

SUBJECT: No licensing requirement for salespersons of manufactured housing

COMMITTEE: Government Efficiency and Reform — favorable, without amendment

VOTE: 6 ayes — Harper-Brown, Perry, Capriglione, Stephenson, Scott Turner, Vo
0 nays
1 absent — Taylor

WITNESSES: For — (*Registered, but did not testify:* Annie Mahoney, Texas Conservative Coalition; DJ Pendleton, Texas Manufactured Housing Association)

Against — None

On — Joe Garcia, Texas Department of Housing & Community Affairs, Manufactured Housing Division

BACKGROUND: Under Occupations Code, ch. 1201, the Texas Department of Housing and Community Affairs (TDHCA) is required to administer the licensing of manufacturers, retailers, brokers, salespersons, rebuilders, and installers of manufactured housing.

DIGEST: HB 3647 would remove from Occupations Code, ch. 1201 the requirement for salespersons of manufactured housing to be licensed.

The bill would take effect September 1, 2013.

SUPPORTERS SAY: HB 3647 appropriately would remove salespersons of manufactured housing from the class of professionals that had to be licensed in Texas. Licensing of occupations creates barriers to newcomers, while often impacting low-income individuals the most. Current license holders are insulated from greater competition, while the state's regulatory apparatus contributes to increasing to the size and spending of state government.

The licensing of salespersons of manufactured homes constitutes

unnecessary regulation. The current process dictates that applicants attend an eight-hour licensing education class in Austin and pass an exam. The travel and related expenses prove costly for employers in this industry. Then, every two years, salespersons must attend eight hours of continuing education and pay another fee for license renewal. These requirements are excessive considering these individuals' line of work.

No data have been provided that demonstrate a causal link between the licensing of salespersons and the reduced use of pressure tactics, nor is there any indication that training videos used in licensing education courses influence whether salespersons use dishonest tactics.

OPPONENTS
SAY:

Consumer protections are enhanced by requiring licensing of those who sell manufactured housing. TDHCA conducts criminal background checks on these licensing applicants. Because manufactured homes are frequently sold in isolated areas, it is necessary to protect consumers from individuals with physical or sexual assault backgrounds. Also, TDHCA provides license holders with education on how homes are built, the Housing and Urban Development requirements, and other relevant information. Some have observed that this has helped combat the use of pressure tactics to achieve sales in what is a sales-driven industry.

NOTES:

The fiscal note anticipates no impact to general revenue. The Texas Department of Housing and Community Affairs would experience a revenue loss ranging from \$179,000 to \$201,000 each fiscal year through 2018 due to fees for the licensing of manufactured housing salespersons no longer being collected.