

- SUBJECT:** Regulation of real estate brokers, salespersons and inspectors
- COMMITTEE:** Licensing and Administrative Procedure — committee substitute recommended
- VOTE:** 7 ayes — Wilson, Goolsby, Hamric, D. Jones. Pickett, Torres, Yarbrough
1 nay — Haggerty
1 absent — Kubiak
- SENATE VOTE:** On final passage, April 24, Local and Uncontested Calendar — 29-0
- WITNESSES:** For — Bill Stinson, Texas Association of Realtors
Against — None
On — Jay Brummett and William Kuntz, Texas Real Estate Commission
- BACKGROUND :** The Texas Real Estate Commission (TREC) licenses and regulates real estate dealers including brokers, salespersons, inspectors and residential rental locators. TREC has established licensing and continuing education requirements for all such dealers. The commission has recommended various revisions to the Real Estate Licensing Act.
- DIGEST:** CSSB 1100 would make a number of changes to the Real Estate Licensing Act, VACS art. 6573a, including:
- allowing TREC to authorize a TREC employee to file a complaint against a licensee and conduct an investigation if a judgment against the licensee was paid from TREC funds, the licensee was convicted of a criminal offense that could constitute grounds for suspension, or the licensee failed to make good on a check issued to TREC;
 - allowing the commission to adopt rules establishing the procedures for issuance, renewal or return of a license before completion of the continuing education requirements, including the requirement of an additional fee;

- increasing the fee for an application for license examination from \$25 to \$50;
- adding the law of contracts to the course of study required to be passed for licensure;
- allowing TREC to by rule provide for the waiver of some or all of the requirement of licensure for an applicant who was licensed within the preceding six years;
- requiring applicants for salesman licenses to complete an additional two hours of course work in the law of contracts;
- allowing three of the nine members of the Real Estate Inspector Committee to be licensed real estate brokers or salespersons;
- requiring TREC to provide by rule for the substitution of relevant experience instead of being licensed as an apprentice inspector;
- requiring licensed professional inspectors who sponsor apprentice inspectors to provide proof to the commission that the inspector has completed at least 200 inspection;
- adding a limited liability partnership, partnership or any other entity to the definition of person; and
- specifying that the Real Estate License Act would not apply to a partnership or limited partnership acting as a broker or real estate salesperson through a partner who is a licensed real estate broker.

CSSB 1100 would take effect September 1, 1997. The provision allowing additional real estate brokers or salespersons on the board would become effective on January 1, 1998.

NOTES:

The committee substitute added provisions:

- allowing three of the nine members of the Real Estate Inspector Committee to be licensed real estate brokers or salespersons;
- allowing TREC to initiate investigations against licensees based on the complaint of any person, not just consumers or service recipients;
- allowing the Texas Real Estate Commission (TREC) to by rule provide for the waiver of some or all of the licensure requirements for an applicant who was licensed within the preceding six years;

- adding a limited liability partnership, partnership, or any other entity to the definition of person; and
- specifying that the Real Estate License Act would not apply to a partnership or limited partnership acting as a broker or real estate salesperson through a partner who is a licensed real estate broker.