

By: Kuempel

H.B. No. 2376

A BILL TO BE ENTITLED

AN ACT

relating to the repeal of real estate inspection recovery fund.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 1102.114 is amended as follows:

Sec. 1102.114. ISSUANCE OF LICENSE. The commission shall issue the appropriate license to an applicant who:

(1) meets the required qualifications; and

(2) [~~pays the fee required by Section 1102.352(a); and~~

~~(3)] submits proof of financial responsibility as required by Section 1102.1141.~~

SECTION 2. Section 1102.403(b), Occupations Code, is amended to read as follows:

(b) An administrative penalty collected under this section for a violation by an inspector shall be deposited to the credit of the general revenue [~~real estate inspection recovery~~] fund and shall offset any amounts due from the commission to the general revenue fund. [~~A penalty collected under this section for a violation by a person who is not licensed under this chapter or Chapter 1101 shall be deposited to the credit of the real estate recovery trust account or the real estate inspection recovery fund, as determined by the commission.~~]

SECTION 3. Section 1101.603(c) and (d), Occupations Code, are amended to read as follows:

(c) Notwithstanding any other law, the commission shall

1 deposit to the credit of the trust account [~~or the real estate~~
2 ~~inspection recovery fund, as determined by the commission,~~] an
3 administrative penalty collected under Subchapter O for a violation
4 by a person licensed under this chapter [~~or Chapter 1102~~].

5 (d) Notwithstanding any other law, an administrative
6 penalty collected under Subchapter O for a violation by a person who
7 is not licensed under this chapter [~~or Chapter 1102~~] shall be
8 deposited to the credit of the trust account [~~or the real estate~~
9 ~~inspection recovery fund, as determined by the commission~~].

10 SECTION 3. Subchapter H, Chapter 1102, Occupations Code, is
11 repealed.

12 SECTION 4. (a) In this section:

13 (1) "Commission" means the Texas Real Estate
14 Commission.

15 (2) "Eligible inspector" means a person who holds a
16 real estate or professional inspector license under Chapter 1102,
17 Occupation Code, as of September 1, 2021.

18 (b) Not later than August 31, 2021, the commission shall
19 transfer not less than \$300,000 from the real estate inspection
20 recovery fund to the general revenue fund.

21 (c) Not later than August 31, 2024, the commission shall
22 determine the remaining liability of the real estate inspection
23 recovery fund based on any pending claim for payment under former
24 Subchapter H, Chapter 1102, Occupations Code.

25 (d) The commission shall refund to each eligible inspector
26 who also holds a license as of the date of the refund any amount in
27 excess of the remaining liability of the real estate inspection

1 recovery fund determined under subsection (c) at a rate not to
2 exceed \$10.

3 (e) Once all refunds to the inspectors are paid and all
4 claims for payment from the real estate inspection recovery fund
5 are paid, the commission shall transfer any remaining money to the
6 general revenue fund.

7 (f) Any money transferred to the general revenue fund under
8 this section offsets any amounts due from the commission to the
9 general revenue fund.

10 SECTION 5. (a) The changes in law made by this Act apply
11 only to payments made into real estate inspection recovery fund for
12 a on or after the effective date of this Act. Payments made into
13 real estate inspection recovery fund before that date are governed
14 by the law in effect on the date the payment was submitted, and the
15 former law is continued in effect for that purpose.

16 (b) The changes in law made by this Act apply only to a claim
17 for payment from the real estate inspection recovery fund based on a
18 cause of action that accrues on or after the effective date of this
19 Act. Subject to subsection (c), a claim for payment based on a
20 cause of action that accrues before the effective date of this Act
21 is governed by the law in effect when the cause of action accrued,
22 and the former law is continued in effect for that purpose.

23 (c) A claim for payment from the real estate inspection
24 recovery fund under former Subchapter H, Chapter 1102, Occupations
25 Code, for a cause of action that accrues before September 1, 2021,
26 must be filed before March 1, 2024.

27 SECTION 6. This Act takes effect September 1, 2021.