapter to the  
4 administration of the housing tax credit program applies equally to  
5 the administration of the federal funds, subject to Subsection (b).

6 (b) Notwithstanding any other law, the department may  
7 establish a separate application procedure for the federal  
8 emergency funds that does not follow the uniform application cycle  
9 required by Section 2306.1111 or the deadlines established by  
10 Section 2306.6724, and any reference in this chapter to an  
11 application period occurring in relation to those federal emergency  
12 funds refers to the period beginning on the date the department  
13 begins accepting applications for the federal funds and continuing  
14 until all of the available federal funds are awarded.

15 **ARTICLE 5. MANUFACTURED HOUSING**

16 **SECTION 5.01.** Section 2306.6022, Government Code, is  
17 amended by adding Subsections (e) and (f) to read as follows:

18 (e) The division director may allow an authorized employee  
19 of the division to dismiss a complaint if an investigation  
20 demonstrates that:

21 (1) a violation did not occur; or

22 (2) the subject of the complaint is outside the  
23 division's jurisdiction under this subchapter.

24 (f) An employee who dismisses a complaint under Subsection  
25 (e) shall report the dismissal to the division director and the  
26 board. The report must include a sufficient explanation of the  
27 reason the complaint was dismissed.

1 SECTION 5.02. Subchapter AA, Chapter 2306, Government Code,  
2 is amended by adding Section 2306.6023 to read as follows:

3 Sec. 2306.6023. NEGOTIATED RULEMAKING AND ALTERNATIVE  
4 DISPUTE RESOLUTION. (a) The division shall develop and implement a  
5 policy to encourage the use of:

6 (1) negotiated rulemaking procedures under Chapter  
7 2008 for the adoption of division rules; and

8 (2) appropriate alternative dispute resolution  
9 procedures under Chapter 2009 to assist in the resolution of  
10 internal and external disputes under the division's jurisdiction.

11 (b) The division's procedures relating to alternative  
12 dispute resolution must conform, to the extent possible, to any  
13 model guidelines issued by the State Office of Administrative  
14 Hearings for the use of alternative dispute resolution by state  
15 agencies.

16 (c) The division shall:

17 (1) coordinate the implementation of the policy  
18 adopted under Subsection (a);

19 (2) provide training as needed to implement the  
20 procedures for negotiated rulemaking or alternative dispute  
21 resolution; and

22 (3) collect data concerning the effectiveness of those  
23 procedures.

24 SECTION 5.03. Section 1201.003, Occupations Code, is  
25 amended by amending Subdivision (17) and adding Subdivision (17-a)  
26 to read as follows:

27 (17) "License holder" or "licensee" means a person who

1 holds a department-issued license as a manufacturer, retailer,  
2 broker, [rebuilder], salesperson, or installer.

3                   (17-a) "Management official" means an individual with  
4 authority over employees involved in the sale of manufactured homes  
5 at a retail location.

6                   SECTION 5.04. Sections 1201.055(a) and (b), Occupations  
7 Code, are amended to read as follows:

8                   (a) With guidance from the federal Housing and Community  
9 Development Act of 1974 (42 U.S.C. Section 5301 et seq.) and from  
10 the rules and regulations adopted under the National Manufactured  
11 Housing Construction and Safety Standards Act of 1974 (42 U.S.C.  
12 Section 5401 et seq.), the board shall establish fees as follows:

13                   (1) if the department acts as a design approval  
14 primary inspection agency, a schedule of fees for the review of  
15 HUD-code manufactured home blueprints and supporting information,  
16 to be paid by the manufacturer seeking approval of the blueprints  
17 and supporting information;

18                   (2) except as provided by Subsection (e), a fee for the  
19 inspection of each HUD-code manufactured home manufactured or  
20 assembled in this state, to be paid by the manufacturer of the home;

21                   (3) a fee for the inspection of an alteration made to  
22 the structure or plumbing, heating, or electrical system of a  
23 HUD-code manufactured home, to be charged on an hourly basis and to  
24 be paid by the person making the alteration;

25                   (4) a fee for the inspection of the rebuilding of a  
26 salvaged manufactured home, to be paid by the retailer [rebuilder];

27                   (5) a fee for the inspection of a used manufactured

1 home to determine whether the home is habitable for the issuance of  
2 a new statement of ownership and location; and

3 (6) a fee for the issuance of a seal for a used mobile  
4 or HUD-code manufactured home.

5 (b) In addition to the fees imposed under Subsections  
6 (a)(2), (3), and (4), a manufacturer or [~~or~~] a person making an  
7 alteration, [~~or a rebuilder~~] as appropriate, shall be charged for  
8 the actual cost of travel of a department representative to and  
9 from:

10 (1) the manufacturing facility, for an inspection  
11 described by Subsection (a)(2); or

12 (2) the place of inspection, for an inspection  
13 described by Subsection (a)(3) or (4).

14 SECTION 5.05. Section 1201.056, Occupations Code, is  
15 amended to read as follows:

16 Sec. 1201.056. LICENSE FEES. (a) The board shall establish  
17 fees for the issuance and renewal of licenses for:

18 (1) manufacturers;  
19 (2) retailers;  
20 (3) brokers;  
21 (4) salespersons; and  
22 (5) [~~rebuilders~~, and  
23 [~~6~~]] installers.

24 (b) The board by rule may establish a fee for reprinting a  
25 license issued under this chapter.

26 SECTION 5.06. Sections 1201.101(e) and (f-1), Occupations  
27 Code, are amended to read as follows:

1                   (e) A person may not repair, rebuild, or otherwise alter a  
2 salvaged manufactured home unless the person holds a [rebuilder's  
3 or] retailer's license.

4 (f-1) A retailer may not be licensed to operate more than  
5 at a principal location and one location [or more branch  
6 locations] under a single license[, provided, however, that a  
7 separate application must be made for each branch, and each branch  
8 must be separately bonded].

9 SECTION 5.07. Sections 1201.103(a) and (b), Occupations  
10 Code, are amended to read as follows:

11               (a) An applicant for a license as a manufacturer, retailer,  
12 broker, [rebuilder,] or installer must file with the director a  
13 license application containing:

14 (1) the legal name, address, and telephone number of  
15 the applicant and each person who will be a related person at the  
16 time the requested license is issued:

17 (2) all trade names, and the names of all other  
18 business organizations, under which the applicant does business  
19 subject to this chapter, the name of each such business  
20 organization registered with the secretary of state, and the  
21 address of such business organization;

22 (3) the dates on which the applicant became the owner  
23 and operator of the business; and

24 (4) the location to which the license will apply.

25 (b) A license application must be accompanied by:

5 SECTION 5.08. Subchapter C, Chapter 1201, Occupations Code,  
6 is amended by adding Section 1201.1031 to read as follows:

18        (b) The department shall refuse to issue a license to or  
19 renew the license of a person who does not comply with the  
20 requirement of Subsection (a).

21       (c) The department shall conduct a criminal history check of  
22 each applicant for a license or renewal of a license using  
23 information:

1                   (d) The department may enter into an agreement with the  
2 Department of Public Safety to administer a criminal history check  
3 required under this section.

4                   (e) The applicant shall pay the cost of a criminal history  
5 check under this section.

6                   SECTION 5.09. Section 1201.104, Occupations Code, is  
7 amended by amending Subsections (a), (g), and (h) and adding  
8 Subsections (a-1), (a-2), (a-3), and (a-4) to read as follows:

9                   (a) Except as provided by Subsection (g) [~~(e)~~], as a  
10 requirement for a manufacturer's, retailer's, broker's,  
11 installer's, [~~salvage rebuilder's,~~] or salesperson's license, a  
12 person who was not licensed or registered with the department or a  
13 predecessor agency on September 1, 1987, must, not more than 12  
14 months before applying for the person's first license under this  
15 chapter, attend and successfully complete 12 [~~20~~] hours of  
16 instruction in the law, including instruction in consumer  
17 protection regulations.

18                   (a-1) If the applicant is not an individual, the applicant  
19 must have at least one related person who satisfies the  
20 requirements of Subsection (a) [~~meets this requirement~~]. If that  
21 applicant is applying for a retailer's license, the related person  
22 must be a management official who satisfies the requirements of  
23 Subsections (a) and (a-2) at each retail location operated by the  
24 applicant.

25                   (a-2) An applicant for a retailer's license must complete  
26 four hours of specialized instruction relevant to the sale,  
27 exchange, and lease-purchase of manufactured homes. The

1    instruction under this subsection is in addition to the instruction  
2    required under Subsection (a).

3        (a-3) An applicant for an installer's license must complete  
4    four hours of specialized instruction relevant to the installation  
5    of manufactured homes. The instruction under this subsection is in  
6    addition to the instruction required under Subsection (a).

7        (a-4) An applicant for a joint installer-retailer license  
8    must comply with Subsections (a-2) and (a-3), for a total of eight  
9    hours of specialized instruction. The instruction under this  
10   subsection is in addition to the instruction required under  
11   Subsection (a).

12        (g) Subsections [Subsection] (a), (a-2), (a-3), and (a-4)  
13   do [does] not apply to a license holder who applies:

14            (1) for a license for an additional business location;  
15   or  
16            (2) to renew or reinstate a license.

17        (h) An examination must be a requirement of successful  
18   completion of any initial required course of instruction under this  
19   section. The period needed to complete an examination under this  
20   subsection may not be used to satisfy the minimum education  
21   requirements under Subsection (a), (a-2), (a-3), or (a-4).

22        SECTION 5.10. Section 1201.106(a), Occupations Code, is  
23   amended to read as follows:

24            (a) An applicant for a license or a license holder shall  
25   file a bond or other security under Section 1201.105 for the  
26   issuance or renewal of a license in the following amount:

27            (1) \$100,000 for a manufacturer;

- 1 (2) \$50,000 for a retailer [~~retailer's principal~~
- 2 ~~location~~];
- 3 (3) [~~\$50,000 for each retailer's branch location,~~
- 4 [~~(4) \$50,000 for a rebuilder,~~
- 5 [~~(5) \$50,000 for a broker; or~~
- 6 (4) [~~(6) \$25,000 for an installer.~~

7 SECTION 5.11. Section 1201.110, Occupations Code, is  
8 amended to read as follows:

9               Sec. 1201.110. SECURITY: DURATION. The department shall  
10 maintain on file a security other than a bond canceled as provided  
11 by Section 1201.109(a) until the later of:

12 (1) the second anniversary of the date the  
13 manufacturer, retailer, broker, or installer [ ~~, or rebuilder~~ ]  
14 ceases doing business; or

15 (2) the date the director determines that a claim does  
16 not exist against the security.

17 SECTION 5.12. Section 1201.116(a), Occupations Code, is  
18 amended to read as follows:

19 (a) The department shall renew a license if, before the  
20 expiration date of the license, the department receives the renewal  
21 application and payment of the required fee as well as the cost  
22 required under Section 1201.1031 [before the expiration date of the  
23 license].

24 SECTION 5.13. Section 1201.303, Occupations Code, is  
25 amended by amending Subsection (b) and adding Subsections (c), (d),  
26 (e), (f), and (g) to read as follows:

27 (b) The department shall establish an installation

1 inspection program in which at least 75 [25] percent of installed  
2 manufactured homes are inspected on a sample basis for compliance  
3 with the standards and rules adopted and orders issued by the  
4 director. The program must place priority on inspecting  
5 multisection homes and homes installed in Wind Zone II counties.

6        (c) On or after January 1, 2015, the director by rule shall  
7 establish a third-party installation inspection program to  
8 supplement the inspections of the department if the department is  
9 not able to inspect at least 75 percent of manufactured homes  
10 installed in each of the calendar years 2012, 2013, and 2014.

11        (d) The third-party installation inspection program  
12 established under Subsection (c) must:

13            (1) establish qualifications for third-party  
14 inspectors to participate in the program;

15            (2) require third-party inspectors to register with  
16 the department before participating in the program;

17            (3) establish a biennial registration and renewal  
18 process for third-party inspectors;

19            (4) require the list of registered third-party  
20 inspectors to be posted on the department's Internet website;

21            (5) establish clear processes governing inspection  
22 fees and payment to third-party inspectors;

23            (6) establish the maximum inspection fee that may be  
24 charged to a consumer;

25            (7) require a third-party inspection to occur not  
26 later than the 14th day after the date of installation of the  
27 manufactured home;

1                         (8) establish a process for a retailer or broker to  
2 contract, as part of the sale of a new or used manufactured home,  
3 with an independent third-party inspector to inspect the  
4 installation of the home;

5                         (9) establish a process for an installer to schedule  
6 an inspection for each consumer-to-consumer sale where a home is  
7 reinstalled;

8                         (10) if a violation is noted in an inspection, require  
9 the installer to:

10                         (A) remedy the violations noted;

11                         (B) have the home reinspected at the installer's  
12 expense; and

13                         (C) certify to the department that all violations  
14 have been corrected;

15                         (11) require an inspector to report inspection results  
16 to the retailer, installer, and the department;

17                         (12) require all persons receiving inspection results  
18 under Subdivision (11) to maintain a record of the results at least  
19 until the end of the installation warranty period;

20                         (13) authorize the department to charge a filing fee  
21 and an inspection fee for third-party inspections;

22                         (14) authorize the department to continue to conduct  
23 no-charge complaint inspections under Section 1201.355 on request,  
24 but only after an initial installation inspection is completed;

25                         (15) establish procedures to revoke the registration  
26 of inspectors who fail to comply with rules adopted under this  
27 section; and

1                   (16) require the department to notify the relevant  
2                   state agency if the department revokes an inspector registration  
3                   based on a violation that is relevant to a license issued to the  
4                   applicable person by another state agency.

5       (e) Not later than January 1, 2015, the department shall  
6 submit to the Legislative Budget Board, the Governor's Office of  
7 Budget, Planning, and Policy, and the standing committee of each  
8 house of the legislature having primary jurisdiction over housing a  
9 report concerning whether the department inspected at least 75  
10 percent of manufactured homes installed in each of the calendar  
11 years 2012, 2013, and 2014.

12                   (f) Not later than December 1, 2015, the director shall  
13 adopt rules as necessary to implement Subsections (c) and (d) if the  
14 department did not inspect at least 75 percent of manufactured  
15 homes installed in each of the calendar years 2012, 2013, and 2014.  
16 Not later than January 1, 2016, the department shall begin  
17 registering third-party inspectors under Subsections (c) and (d) if  
18 the department inspections did not occur as described by this  
19 subsection.

20       (g) If the department is not required to establish a  
21 third-party installation inspection program as provided by  
22 Subsection (c), Subsections (c), (d), (e), and (f) and this  
23 subsection expire September 1, 2016.

24 SECTION 5.14. Section 1201.357, Occupations Code, is  
25 amended by adding Subsection (b-1) to read as follows:

26                   **(b-1) As authorized by Section 1201.6041, the director may**  
27 **order a manufacturer, retailer, or installer, as applicable, to pay**

1    a refund directly to a consumer as part of an agreed order described  
2    by Subsection (b) instead of or in addition to instituting an  
3    administrative action under this chapter.

4            SECTION 5.15. Section 1201.461(d), Occupations Code, is  
5 amended to read as follows:

6            (d) A person may not sell, convey, or otherwise transfer to  
7 a consumer in this state a manufactured home that is salvaged. A  
8 salvaged manufactured home may be sold only to a licensed retailer  
9 ~~or licensed rebuilder~~.

10          SECTION 5.16. Subchapter M, Chapter 1201, Occupations Code,  
11 is amended by adding Section 1201.6041 to read as follows:

12          Sec. 1201.6041. DIRECT CONSUMER COMPENSATION. (a) Instead  
13 of requiring a consumer to apply for compensation from the trust  
14 fund under Subchapter I, the director may order a manufacturer,  
15 retailer, broker, or installer, as applicable, to pay a refund  
16 directly to a consumer who sustains actual damages resulting from  
17 an unsatisfied claim against a licensed manufacturer, retailer,  
18 broker, or installer if the unsatisfied claim results from a  
19 violation of:

20            (1) this chapter;  
21            (2) a rule adopted by the director;  
22            (3) the National Manufactured Housing Construction  
23 and Safety Standards Act of 1974 (42 U.S.C. Section 5401 et seq.);  
24            (4) a rule or regulation of the United States  
25 Department of Housing and Urban Development; or  
26            (5) Subchapter E, Chapter 17, Business & Commerce  
27 Code.

1                   (b) For purposes of this section, the refund of a consumer's  
2 actual damages is determined according to Section 1201.405.

3                   (c) The director shall prepare information for notifying  
4 consumers of the director's option to order a direct refund under  
5 this section, shall post the information on the department's  
6 Internet website, and shall make printed copies available on  
7 request.

8                   SECTION 5.17. Sections 1201.610(a), (b), and (f),  
9 Occupations Code, are amended to read as follows:

10                  (a) The [If the director has reasonable cause to believe  
11 that a person licensed under this chapter has violated or is about  
12 to violate any provision of this chapter or rules adopted by the  
13 department under this chapter, the] director may issue without  
14 notice and hearing an order to cease and desist from continuing a  
15 particular action or an order to take affirmative action, or both,  
16 to enforce compliance with this chapter if the director has  
17 reasonable cause to believe that a person has violated or is about  
18 to violate any provision of this chapter or a rule adopted under  
19 this chapter.

20                  (b) The director may issue an order to any person [licensee]  
21 to cease and desist from violating any law, rule, or written  
22 agreement or to take corrective action with respect to any such  
23 violations if the violations in any way are related to the sale,  
24 financing, or installation of a manufactured home or the providing  
25 of goods or services in connection with the sale, financing, or  
26 installation of a manufactured home unless the matter that is the  
27 basis of such violation is expressly subject to inspection and

1 regulation by another state agency; provided, however, that if any  
2 matter involves a law that is subject to any other administration or  
3 interpretation by another agency, the director shall consult with  
4 the person in charge of the day-to-day administration of that  
5 agency before issuing an order.

6 (f) If a person licensed under this chapter fails to pay an  
7 administrative penalty that has become final or fails to comply  
8 with an order of the director that has become final, in addition to  
9 any other remedy provided by law, the director, after not less than  
10 10 days' notice to the person, may without a prior hearing suspend  
11 the person's license. The suspension shall continue until the  
12 person has complied with the cease and desist order or paid the  
13 administrative penalty. During the period of suspension, the  
14 person may not perform any act requiring a license under this  
15 chapter, and all compensation received by the person during the  
16 period of suspension is subject to forfeiture to the person from  
17 whom it was received.

18 SECTION 5.18. Section 1302.061, Occupations Code, is  
19 amended to read as follows:

20 Sec. 1302.061. MANUFACTURED HOMES. This chapter does not  
21 apply to a person or entity licensed as a manufacturer, retailer,  
22 ~~rebuilder~~, or installer under Chapter 1201 and engaged  
23 exclusively in air conditioning and refrigeration contracting for  
24 manufactured homes if the installation of air conditioning  
25 components at the site where the home will be occupied is performed  
26 by a person licensed under this chapter.

## ARTICLE 6. TRANSITION PROVISIONS

2 SECTION 6.01. (a) Not later than October 1, 2011, the  
3 governor shall designate a state agency or office to be the primary  
4 agency or office in charge of coordinating the distribution of  
5 long-term disaster recovery funding as required under Section  
6 2306.531, Government Code, as added by this Act.

10 (c) Not later than May 1, 2012, the designated agency or  
11 office shall obtain the governor's approval of the plan developed  
12 under Section 2306.531, Government Code, as added by this Act.

13 SECTION 6.02. The change in law made by this Act to Sections  
14 2306.043, 2306.044, 2306.045, 2306.046, and 2306.049, Government  
15 Code, applies only to a violation committed on or after the  
16 effective date of this Act. A violation committed before the  
17 effective date of this Act is governed by the law in effect when the  
18 violation was committed, and the former law is continued in effect  
19 for that purpose.

20 SECTION 6.03. The change in law made by this Act to Section  
21 2306.6022, Government Code, applies only to a complaint filed on or  
22 after the effective date of this Act. A complaint filed before the  
23 effective date of this Act is governed by the law in effect at the  
24 time the complaint was filed, and the former law is continued in  
25 effect for that purpose.

26 SECTION 6.04. The changes in law made by this Act to  
27 Sections 2306.6702, 2306.6710, 2306.6711, and 2306.6718,

1 Government Code, apply only to an application for low income  
2 housing tax credits that is submitted to the Texas Department of  
3 Housing and Community Affairs during an application cycle that  
4 begins on or after the effective date of this Act. An application  
5 that is submitted during an application cycle that began before the  
6 effective date of this Act is governed by the law in effect at the  
7 time the application cycle began, and the former law is continued in  
8 effect for that purpose.

9 SECTION 6.05. Notwithstanding Sections 1201.101(f-1) and  
10 1201.106(a), Occupations Code, as amended by this Act, a retailer  
11 licensed to operate one or more branch locations on or before the  
12 effective date of this Act is not required to comply with the  
13 changes in law made by those sections until March 1, 2012.

14 SECTION 6.06. (a) The change in law made by this Act in  
15 amending Sections 1201.103 and 1201.104, Occupations Code, applies  
16 only to an application for a license filed with the executive  
17 director of the manufactured housing division of the Texas  
18 Department of Housing and Community Affairs on or after the  
19 effective date of this Act. An application for a license filed  
20 before that date is governed by the law in effect on the date the  
21 application was filed, and the former law is continued in effect for  
22 that purpose.

23 (b) The change in law made by this Act in adding Section  
24 1201.1031, Occupations Code, applies only to an application for a  
25 license or license renewal filed with the executive director of the  
26 manufactured housing division of the Texas Department of Housing  
27 and Community Affairs on or after the effective date of this Act.

1 An application for a license or license renewal filed before that  
2 date is governed by the law in effect on the date the application  
3 was filed, and the former law is continued in effect for that  
4 purpose.

5 (c) The change in law made by this Act in amending Section  
6 1201.116, Occupations Code, applies only to an application for a  
7 license renewal filed with the executive director of the  
8 manufactured housing division of the Texas Department of Housing  
9 and Community Affairs on or after the effective date of this Act.  
10 An application for a license renewal filed before that date is  
11 governed by the law in effect on the date the application was filed,  
12 and the former law is continued in effect for that purpose.

13 ARTICLE 7. EFFECTIVE DATE

14 SECTION 7.01. This Act takes effect September 1, 2011.

# ADOPTED

MAY 23 2011

COMMITTEE AMENDMENT NO. 1

*Atay Dorn*  
Secretary of the Senate

BY: *Eric Luebke Jr.*

1 Amend H.B. No. 2608 by adding the following appropriately  
2 numbered SECTION to the bill and renumbering subsequent SECTIONS  
3 of the bill accordingly:

4 SECTION \_\_\_\_\_. Subsection (a), Section 2306.542, Government  
5 Code, is amended by adding new subdivision (1) to read as  
6 follows:

7 (a) Using the natural disaster housing reconstruction plan  
8 developed under this subchapter, the director and advisory  
9 committee shall develop, for implementation under Subsections  
10 (b) and (c), housing reconstruction demonstration pilot programs  
11 for three areas, each of which was affected by one of the three  
12 most recent federally declared natural disasters. The pilot  
13 programs must provide for the replacement of at least 20 houses  
14 in each area to test the feasibility of implementing the plan in  
15 the large-scale production of replacement housing for victims of  
16 federally declared natural disasters.

17 (1) If local requirements, regulations or  
18 environmental factors of an area require elevation of houses,  
19 the department may deviate from the 20 house requirement under  
20 subsection (a) and determine the amount of houses needed to test  
21 the feasibility of implementing the plan.

# ADOPTED

MAY 23 2011

*Larry Lewis*  
Secretary of the Senate  
2

Secretary of the Senate

*Roger Wily*

FLOOR AMENDMENT NO.

BY:

1 Amend C.S.H.B. No. 2608 (senate committee printing) by adding  
2 the following appropriately numbered SECTIONS to ARTICLE 1 of the  
3 bill and renumbering the remaining SECTIONS of that ARTICLE  
4 accordingly:

5 SECTION 1.\_\_\_\_. Section 2306.072(c), Government Code, is  
6 amended to read as follows:

7 (c) The report must include:

8 (1) a complete operating and financial statement of  
9 the department;

10 (2) a comprehensive statement of the activities of the  
11 department during the preceding year to address the needs  
12 identified in the state low income housing plan prepared as  
13 required by Section 2306.0721, including:

14 (A) a statistical and narrative analysis of the  
15 department's performance in addressing the housing needs of  
16 individuals and families of low and very low income;

17 (B) the ethnic and racial composition of  
18 individuals and families applying for and receiving assistance from  
19 each housing-related program operated by the department; [and]

20 (C) the department's progress in meeting the  
21 goals established in the previous housing plan, including efforts  
22 to address the populations described by Section 2306.0721(c)(1);  
23 and

24 (D) recommendations on how to improve the  
25 coordination of department services to the populations described by  
26 Section 2306.0721(c)(1);

27 (3) an explanation of the efforts made by the  
28 department to ensure the participation of individuals of low income  
29 and their community-based institutions in department programs that

1 affect them;

2 (4) a statement of the evidence that the department  
3 has made an affirmative effort to ensure the involvement of  
4 individuals of low income and their community-based institutions in  
5 the allocation of funds and the planning process;

6 (5) a statistical analysis, delineated according to  
7 each ethnic and racial group served by the department, that  
8 indicates the progress made by the department in implementing the  
9 state low income housing plan in each of the uniform state service  
10 regions;

11 (6) an analysis, based on information provided by the  
12 fair housing sponsor reports required under Section 2306.0724 and  
13 other available data, of fair housing opportunities in each housing  
14 development that receives financial assistance from the department  
15 that includes the following information for each housing  
16 development that contains 20 or more living units:

17 (A) the street address and municipality or county  
18 in which the property is located;

19 (B) the telephone number of the property  
20 management or leasing agent;

21 (C) the total number of units, reported by  
22 bedroom size;

23 (D) the total number of units, reported by  
24 bedroom size, designed for individuals who are physically  
25 challenged or who have special needs and the number of these  
26 individuals served annually;

27 (E) the rent for each type of rental unit,  
28 reported by bedroom size;

29 (F) the race or ethnic makeup of each project;

30 (G) the number of units occupied by individuals  
31 receiving government-supported housing assistance and the type of

1 assistance received;

2 (H) the number of units occupied by individuals  
3 and families of extremely low income, very low income, low income,  
4 moderate income, and other levels of income;

5 (I) a statement as to whether the department has  
6 been notified of a violation of the fair housing law that has been  
7 filed with the United States Department of Housing and Urban  
8 Development, the Commission on Human Rights, or the United States  
9 Department of Justice; and

10 (J) a statement as to whether the development has  
11 any instances of material noncompliance with bond indentures or  
12 deed restrictions discovered through the normal monitoring  
13 activities and procedures that include meeting occupancy  
14 requirements or rent restrictions imposed by deed restriction or  
15 financing agreements;

16 (7) a report on the geographic distribution of low  
17 income housing tax credits, the amount of unused low income housing  
18 tax credits, and the amount of low income housing tax credits  
19 received from the federal pool of unused funds from other states;  
20 and

21 (8) a statistical analysis, based on information  
22 provided by the fair housing sponsor reports required by Section  
23 2306.0724 and other available data, of average rents reported by  
24 county.

25 SECTION 1.\_\_\_\_\_. Section 2306.0721(c), Government Code, is  
26 amended to read as follows:

27 (c) The plan must include:

28 (1) an estimate and analysis of the size and the  
29 different housing needs of the following populations in each  
30 uniform state service region:

31 (A) individuals and families of moderate, low,

1 very low, and extremely low income;

2 (B) individuals with special needs; [and]

3 (C) homeless individuals;

4 (D) veterans;

5 (E) farmworkers; and

6 (F) youth who are aging out of foster care;

7 (2) a proposal to use all available housing resources

8 to address the housing needs of the populations described by

9 Subdivision (1) by establishing funding levels for all

10 housing-related programs;

11 (3) an estimate of the number of federally assisted

12 housing units available for individuals and families of low and

13 very low income and individuals with special needs in each uniform

14 state service region;

15 (4) a description of state programs that govern the

16 use of all available housing resources;

17 (5) a resource allocation plan that targets all

18 available housing resources to individuals and families of low and

19 very low income and individuals with special needs in each uniform

20 state service region;

21 (6) a description of the department's efforts to

22 monitor and analyze the unused or underused federal resources of

23 other state agencies for housing-related services and services for

24 homeless individuals and the department's recommendations to

25 ensure the full use by the state of all available federal resources

26 for those services in each uniform state service region;

27 (7) strategies to provide housing for individuals and

28 families with special needs in each uniform state service region;

29 (8) a description of the department's efforts to

30 encourage in each uniform state service region the construction of

31 housing units that incorporate energy efficient construction and

1       appliances;

2               (9) an estimate and analysis of the housing supply in

3       each uniform state service region;

4               (10) an inventory of all publicly and, where possible,

5       privately funded housing resources, including public housing

6       authorities, housing finance corporations, community housing

7       development organizations, and community action agencies;

8               (11) strategies for meeting rural housing needs;

9               (12) a biennial action plan for colonias that:

10               (A) addresses current policy goals for colonia

11       programs, strategies to meet the policy goals, and the projected

12       outcomes with respect to the policy goals; and

13               (B) includes information on the demand for

14       contract-for-deed conversions, services from self-help centers,

15       consumer education, and other colonia resident services in counties

16       some part of which is within 150 miles of the international border

17       of this state;

18               (13) a summary of public comments received at a

19       hearing under this chapter or from another source that concern the

20       demand for colonia resident services described by Subdivision (12);

21       and

22               (14) any other housing-related information that the

23       state is required to include in the one-year action plan of the

24       consolidated plan submitted annually to the United States

25       Department of Housing and Urban Development.

# ADOPTED

MAY 23 2011

FLOOR AMENDMENT NO. 3

*Lotay Dow*  
Secretary of the Senate

BY:

*J. J. Hargan*

1 Amend C.S.H.B. No. 2608 (senate committee report) by adding  
2 the following appropriately numbered ARTICLE to the bill and  
3 renumbering subsequent ARTICLES and SECTIONS of the bill  
4 accordingly:

5 ARTICLE \_\_\_\_\_. REPEALER

6 SECTION \_\_\_\_\_.01. Section 2306.6710(f), Government Code, is  
7 repealed.

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 24, 2011**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB2608** by Harper-Brown (Relating to the continuation and functions of the Texas Department of Housing and Community Affairs. ), **As Passed 2nd House**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Government Code relating to the continuation and functions of the Texas Department of Housing and Community Affairs. The Department of Housing and Community Affairs is subject to the Sunset Act and would be abolished on September 1, 2011 unless continued by the Legislature. The bill would continue the agency for 12 years.

Based on the analysis of the Sunset Advisory Commission and the Texas Department of Housing and Community Affairs , it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 301 Office of the Governor, 332 Department of Housing and Community Affairs, 357 Texas Department of Rural Affairs, 360 State Office of Administrative Hearings, 405 Department of Public Safety, 304 Comptroller of Public Accounts

**LBB Staff:** JOB, KM, MW, NV, KKR

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 19, 2011**

**TO:** Honorable Rodney Ellis, Chair, Senate Committee on Government Organization  
**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB2608** by Harper-Brown ( Relating to the continuation and functions of the Texas Department of Housing and Community Affairs.), **Committee Report 2nd House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Government Code relating to the continuation and functions of the Texas Department of Housing and Community Affairs. The Department of Housing and Community Affairs is subject to the Sunset Act and would be abolished on September 1, 2011 unless continued by the Legislature. The bill would continue the agency for 12 years.

Based on the analysis of the Sunset Advisory Commission, the Texas Department of Housing and Community Affairs and the Office of the Governor, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 301 Office of the Governor, 332 Department of Housing and Community Affairs, 357 Texas Department of Rural Affairs, 360 State Office of Administrative Hearings, 405 Department of Public Safety, 304 Comptroller of Public Accounts

**LBB Staff:** JOB, KM, MW, NV, KKR

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**May 7, 2011**

**TO:** Honorable Rodney Ellis, Chair, Senate Committee on Government Organization

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB2608** by Harper-Brown (Relating to the continuation and functions of the Texas Department of Housing and Community Affairs.), **As Engrossed**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Government Code relating to the continuation and functions of the Texas Department of Housing and Community Affairs. The Department of Housing and Community Affairs is subject to the Sunset Act and would be abolished on September 1, 2011 unless continued by the Legislature. The bill would continue the agency for 12 years.

Based on the analysis of the Sunset Advisory Commission, the Texas Department of Housing and Community Affairs, the Office of the Governor and the Comptroller of Public Accounts, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 301 Office of the Governor, 332 Department of Housing and Community Affairs, 357 Texas Department of Rural Affairs, 360 State Office of Administrative Hearings, 405 Department of Public Safety, 304 Comptroller of Public Accounts

**LBB Staff:** JOB, KM, MW, NV, KKR

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 26, 2011**

**TO:** Honorable Harold V. Dutton Jr., Chair, House Committee on Urban Affairs

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB2608** by Harper-Brown (relating to the continuation and functions of the Texas Department of Housing and Community Affairs.), **Committee Report 1st House, Substituted**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Government Code relating to the continuation and functions of the Texas Department of Housing and Community Affairs. The Department of Housing and Community Affairs is subject to the Sunset Act and would be abolished on September 1, 2011 unless continued by the Legislature. The bill would continue the agency for 12 years.

Based on the analysis of the Sunset Advisory Commission, Texas Department of Housing and Community Affairs, Texas Department of Rural Affairs, Department of Public Safety, State Office of Administrative Hearings, Office of the Governor and Comptroller of Public Accounts, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 301 Office of the Governor, 332 Department of Housing and Community Affairs, 357 Texas Department of Rural Affairs, 360 State Office of Administrative Hearings, 405 Department of Public Safety, 304 Comptroller of Public Accounts

**LBB Staff:** JOB, KKR, MW, NV

**LEGISLATIVE BUDGET BOARD  
Austin, Texas**

**FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION**

**April 6, 2011**

**TO:** Honorable Harold V. Dutton Jr., Chair, House Committee on Urban Affairs

**FROM:** John S O'Brien, Director, Legislative Budget Board

**IN RE: HB2608** by Harper-Brown (Relating to the continuation and functions of the Texas Department of Housing and Community Affairs.), **As Introduced**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Government Code relating to the continuation and functions of the Texas Department of Housing and Community Affairs. The Department of Housing and Community Affairs is subject to the Sunset Act and would be abolished on September 1, 2011 unless continued by the Legislature. The bill would continue the agency for 12 years.

Based on the analysis of the Sunset Advisory Commission, Texas Department of Housing and Community Affairs, Texas Department of Rural Affairs, Department of Public Safety, State Office of Administrative Hearings and Comptroller of Public Accounts, it is assumed that duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

**Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 116 Sunset Advisory Commission, 304 Comptroller of Public Accounts, 332 Department of Housing and Community Affairs, 357 Texas Department of Rural Affairs, 360 State Office of Administrative Hearings, 405 Department of Public Safety

**LBB Staff:** JOB, KKR, MW, NV