

BILL ANALYSIS

Senate Research Center
78R4081 SMH-F

S.B. 818
By: Fraser
Business & Commerce
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DIGEST AND PURPOSE

The Texas Real Estate Commission (TREC) regulates real estate brokers, salespersons, inspectors, and other related professionals. As proposed, S.B. 818 modifies statutory language to facilitate TREC's administrative duties and changes several fee amounts. S.B. 818 allows the use of the Internet for posting public notices for meeting notice requirements and makes adjustments to licensing requirements, including adding a requirement that an applicant for an inspector's license prove his or her honesty, trustworthiness, integrity, and competence.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Reenacts Section 1101.152(a), Occupations Code, to conform to Chapter 997, Section 5, Acts of the 77th Legislature, and amends Section 1101.152(a), Occupations Code, to increase the original filing fee for a salesperson license from \$50 to \$75, to include a filing fee of not more than \$40 for approval of an instructor of core real estate courses, to increase the fee for preparing a license or registration history from not more than \$10 to not more than \$20, and to redesignate Subdivisions (13)-(14) as (14)-(15).

SECTION 2. Amends Section 1101.152, Occupations Code, by amending Subsection (b) and adding Subsection (c), as follows:

(b) Includes a fee of not more than \$40 for an application for approval of an instructor of continuing education courses.

(c) Prohibits the Texas Real Estate Commission (TREC), if TREC issues an original inactive salesperson license under Section 1101.363(b) (Issuance of License) to a salesperson who is not sponsored by a licensed broker and is subsequently sponsored by a licensed broker, from charging the salesperson or the broker a fee for filing a request to be placed on active status or to sponsor the salesperson, respectively.

SECTION 3. Amends Section 1101.202(a), Occupations Code, to include authorization for TREC to provide that the notice of TREC's information about how and where to make a complaint to be prominently displayed on the Internet website of a person regulated under this chapter or Chapter 1102 (Real Estate Inspectors).

SECTION 4. Amends Section 1102.352, Occupations Code, to conform to Chapter 997, Section 1, Acts of the 77th Legislature, by deleting the requirement that a broker intending to associate with an applicant for a salesperson license must join the applicant in filing the application. Makes conforming changes.

SECTION 5. Amends Section 1101.363, Occupations Code, by adding a new Subsection (b) and relettering existing Subsection (b) as Subsection (c) to conform to Section 1, Chapter 997, Acts of the 77th Legislature, as follows:

(b) Authorizes TREC to issue an inactive salesperson license to a person who applies for and satisfies all requirements for a salesperson license. Prohibits the person from acting as a salesperson unless sponsored by a licensed broker who has notified TREC as required by Section 1101.367(b) (Inactive License: Salesperson). Provides that the licensed broker is not required to pay the fee required by Section 1101.367(b) (Inactive License: Salesperson), notwithstanding that section.

(c) Creates this subsection out of existing text.

SECTION 6. Amends Section 1101.367, Occupations Code, to conform to Section 1, Chapter 997, Acts of the 77th Legislature, as follows:

Sec. 1101.367. INACTIVE LICENSE: SALESPERSON. (a) Deletes text referring to applying for inactive status as a salesperson. Redesignates existing Subsection (b) as Subsection (a).

(b) Redesignates Subsection (c) as Subsection (b). Makes conforming changes.

(c) Redesignates Subsection (d) as Subsection (c).

SECTION 7. Amends Sections 1101.558(a) and (c), Occupations Code, as follows:

(a) Defines “substantive dialogue” to replace “face-to-face meeting.”

(c) Makes a conforming change.

SECTION 8. Amends Section 1101.615(a), Occupations Code, to authorize each license and certificate holder to display a notice to consumers regarding the availability of payment from the trust account for aggrieved persons in a prominent place on the Internet website of a person regulated under this chapter to meet the notice requirements. Makes nonsubstantive changes.

SECTION 9. Amends Section 1101.657(d), Occupations Code, to provide that this subsection applies only to a hearing relating to a proposal to suspend or revoke a person’s license or certificate of registration for a violation of Section 1101.652(a)(3) or (b) (Grounds for Suspension or Revocation of License).

SECTION 10. Amends Section 1102.109, Occupations Code, to include as an eligibility requirement for a professional inspector license the ability of the applicant to satisfy TREC of his or her honesty, trustworthiness, integrity, and competence. Makes nonsubstantive changes.

SECTION 11. Amends Section 1102.111(b), Occupations Code, to prohibit rules adopted under Subsection (a) from requiring the applicant to complete more than 320, rather than 60, additional classroom hours of core real estate inspection courses.

SECTION 12. Amends Section 1102.201, Occupations Code, as follows:

Sec. 1102.201. LICENSE TERM AND EXPIRATION. (a) Authorizes TREC to issue or renew a license for not more than 24 months.

(b) Prohibits a licensure fee under this chapter from exceeding, calculated on an annual basis, the amount of the fee established under Section 1102.251 (Amount of Fees). Deletes text referring to license expiration.

SECTION 13. Amends Section 1102.364(a), Occupations Code, to authorize each inspector to display a notice to consumers regarding the availability of payment from the trust account for aggrieved persons in a prominent place on the Internet website of a person regulated under this chapter to meet notice requirements. Makes nonsubstantive changes.

SECTION 14. Repealer: Sections 1101.553(a) and (b), Occupations Code (Requiring brokers to

prominently display the broker's license and each salesperson's license at all times in the broker's place of business, or one of the broker's places of business.).

SECTION 15. Effective date: September 1, 2003.