

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

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			

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

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

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

1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-21 SECTION 1. Subtitle C, Title 2, Estates Code, is amended by
1-22 adding Chapter 116 to read as follows:

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

1-25 Sec. 116.001. DEFINITIONS. In this chapter:

1-26 (1) "Beneficiary designation" means the designation
1-27 by an owner of a manufactured home of one or more beneficiaries of
1-28 the home as provided by Section 1201.2135, Occupations Code.

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

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

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

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

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

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

1-49 (b) A beneficiary designation is:

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

1-53 (2) a nontestamentary instrument; and

1-54 (3) effective without:

1-55 (A) notice or delivery to or acceptance by the
1-56 designated beneficiaries during the owner's life; or

1-57 (B) consideration.

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

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

2-1 beneficiary's interest in the manufactured home as provided by
2-2 Chapter 240, Property Code.

2-3 Sec. 116.004. JOINT OWNERSHIP. (a) If a manufactured home
2-4 that is the subject of a beneficiary designation is owned by joint
2-5 owners with right of survivorship, the beneficiary designation must
2-6 be made by all of the joint owners.

2-7 (b) A beneficiary designation made by joint owners with
2-8 right of survivorship:

2-9 (1) may be revoked or changed as provided by Section
2-10 1201.2135, Occupations Code, only if it is revoked or changed by all
2-11 of the joint owners; and

2-12 (2) may be revoked or changed by the last surviving
2-13 joint owner as provided by Section 1201.2135, Occupations Code.

2-14 Sec. 116.005. EFFECT OF BENEFICIARY DESIGNATION DURING
2-15 OWNER'S LIFE. During a manufactured home owner's life, a
2-16 beneficiary designation does not:

2-17 (1) affect an interest or right of the owner or owners
2-18 making the designation, including the right to transfer or
2-19 encumber the home that is the subject of the designation;

2-20 (2) create a legal or equitable interest in favor of a
2-21 designated beneficiary in the home that is the subject of the
2-22 designation, even if the beneficiary has actual or constructive
2-23 notice of the designation;

2-24 (3) affect an interest or right of a secured or
2-25 unsecured creditor or future creditor of the owner or owners making
2-26 the designation, even if the creditor has actual or constructive
2-27 notice of the designation; or

2-28 (4) affect an owner's or any designated beneficiary's
2-29 eligibility for any form of public assistance, subject to
2-30 applicable federal law.

2-31 Sec. 116.006. EFFECT OF BENEFICIARY DESIGNATION AT OWNER'S
2-32 OR LAST SURVIVING OWNER'S DEATH. (a) On the death of the owner of a
2-33 manufactured home that is the subject of a beneficiary designation,
2-34 the following rules apply to an interest in the home:

2-35 (1) if any designated beneficiary survives the owner
2-36 making the designation by 120 hours, the interest in the home is
2-37 transferred to each surviving designated beneficiary; and

2-38 (2) if each designated beneficiary fails to survive
2-39 the owner making the designation by 120 hours, the share of each
2-40 designated beneficiary lapses, notwithstanding Section 111.052,
2-41 and is subject to and passes in accordance with Subchapter D,
2-42 Chapter 255, as if each beneficiary designation were a devise made
2-43 in a will.

2-44 (b) If an owner is a joint owner with right of survivorship
2-45 who is survived by one or more other joint owners, the manufactured
2-46 home that is the subject of a beneficiary designation belongs to the
2-47 surviving joint owner or owners. If an owner is a joint owner with
2-48 right of survivorship who is the last surviving joint owner, the
2-49 beneficiary designation is effective.

2-50 (c) A designated beneficiary takes the manufactured home
2-51 subject to all encumbrances, assignments, contracts, liens, and
2-52 other interests to which the home is subject at the owner's or last
2-53 surviving owner's death, as applicable. The transfer to one or more
2-54 designated beneficiaries does not affect the ability of a
2-55 lienholder to pursue an existing means of debt collection permitted
2-56 under the laws of this state.

2-57 Sec. 116.007. CREDITOR CLAIMS; ALLOWANCES IN LIEU OF EXEMPT
2-58 PROPERTY AND FAMILY ALLOWANCES. Sections 114.104(b), (c), and (d)
2-59 and Section 114.106 apply to a transfer of an owner's interest in a
2-60 manufactured home by a beneficiary designation in the same manner
2-61 and to the same extent as a transfer of real property under a
2-62 transfer on death deed under Chapter 114.

2-63 SECTION 2. Section 122.001(1), Estates Code, is amended to
2-64 read as follows:

2-65 (1) "Beneficiary" includes a person who would have
2-66 been entitled, if the person had not made a disclaimer, to receive
2-67 property as a result of the death of another person:

2-68 (A) by inheritance;

2-69 (B) under a will;

- 3-1 (C) by an agreement between spouses for community
- 3-2 property with a right of survivorship;
- 3-3 (D) by a joint tenancy with a right of
- 3-4 survivorship;
- 3-5 (E) by a survivorship agreement, account, or
- 3-6 interest in which the interest of the decedent passes to a surviving
- 3-7 beneficiary;
- 3-8 (F) by an insurance, annuity, endowment,
- 3-9 employment, deferred compensation, or other contract or
- 3-10 arrangement;
- 3-11 (G) under a pension, profit sharing, thrift,
- 3-12 stock bonus, life insurance, survivor income, incentive, or other
- 3-13 plan or program providing retirement, welfare, or fringe benefits
- 3-14 with respect to an employee or a self-employed individual;
- 3-15 (H) by a transfer on death deed; [~~or~~]
- 3-16 (I) by a beneficiary designation, as defined by
- 3-17 Section 115.001, made for a motor vehicle; or
- 3-18 (J) by a beneficiary designation, as defined by
- 3-19 Section 116.001, made for a manufactured home.

3-20 SECTION 3. Subchapter E, Chapter 1201, Occupations Code, is

3-21 amended by adding Section 1201.2135 to read as follows:

3-22 Sec. 1201.2135. BENEFICIARY DESIGNATION. (a) The owner of

3-23 a manufactured home may designate one or more beneficiaries to whom

3-24 the owner's interest in the home transfers on the owner's death as

3-25 provided by Chapter 116, Estates Code, by submitting an application

3-26 for the issuance of a new statement of ownership under Section

3-27 1201.206 with the designation. To be effective, the designation

3-28 must state that the transfer of an interest in the home to one or

3-29 more designated beneficiaries is to occur at the transferor's

3-30 death.

3-31 (b) The legal name of each beneficiary designated under this

3-32 section must be included on the statement of ownership.

3-33 (c) The department shall transfer ownership of a

3-34 manufactured home to the beneficiary or beneficiaries, as

3-35 applicable, designated under this section for the home if the sole

3-36 beneficiary submits or all beneficiaries jointly submit, as

3-37 applicable:

3-38 (1) an application for the issuance of a statement of

3-39 ownership under Section 1201.206 not later than the 365th day after

3-40 the date of the owner's death or, if the home is owned by joint

3-41 owners, the last surviving owner's death, as applicable; and

3-42 (2) satisfactory proof of the death of the owner or

3-43 owners, as applicable.

3-44 (c-1) A beneficiary designation made under this section for

3-45 a manufactured home is void if an application and proof described by

3-46 Subsection (c) are not submitted to the department before the 366th

3-47 day after the date of the owner's death, or if the home is owned by

3-48 joint owners, the last surviving owner's death.

3-49 (d) A beneficiary designation may be changed or revoked by

3-50 submitting a new application for the issuance of a statement of

3-51 ownership under Section 1201.206.

3-52 (e) A beneficiary designation or a change or revocation of a

3-53 beneficiary designation made on an application for the issuance of

3-54 a statement of ownership for a manufactured home that has not been

3-55 submitted to the department before the death of a home's owner or

3-56 owners who made, changed, or revoked the designation, as

3-57 applicable, is invalid.

3-58 (f) An application for issuance of a statement of ownership

3-59 designating a beneficiary in accordance with this section that is

3-60 mailed to the department must be mailed by certified or registered

3-61 mail, return receipt requested. The application is considered

3-62 submitted to the department on the date the certified or registered

3-63 mail is postmarked.

3-64 (g) The department may adopt rules to administer this

3-65 section.

3-66 SECTION 4. This Act takes effect September 1, 2025.