

SUBJECT: License requirements for real estate inspectors

COMMITTEE: Licensing and Administrative Procedures — favorable, without amendment

VOTE: 7 ayes — Wilson, Kubiak, Goolsby, D. Jones, Pickett, Torres, Yarbrough
0 nays
2 absent — Brimer, Dear

SENATE VOTE: On final passage, March 1 — voice vote

WITNESSES: For — Bernard R. Curtin
Against — None
On — Mark A. Moseley, Texas Real Estate Commission

BACKGROUND: Real estate inspectors are licensed by the Texas Real Estate License Commission. Three tiers of inspectors are licensed by the commission, as set forth in VACS art. 6573a, sec. 23 — apprentice inspectors, real estate inspectors, and professional inspectors.

A licensed apprentice inspector may perform inspections only under the direct supervision of a real estate inspector or professional inspector. To become a licensed apprentice inspector, a person must be sponsored by a licensed professional inspector.

A licensed real estate inspector may perform inspections only under the indirect supervision of a professional real estate inspector. A person can become a licensed real estate inspector by having been an apprentice inspector for at least three months, by performing at least 25 inspections under direct supervision, by completing at least 90 hours of core real estate inspection courses and by passing an examination. In addition, the applicant must be sponsored by a licensed professional inspector.

To become licensed as a professional inspector, an applicant must have been licensed as a real estate inspector for at least 12 months and have

performed at least 175 real estate inspections under indirect supervision before filing an application, among other requirements.

DIGEST:

SB 460 would amend the real estate inspector licensing laws to eliminate the requirement that a person must be sponsored by a licensed professional inspector to be eligible for a real estate inspector's license. Neither would the person have to have been licensed as an apprentice inspector or performed 25 real estate inspections under direct supervision.

The bill would require that a real estate inspector be 18 years old, a citizen of the United States or a lawfully admitted alien, and a resident of Texas at the time of the filing of the license application.

The bill would allow a real estate inspector to perform inspections without being under the indirect supervision of a professional inspector.

To become a professional inspector, the bill would require a person to have performed at least 200, rather than 175, hours of inspections as a real estate inspector. In addition, an apprentice inspector could no longer perform inspections under the direct supervision of a real estate inspector, only a professional inspector.

The bill would take effect September 1, 1995.

**SUPPORTERS
SAY:**

By eliminating the sponsorship requirement for becoming a licensed real estate inspector, the number of inspectors would increase and with it inspector availability. In 150 counties in Texas there are no professional inspectors. In addition, the fiscal note indicates that the additional licenses granted could result in revenue gain of approximately \$20,000 per year to general revenue.

The problem is that many professional inspectors will not sponsor a potential real estate inspector, either to shut out competition in the profession or for liability reasons. There are 948 professional inspectors in Texas. Only about 507 of those are eligible to sponsor real estate inspectors, because to be eligible, a professional inspector must have done 200 inspections. Out of the 507 eligible professional inspectors, only 165 sponsor real estate inspectors. Many people with the requisite education

and examination qualifications cannot become inspectors because they cannot find a sponsor.

Although real estate inspectors could perform inspections without actual inspection experience under the bill, they would still have to meet education and examination qualifications that would require them to demonstrate the ability to perform inspections. In addition, the education classes would incorporate hands-on experience in the field. Actually, more complaints are filed against professional inspectors rather than against less experienced inspectors, so the 25 hours of inspection experience and sponsorship now required is not necessarily tied to proficiency later.

**OPPONENTS
SAY:**

On-the-job training is critical to protect the public from incompetent real estate inspectors. Requiring sponsorship and 25 hours of inspection experience ensures the public of a minimum of competency. The education and examination, while important, could never make up for practical experience learned on the job.