

SUBJECT: Property tax consultant license exemptions

COMMITTEE: Licensing and Administrative Procedures — favorable, without amendment

VOTE: 9 ayes — Wilson, Kubiak, Brimer, Dear, Goolsby, D. Jones, Pickett, Torres, Yarbrough

0 nays

WITNESSES: For — Tom Stacy, Omni Commercial Realty, Inc.; Ronald J. Walker, Texas Association of Realtors; Roger Miller, Foundation Appraisers Coalition of Texas

Against — Breck Bostwick, Texas Association of Property Tax Professionals; Glenn J. Straus, Straus & Co; Paul Pennington, P.E. Pennington & Co.

On — Diana Kinzie, Texas Department of Licensing and Regulation

BACKGROUND: The 72nd Legislature enacted a registration requirement for persons who conduct property tax consultant services. Exemptions from the requirement are granted to attorneys, certified public accountants, public employees and property owner employees who provide property tax consulting assistance for the property owner. The Department of Licensing and Registration is the agency in charge of registration.

DIGEST: HB 1065 would exempt from the property tax consultant registration requirement state-licensed real estate brokers, salesmen and appraisers. The bill also would specify that the definition of a property tax consultant applies only to persons who provide services for compensation.

The bill would take effect September 1, 1995.

SUPPORTERS SAY: The fields of property tax consulting, appraising and brokering are similar, and the required skills and knowledge overlap; CSHB 1065 would merely recognize that fact. Real estate brokers, salesmen and appraisers take most of the same courses as property tax consultants and are more similar to property tax consultants than lawyers and CPA's are, yet they are required

to be licensed to provide property tax consultation while lawyers and CPAs are not.

Restricting real estate brokers, salesmen and appraisers from property tax consulting only protects the property tax consulting industry, which is concerned about losing money. The consumer would benefit from a licensing exemption by getting property tax consulting services from real estate professionals, who generally charge lower rates than lawyers, CPA's and others who provide property tax consulting services.

A planned floor substitute would further refine the basic idea of the bill and meet the objections of opponents, by specifying that the exemption would apply only to consultations about property-tax protests over single-family residences, by establishing a streamlined consultant licensing procedure for licensed professionals in the real estate field and by establishing continuing education reciprocity for consultants and real-estate licensees.

**OPPONENTS
SAY:**

Many real estate brokers, salesmen and appraisers are not fully qualified to perform property tax consulting because they lack the experience and education needed to perform property tax consulting. More regulation of consultants than is called for in the committee substitute version of the bill is needed to protect the public. The Texas Department of Licensing and Regulation, the code of ethics that governs property tax consultants and statutory penalties for noncompliance are consumer safeguards that should apply to all tax consultants to meet the intent of the original enactment.

NOTES:

Rep. Brimer said he plans to offer a floor substitute to HB 1065 that would limit the exemption for real estate brokers, salesmen and appraisers who consult about single-family residences regarding property tax protests, establish a simplified licensing procedure for these professionals when they will be consulting on other types of property and establish reciprocity of continuing education courses for tax consultant registrants and real estate licensees.