

**SUBJECT:** Exempting real estate appraisers from certain registration requirements

**COMMITTEE:** Licensing and Administrative Procedures — favorable, without amendment

**VOTE:** 7 ayes — Hamilton, Geren, Gutierrez, Harless, Kuempel, Menendez, Thompson  
0 nays  
1 present, not voting — Quintanilla  
1 absent — Driver

**WITNESSES:** For — None  
  
Against — (*Registered, but did not testify:* Paul Pennington, Texas Association of Property Tax Consultants)  
  
On — Jim Robinson, Texas Association of Appraisal Districts Legislative Committee; (*Registered, but did not testify:* William Kuntz, Texas Department of Licensing and Regulation)

**BACKGROUND:** Under the Occupations Code, licensed and certified real estate appraisers are exempt from registering as property tax consultants when providing property tax consulting services in connection with farms, ranches, or single-family residences.

**DIGEST:** HB 1799 would amend the Occupations Code by expanding an exemption that would allow a licensed or certified real estate appraiser to perform property tax consulting services in connection with commercial properties without being required to register as a property tax consultant.  
  
The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2011.

**SUPPORTERS  
SAY:**

Licensed and certified real estate appraisers currently are exempt from registering as property tax consultants when providing property tax consulting services in connection with farms, ranches, or single-family residences, but not for commercial properties. This limitation has posed problems when a real estate appraiser is requested to provide property tax consulting assistance for a commercial property owner. HB 1799 would extend an exemption the real estate appraisers already have by allowing them to perform property tax consulting services in connection with commercial properties without being required to register as property tax consultants.

The fields of property tax consulting and appraising are similar, and the required skills and knowledge overlap. Real estate appraisers take most of the same courses as property tax consultants and are more similar to property tax consultants than lawyers or CPAs, who are exempt from registration as property tax consultants, regardless of property type.

Real estate appraisers already must complete 150 hours of instruction before being licensed and are required to complete continuing education classes. The property tax consultant requirement would call for an additional 40-hour course at the cost of about \$500 and an exam that costs about \$50.

**OPPONENTS  
SAY:**

HB 1799 would allow a real estate appraiser to perform property tax consulting services in connection with commercial properties without being required to register as a property tax consultant. Under current law, all property tax consultants are supervised by the Texas Department of Licensing and Regulation (TDLR), which prescribes educational requirements and testing in order to be registered. HB 1799 would create a separate group that would be totally exempt from supervision from the TDLR, as well as from the testing and educational requirements the Legislature has deemed necessary. This group would be able to consult on commercial properties without being required to have any knowledge of property tax laws, rules or regulations.

While real estate appraisers take a great deal of educational hours, none of those educational hours are dedicated to property tax law or property tax rules, regulations, or ethics that would be necessary to consult on commercial property tax issues. Allowing this exemption would not be in the public interest.