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S.B. No. 1007

A BILL TO BE ENTITLED

AN ACT

relating to the practices and professions regulated by the Texas
Appraiser Licensing and Certification Board.

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

SECTION 1. Section 1103.003, Occupations Code, is amended
by amending Subdivisions (2-a), (6-b), (7), and (8) and adding
Subdivisions (2-b), (4-a), and (5-a) to read as follows:

(2-a) "Appraisal review" has the meaning assigned by
Section 1104.003.

(2-b) "Appraisal Standards Board" means the Appraisal
Standards Board of the Appraisal Foundation, or its successor.

(4-a) "Appraiser trainee" means an appraiser trainee
licensed under this chapter.

(5-a) "Certified appraiser" means a person who is
certified under this chapter to practice as a certified general or
certified residential appraiser.

(6-b) "Federal financial institution regulatory
agency" means:

(A) the Board of Governors of the Federal Reserve
System;

(B) the Federal Deposit Insurance Corporation;

(C) the Office of the Comptroller of the
Currency;

(D) the Consumer Financial Protection Bureau

1 ~~[Office of Thrift Supervision]~~;

2 (E) the National Credit Union Administration; or

3 (F) the successors of any of those agencies.

4 (7) "Licensed appraiser" ~~["State-certified real~~
5 ~~estate appraiser" or "certified appraiser" means a person who is~~
6 ~~certified under this chapter.~~

7 ~~[(8) "State-licensed real estate appraiser" or~~
8 ~~"licensed appraiser"]~~ means a person who is licensed under this
9 chapter to practice as a residential real estate appraiser.

10 (8) "Supervisory appraiser" means a supervisory
11 appraiser as defined by the Appraiser Qualifications Board.

12 SECTION 2. Section 1103.004, Occupations Code, is amended
13 to read as follows:

14 Sec. 1103.004. EFFECT OF CHAPTER. ~~[(b)]~~ This chapter does
15 not prohibit:

16 (1) a person authorized by law from performing an
17 evaluation of real property for or providing an evaluation of real
18 property to another person; ~~[or]~~

19 (2) a real estate broker licensed under Chapter 1101
20 or a sales agent ~~[salesperson]~~ acting under the authority of a
21 sponsoring broker from providing to another person a written
22 analysis, opinion, or conclusion relating to the estimated price of
23 real property if the analysis, opinion, or conclusion:

24 (A) is not referred to as an appraisal;

25 (B) is given in the ordinary course of the
26 broker's ~~[or salesperson's]~~ business; and

27 (C) is related to the actual or potential

1 acquisition, disposition, encumbrance, or management of an
2 interest in real property; or

3 (3) an appraiser who is certified by a jurisdiction
4 other than this state from performing an appraisal review of an
5 appraisal performed on real property in this state, if the
6 appraiser does not offer an opinion of value as part of the
7 appraisal review.

8 SECTION 3. Section 1103.006, Occupations Code, is amended
9 to read as follows:

10 Sec. 1103.006. APPLICATION OF SUNSET ACT. The Texas
11 Appraiser Licensing and Certification Board [~~If the federal~~
12 ~~government removes the requirements for the preparation or use of~~
13 ~~an appraisal by federally regulated financial institutions, the~~
14 ~~board~~] is subject to Chapter 325, Government Code (Texas Sunset
15 Act) [~~, and is subject to sunset review in the next regular session~~
16 ~~of the legislature following the date of the federal government's~~
17 ~~action~~]. Unless continued in existence [~~by that legislature~~] as
18 provided by that chapter, the board is abolished and this chapter
19 and Chapter 1104 expire September 1, 2019 [~~expires on the 90th day~~
20 ~~after the last day of the regular session of that legislature~~].

21 SECTION 4. Subchapter B, Chapter 1103, Occupations Code, is
22 amended by adding Section 1103.0545 to read as follows:

23 Sec. 1103.0545. TRAINING. (a) A person who is appointed
24 to and qualifies for office as a member of the board may not vote,
25 deliberate, or be counted as a member in attendance at a meeting of
26 the board until the person completes a training program that
27 complies with this section.

1 (b) The training program must provide the person with
2 information regarding:

3 (1) this chapter and other laws applicable to the
4 board;

5 (2) the programs, functions, rules, and budget of the
6 board;

7 (3) the results of the most recent formal audit of the
8 board;

9 (4) the requirements of laws relating to open
10 meetings, public information, administrative procedure, and
11 conflicts of interest; and

12 (5) any applicable ethics policies adopted by the
13 board or the Texas Ethics Commission.

14 (c) A person appointed to the board is entitled to
15 reimbursement for the travel expenses incurred in attending the
16 training program regardless of whether the attendance at the
17 program occurs before or after the person qualifies for office.

18 SECTION 5. Section [1103.055](#), Occupations Code, is amended
19 to read as follows:

20 Sec. 1103.055. TERMS; VACANCIES. (a) Appointed members of
21 the board serve staggered six-year [~~two-year~~] terms, with the terms
22 of one or two appraiser members and one or two public members
23 expiring on January 31 of each odd-numbered year.

24 (b) If a vacancy occurs during a member's term, the governor
25 shall appoint a person to fill the unexpired term [~~An appointed~~
26 ~~member may not serve more than three consecutive two-year terms~~].

27 SECTION 6. Section [1103.056](#), Occupations Code, is amended

1 to read as follows:

2 Sec. 1103.056. OFFICERS; EXECUTIVE COMMITTEE. (a) The
3 governor shall designate a board member who is an appraiser to serve
4 as presiding officer of the board.

5 (b) At a regular meeting in February of each year, the board
6 shall elect from its members an [~~a presiding officer,~~] assistant
7 presiding officer[~~7~~] and a secretary.

8 (c) [~~(b)~~] The presiding officer, assistant presiding
9 officer, and secretary [~~officers elected under Subsection (a)]~~
10 constitute the executive committee.

11 SECTION 7. Section 1103.057(c), Occupations Code, is
12 amended to read as follows:

13 (c) If the commissioner [~~presiding officer of the board~~] has
14 knowledge that a potential ground for removal of an appointed board
15 member exists, the commissioner shall notify the presiding officer
16 of the board of the potential ground. The presiding officer shall
17 immediately notify the governor and the attorney general that a
18 potential ground for removal exists. If the potential ground for
19 removal involves the presiding officer, the commissioner shall
20 notify the next highest ranking officer of the board, who shall
21 immediately notify the governor and the attorney general that a
22 potential ground for removal exists.

23 SECTION 8. Section 1103.058, Occupations Code, is amended
24 to read as follows:

25 Sec. 1103.058. PER DIEM; REIMBURSEMENT. (a) An appointed
26 board member is entitled to receive:

27 (1) \$75 for each day the member engages in official

1 duties as a board member; and

2 (2) reimbursement for actual and necessary expenses
3 incurred in performing official duties as a board member.

4 (b) For purposes of this section, the board by rule may
5 determine what constitutes a day or actual and necessary expenses.

6 SECTION 9. Subchapter B, Chapter 1103, Occupations Code, is
7 amended by adding Section 1103.060 to read as follows:

8 Sec. 1103.060. EDUCATIONAL PRESENTATIONS. (a) A member of
9 the board or a board employee may make a presentation to a group of
10 certificate or license holders for which the certificate or license
11 holders may receive continuing education credit for the renewal of
12 a certificate or license under Section 1103.211. The board member
13 or employee may not receive compensation for the presentation.

14 (b) Notwithstanding Subsection (a), the board member or
15 employee may receive reimbursement for reasonable travel expenses.

16 SECTION 10. Section 1103.101(b), Occupations Code, is
17 amended to read as follows:

18 (b) The board may delegate to the commissioner the
19 responsibility for administering this chapter and Chapter 1104,
20 including the approval of consent orders and agreements.

21 SECTION 11. Section 1103.102, Occupations Code, is amended
22 to read as follows:

23 Sec. 1103.102. OTHER BOARD PERSONNEL. In addition to the
24 commissioner, the board may employ other officers and employees as
25 necessary to administer this chapter and Chapter 1104.

26 SECTION 12. Section 1103.103, Occupations Code, is amended
27 to read as follows:

1 Sec. 1103.103. SALARIES. [~~(a)~~] The commissioner
2 [~~administrator of the Texas Real Estate Commission~~] shall determine
3 the salaries of the officers and employees of the board.

4 SECTION 13. Section 1103.104, Occupations Code, is amended
5 to read as follows:

6 Sec. 1103.104. DUTIES OF COMMISSIONER. The commissioner
7 shall:

8 (1) disseminate information;

9 (2) administer rules adopted by the board under this
10 chapter or Chapter 1104;

11 (3) review each application for a certificate or
12 license and make a recommendation for final action to the board;

13 (4) review and make recommendations to the board
14 regarding the adoption of rules relating to:

15 (A) the examination required by Subchapter F;

16 (B) education and experience requirements for
17 issuance of certificates and licenses;

18 (C) continuing education for a certified or
19 licensed appraiser;

20 (D) standards of professional practice and
21 ethics for a certified or licensed appraiser;

22 (E) standards for a real estate appraisal
23 performed by a certified or licensed appraiser; and

24 (F) the fees established by the board under
25 Section 1103.156 or Section 1104.052;

26 (5) collect fees established by the board;

27 (6) manage the staff and employees of the board; and

1 (7) perform any other duty prescribed by the board
2 under this chapter or Chapter 1104.

3 SECTION 14. Section 1103.151, Occupations Code, is amended
4 to read as follows:

5 Sec. 1103.151. RULES RELATING TO CERTIFICATES AND LICENSES.
6 The board may adopt:

7 (1) rules for certifying or licensing an appraiser or
8 [~~approving an~~] appraiser trainee in this state that are in
9 accordance with this chapter and consistent with applicable federal
10 law;

11 (2) rules relating to the qualifying education and
12 experience required for certifying or licensing an appraiser or
13 [~~approving an~~] appraiser trainee that are consistent with the
14 guidelines recognized by the Appraiser Qualifications Board;

15 (3) rules relating to the examination required by
16 Subchapter F; and

17 (4) rules relating to procedures for the timely
18 renewal of a certificate or [~~7~~] license [~~7, or trainee approval~~].

19 SECTION 15. Section 1103.153, Occupations Code, is amended
20 to read as follows:

21 Sec. 1103.153. RULES RELATING TO QUALIFYING OR CONTINUING
22 EDUCATION. The board may adopt rules relating to:

23 (1) continuing education requirements for a certified
24 or licensed appraiser or an [approved] appraiser trainee; and

25 (2) the requirements for approval of a provider,
26 course, or instructor for qualifying or continuing education.

27 SECTION 16. Section 1103.154, Occupations Code, is amended

1 to read as follows:

2 Sec. 1103.154. RULES RELATING TO PROFESSIONAL CONDUCT. The
3 board may adopt:

4 (1) rules as necessary to conform to the minimum
5 written standards of the Appraisal Standards Board by incorporating
6 the Uniform Standards of Professional Appraisal Practice;

7 (2) rules requiring a certified or licensed appraiser
8 or an appraiser trainee to comply with standards of competency,
9 professional conduct, and ethics prescribed by the Uniform
10 Standards of Professional Appraisal Practice, as adopted by the
11 Appraisal Standards Board; and

12 (3) rules relating to the standards for the
13 development of an appraisal and the conveyance of an appraisal
14 report by a certified or licensed appraiser or an appraiser trainee
15 that are recognized as substantially equivalent to or consistent
16 with the Uniform Standards of Professional Appraisal Practice.

17 SECTION 17. Section [1103.155\(c\)](#), Occupations Code, is
18 amended to read as follows:

19 (c) The board shall send a copy of the roster to the
20 Appraisal Subcommittee at least weekly [~~annually~~].

21 SECTION 18. Section [1103.157](#), Occupations Code, is amended
22 to read as follows:

23 Sec. 1103.157. GIFTS, GRANTS, AND DONATIONS. The board may
24 solicit, accept, and administer gifts, grants, and donations of any
25 kind from any public or private source for the purposes of this
26 chapter and Chapter 1104.

27 SECTION 19. Section [1103.159](#), Occupations Code, is amended

1 by amending Subsections (b) and (d) and adding Subsections (e),
2 (f), and (g) to read as follows:

3 (b) The advisory committee consists of the assistant
4 presiding officer of the board and four [~~two~~] persons appointed by
5 the governor as follows:

6 (1) two members who are each designated as the [~~a~~]
7 controlling person of an appraisal management company registered
8 under Chapter 1104; and

9 (2) two [~~a~~] public members [~~member~~] with recognized
10 business ability.

11 (d) The members of the advisory committee appointed by the
12 governor serve staggered two-year terms, with the terms of one
13 [~~the~~] appraisal management company member and one [~~the~~] public
14 member expiring on January 31 of each year [~~alternating years~~].

15 (e) An appointed member may not serve more than two
16 consecutive two-year terms.

17 (f) If a vacancy occurs during a member's term, the governor
18 shall appoint a person to fill the unexpired term.

19 (g) The advisory committee may hold a meeting by telephone
20 conference call or other video or broadcast technology.

21 SECTION 20. Section 1103.201, Occupations Code, is amended
22 to read as follows:

23 Sec. 1103.201. CERTIFICATE OR LICENSE REQUIRED. (a) A
24 person may not perform an appraisal of real estate unless the person
25 is licensed or certified as an appraiser under this chapter,
26 registered as a temporary out-of-state appraiser under this
27 chapter, or acting as an appraiser trainee under the supervision

1 [~~sponsorship~~] of a supervisory [~~certified~~] appraiser.

2 (b) Unless the person holds the appropriate license or
3 certification, a person may not:

4 (1) use the title "certified real estate appraiser"
5 [~~"state-certified real estate appraiser"~~] or "licensed real estate
6 appraiser" [~~"state-licensed real estate appraiser"~~]; or

7 (2) refer to an appraisal performed by the person as a
8 "certified appraisal" or "licensed appraisal."

9 SECTION 21. Section 1103.202, Occupations Code, is amended
10 to read as follows:

11 Sec. 1103.202. ELIGIBILITY REQUIREMENTS FOR CERTIFICATE OR
12 LICENSE. To be eligible for a certificate or license under this
13 chapter, an applicant must:

14 (1) pass the applicable examination required by
15 Subchapter F;

16 (2) successfully complete the number and type of
17 classroom hours or other educational qualifications required by the
18 Appraiser Qualifications Board;

19 (3) provide evidence satisfactory to the board that
20 the applicant has at least the minimum number of hours of experience
21 in performing appraisals over the specified number of calendar
22 years as required by the Appraiser Qualifications Board; [~~and~~]

23 (4) satisfy the board as to the applicant's honesty,
24 trustworthiness, and integrity; and

25 (5) comply with the requirements of Sections 1103.203
26 and 1103.2031.

27 SECTION 22. Section 1103.203, Occupations Code, is amended

1 to read as follows:

2 Sec. 1103.203. CERTIFICATE OR LICENSE APPLICATION
3 [ELIGIBILITY REQUIREMENTS FOR LICENSE]. (a) An applicant for a
4 certificate or license or for renewal of a certificate or license
5 must submit an application to the board on the form prescribed by
6 the board.

7 (b) The applicant must disclose in the application whether
8 the applicant has:

9 (1) entered a plea of guilty or nolo contendere to a
10 felony; or

11 (2) been convicted of a felony and the time for appeal
12 has elapsed or the judgment or conviction has been affirmed on
13 appeal.

14 (c) The disclosure under Subsection (b) must be provided
15 regardless of whether a court order granted community supervision
16 suspending the imposition of the sentence.

17 (d) The application must include the applicant's current
18 mailing address and telephone number and the applicant's business
19 e-mail address, if available. The applicant shall notify the board
20 of any change in the applicant's mailing or e-mail address or
21 telephone number while the application is pending.

22 (e) The applicant must provide any other information
23 required by the board to comply with the Appraiser Qualifications
24 Board's criminal history and background check requirements ~~[To be~~
25 ~~eligible for a license under this chapter, an applicant must:~~

26 ~~[(1) pass the examination required by Subchapter F,~~

27 ~~[(2) successfully complete the number and type of~~

1 ~~classroom hours or other educational qualifications required by the~~
2 ~~guidelines of the Appraiser Qualifications Board,~~

3 ~~[(3) provide evidence satisfactory to the board that~~
4 ~~the applicant has at least the minimum number of hours of experience~~
5 ~~in performing appraisals over the specified number of calendar~~
6 ~~years as required by the guidelines of the Appraiser Qualifications~~
7 ~~Board; and~~

8 ~~[(4) satisfy the board as to the applicant's honesty,~~
9 ~~trustworthiness, and integrity].~~

10 SECTION 23. Subchapter E, Chapter 1103, Occupations Code,
11 is amended by adding Section 1103.2031 to read as follows:

12 Sec. 1103.2031. CRIMINAL HISTORY RECORD INFORMATION
13 REQUIREMENT. (a) The board by rule may require that an applicant
14 for a certificate or license or renewal of an unexpired certificate
15 or license submit a complete and legible set of fingerprints, on a
16 form prescribed by the board, to the board or to the Department of
17 Public Safety for the purpose of obtaining criminal history record
18 information from the Department of Public Safety or the Federal
19 Bureau of Investigation.

20 (b) If the board implements the requirement under
21 Subsection (a), the board may not issue a certificate or license to
22 or renew the certificate or license on active status of an applicant
23 who does not comply with that requirement.

24 (c) If the board implements the requirement under
25 Subsection (a), the board shall conduct a criminal history check of
26 an applicant for a certificate or license or renewal of a
27 certificate or license using information:

1 (1) provided by the applicant under this section and
2 Section 1103.203; and

3 (2) made available to the board by the Department of
4 Public Safety, the Federal Bureau of Investigation, or any other
5 criminal justice agency under Chapter 411, Government Code.

6 (d) The board may:

7 (1) enter into an agreement with the Department of
8 Public Safety or other federally authorized entity to administer a
9 criminal history check required under this section; and

10 (2) authorize the Department of Public Safety or other
11 federally authorized entity to collect from each applicant the
12 costs incurred by the department in conducting the criminal history
13 check.

14 SECTION 24. Section 1103.204(c), Occupations Code, is
15 amended to read as follows:

16 (c) The board shall give an applicant for a certificate or
17 license credit toward fulfilling the requirements of Section
18 ~~[Sections]~~ 1103.202(2) ~~[and 1103.203(2)]~~ for classroom hours taken
19 in the course of becoming licensed as a real estate broker or sales
20 agent ~~[salesperson]~~ or for professional development or continuing
21 education courses taken, whether the classroom hours or courses are
22 taken by a person as a real estate broker or sales agent
23 ~~[salesperson]~~ or as an employee of a financial institution engaged
24 in real estate-related financial transactions, if the classroom
25 hours or courses satisfy the requirements established by the
26 guidelines recognized by the Appraiser Qualifications Board.

27 SECTION 25. Sections 1103.205(a) and (c), Occupations Code,

1 are amended to read as follows:

2 (a) This [~~Except as provided by Section 1103.208, this~~]
3 chapter does not limit the amount of time in which an applicant for
4 a certificate or license is required to satisfy the experience
5 requirements under this subchapter.

6 (c) For the purpose of determining the qualifications of an
7 applicant for a certificate or license under this chapter,
8 acceptable appraisal experience includes:

9 (1) any one or any combination of the categories
10 recognized by the Appraiser Qualifications Board; and

11 (2) experience as a real estate mortgage lending
12 officer of a financial institution or as a real estate broker that
13 includes the actual performance or technical review of real estate
14 appraisals.

15 SECTION 26. Section 1103.206(b), Occupations Code, is
16 amended to read as follows:

17 (b) The board shall adopt a reliable method to verify the
18 evidence of appraisal experience submitted by an applicant for a
19 certificate or license. The method must include the review of
20 appraisal experience of all applicants for certification [~~and must~~
21 ~~rely on appropriate sampling techniques that are applied to not~~
22 ~~more than five percent of the license applications received by the~~
23 ~~board~~]. An applicant [~~whose application is selected for~~
24 ~~verification~~] has at least 60 days after the date notice is sent [~~of~~
25 ~~selection~~] to submit [~~prepare~~] any records requested by the board.
26 The board may not require the applicant to provide more information
27 than the information the board may obtain under Section 1103.207.

1 SECTION 27. Section 1103.207(a), Occupations Code, is
2 amended to read as follows:

3 (a) In addition to the information or documentation
4 specified by this subchapter, the board may obtain other
5 information or documentation from an applicant for a certificate or
6 license under this chapter if the board determines that:

7 (1) a formal [~~consumer complaint or peer~~] complaint
8 against the applicant alleging fraud, incompetency, or malpractice
9 is reasonable; or

10 (2) other just cause exists for requiring further
11 information.

12 SECTION 28. Section 1103.209(a), Occupations Code, is
13 amended to read as follows:

14 (a) The board shall issue a reciprocal license or
15 certificate [~~or license~~] to an applicant from another state if:

16 (1) the appraiser licensing and certification program
17 of the other state is in compliance with 12 U.S.C. Section 3331 et
18 seq.;

19 (2) the applicant [~~appraiser~~] holds a valid license or
20 certificate from a state whose requirements for licensure or
21 certification meet or exceed the licensure or certification
22 requirements of this state; [~~and~~]

23 (3) the applicant [~~appraiser~~] satisfies the board as
24 to the appraiser's honesty, trustworthiness, and integrity; and

25 (4) the applicant complies with the requirements of
26 Sections 1103.203 and 1103.2031.

27 SECTION 29. Section 1103.2091, Occupations Code, is amended

1 to read as follows:

2 Sec. 1103.2091. PROBATIONARY CERTIFICATE OR~~[7]~~ LICENSE~~[7]~~
3 ~~OR TRAINEE APPROVAL~~. (a) The board may issue a probationary
4 certificate or license to ~~[or approve]~~ an appraiser or an appraiser
5 trainee, as applicable ~~[on a probationary basis]~~.

6 (b) The board by rule shall adopt reasonable terms for
7 issuing a probationary certificate or license ~~[and for approval of~~
8 ~~an appraiser trainee on a probationary basis]~~.

9 (c) A person who holds a probationary certificate or license
10 ~~[or who is approved as an appraiser trainee]~~ under this section must
11 disclose the probationary status to all clients before accepting an
12 assignment.

13 SECTION 30. Sections 1103.211(b) and (c), Occupations Code,
14 are amended to read as follows:

15 (b) A person may renew a certificate or license by:

16 (1) paying the renewal fee; ~~and~~

17 (2) providing evidence satisfactory to the board that
18 the person has completed continuing education requirements that
19 comply with the guidelines recognized by the Appraiser
20 Qualifications Board and that are imposed by rule under this
21 chapter;

22 (3) satisfying the board as to the person's honesty,
23 trustworthiness, and integrity; and

24 (4) complying with the requirements of Sections
25 1103.203 and 1103.2031.

26 (c) For purposes of Subsection (b)(2), the board shall
27 accept as continuing education any educational offering that

1 complies with the guidelines recognized by the Appraiser
2 Qualifications Board that a certified or licensed appraiser was
3 awarded by [~~a national appraiser organization approved by the board~~
4 ~~as~~] a provider of qualifying appraisal education approved by the
5 board.

6 SECTION 31. Section 1103.2111, Occupations Code, is amended
7 to read as follows:

8 Sec. 1103.2111. LATE RENEWAL OF CERTIFICATE OR[7] LICENSE[7]
9 ~~OR TRAINEE APPROVAL~~. (a) A person whose certificate or[7]
10 license[7, ~~or approval~~] has been expired for 90 days or less may
11 renew the certificate or[7] license[7, ~~or approval~~] by paying to the
12 board a fee equal to 1-1/2 times the required renewal fee. If a
13 certificate or[7] license[7, ~~or approval~~] has been expired for more
14 than 90 days but less than six months, the person may renew the
15 certificate or[7] license[7, ~~or approval~~] by paying to the board a
16 fee equal to two times the required renewal fee.

17 (b) A certificate or[7] license[7, ~~or approval~~] that is
18 renewed under this section shall expire on the date that would apply
19 had the certificate or[7] license[7, ~~or approval~~] been timely
20 renewed.

21 (c) A person may not perform an appraisal in a federally
22 related transaction while the person is not actively licensed or
23 certified as an appraiser or an appraiser trainee.

24 (d) If a person's certificate or[7] license[7, ~~or approval~~]
25 has been expired six months or longer, the person may not renew the
26 certificate or[7] license[7, ~~or approval~~]. The person may obtain a
27 new certificate or[7] license[7, ~~or approval~~] by complying with the

1 requirements and procedures for an original application.

2 SECTION 32. Sections [1103.213](#)(a), (b), (c), (d), and (f),
3 Occupations Code, are amended to read as follows:

4 (a) The board may place on inactive status the certificate
5 or license of a person who [~~an appraiser if the appraiser~~]:

6 (1) is not acting as an appraiser or an appraiser
7 trainee;

8 (2) is not acting as a supervisory appraiser of
9 [~~sponsoring~~] an appraiser trainee; and

10 (3) submits a written application to the board before
11 the expiration date of the [~~appraiser's~~] certificate or license.

12 (b) The board may place on inactive status the certificate
13 or license of an appraiser or an appraiser trainee whose
14 certificate or license has expired if the person:

15 (1) [~~appraiser~~] applies for inactive status on a form
16 prescribed by the board not later than the 180th day after [~~the~~
17 ~~first anniversary of~~] the expiration date of the [~~appraiser's~~]
18 certificate or license; and

19 (2) meets the requirements of Section [1103.2111](#).

20 (c) A supervisory [~~An~~] appraiser applying for inactive
21 status shall terminate the appraiser's association with each
22 appraiser trainee supervised [~~sponsored~~] by the appraiser by giving
23 written notice to each appraiser trainee before the 30th day
24 preceding the date the appraiser applies for inactive status.

25 (d) An appraiser or an appraiser trainee on inactive status:

26 (1) may not perform any activity regulated under this
27 chapter;

- 1 (2) must pay annual renewal fees; and
2 (3) is not required to pay the annual registry fee
3 described by Section 1103.156(b).

4 (f) The board shall return [~~remove~~] an appraiser's
5 certificate or license to active [~~from inactive~~] status if the
6 appraiser:

- 7 (1) submits an application to the board;
8 (2) pays the required fee; [~~and~~]
9 (3) submits proof of complying with the cumulative
10 continuing education requirements of Section 1103.211 during the
11 period the license has been on inactive status;
12 (4) satisfies the board as to the person's honesty,
13 trustworthiness, and integrity; and
14 (5) complies with the requirements of Sections
15 1103.203 and 1103.2031 [~~two years preceding the date the~~
16 ~~application under Subdivision (1) is filed~~].

17 SECTION 33. Section 1103.252(b), Occupations Code, is
18 amended to read as follows:

19 (b) The board or the testing service may collect an
20 examination fee from an applicant for a certificate or license.

21 SECTION 34. Section 1103.253, Occupations Code, is amended
22 to read as follows:

23 Sec. 1103.253. TIME AND PLACE OF EXAMINATION; NOTICE. The
24 board or the testing service shall offer the examination at least
25 once each month in Austin and at other locations and times as the
26 board may determine or require. The board shall provide public
27 notice of all examinations on the board's Internet website

1 ~~[(a) The examination must be offered at least twice each year.~~

2 ~~[(b) The board shall determine the time and place of the~~
3 ~~examination.~~

4 ~~[(c) The board shall give reasonable public notice of the~~
5 ~~examination in the manner provided by board rule.~~

6 ~~[(d) The board may assign an examination date and site to an~~
7 ~~applicant. The assigned site must be the nearest examination site~~
8 ~~available to the applicant].~~

9 SECTION 35. Section 1103.255, Occupations Code, is amended
10 to read as follows:

11 Sec. 1103.255. EXPERIENCE ~~[NOT]~~ REQUIRED BEFORE TAKING
12 EXAMINATION. An applicant for the examination must ~~[is not~~
13 ~~required to]~~ fulfill the applicable experience requirement for a
14 certificate or license before taking the examination.

15 SECTION 36. Sections 1103.257(a) and (b), Occupations Code,
16 are amended to read as follows:

17 (a) Not later than the 10th ~~[31st]~~ day after the date a
18 person takes an examination, the board or the testing service shall
19 notify the person of the examination results. ~~[If an examination is~~
20 ~~graded or reviewed by a national testing service, the board shall~~
21 ~~notify the person of the examination results not later than the 31st~~
22 ~~day after the date the board receives the results from the testing~~
23 ~~service.]~~

24 (b) If notice of the examination results will be delayed for
25 more than 10 ~~[90]~~ days after the examination date, the board shall
26 notify each examinee of the reason for the delay not later than the
27 10th ~~[90th]~~ day.

1 SECTION 37. Section 1103.302, Occupations Code, is amended
2 to read as follows:

3 Sec. 1103.302. REGISTRATION APPLICATION. A person may
4 register with the board by:

5 (1) completing a registration form prescribed by the
6 board; ~~and~~

7 (2) meeting the requirements established under this
8 chapter; and

9 (3) paying the required fee.

10 SECTION 38. Section 1103.303, Occupations Code, is amended
11 to read as follows:

12 Sec. 1103.303. ELIGIBILITY REQUIREMENTS FOR REGISTRATION.
13 A person is eligible to register with the board if:

14 (1) the certification and licensing program under
15 which the person is certified or licensed by another state has not
16 been disapproved by the Appraisal Subcommittee ~~[Appraiser
17 Qualifications Board]~~; and

18 (2) the person's appraisal business in this state does
19 not exceed six months.

20 SECTION 39. Section 1103.351, Occupations Code, is amended
21 to read as follows:

22 Sec. 1103.351. SUPERVISORY APPRAISER ~~[SPONSOR]~~. (a) The
23 board may authorize a certified appraiser under this chapter to
24 supervise ~~[sponsor]~~ an appraiser trainee if the certified appraiser
25 meets the requirements of the board consistent with applicable
26 federal law.

27 (b) An appraiser trainee may have more than one supervisory

1 appraiser [~~sponsor~~].

2 SECTION 40. Section 1103.352, Occupations Code, is amended
3 to read as follows:

4 Sec. 1103.352. APPLICATION FOR APPRAISER TRAINEE. An
5 applicant for a license [~~approval~~] as an appraiser trainee and each
6 supervisory appraiser [~~sponsor~~] of the applicant must apply to the
7 board using the online application on the board's Internet website
8 or on a form prescribed by the board.

9 SECTION 41. Section 1103.353, Occupations Code, is amended
10 to read as follows:

11 Sec. 1103.353. ELIGIBILITY REQUIREMENTS FOR APPRAISER
12 TRAINEE. To be eligible for a license [~~approval~~] as an appraiser
13 trainee, an applicant must:

- 14 (1) be at least 18 years of age;
- 15 (2) be a citizen of the United States or a lawfully
16 admitted alien;
- 17 (3) have been a resident of this state for the 60 days
18 preceding the date the application is filed;
- 19 (4) satisfy the board as to the applicant's honesty,
20 trustworthiness, and integrity; [~~and~~]
- 21 (5) comply with the requirements of Sections 1103.203
22 and 1103.2031; and
- 23 (6) meet all other qualifications established by the
24 board.

25 SECTION 42. Sections 1103.354(a) and (b), Occupations Code,
26 are amended to read as follows:

27 (a) An appraiser trainee licensed [~~approved~~] by the board

1 may perform an appraisal under the direction of a supervisory
2 appraiser [~~sponsor or authorized supervisor of the trainee~~].

3 (b) The supervisory appraiser [~~sponsor or authorized~~
4 ~~supervisor~~] shall sign each report prepared by the appraiser
5 trainee performing an appraisal under the direction of the
6 supervisory appraiser [~~sponsor or authorized supervisor~~]. The
7 supervisory appraiser [~~sponsor or authorized supervisor~~] is
8 responsible to the public and to the board for the appraiser
9 trainee's reports and conduct.

10 SECTION 43. Section 1103.355(a), Occupations Code, is
11 amended to read as follows:

12 (a) The board may reprimand an appraiser trainee or suspend
13 or revoke an appraiser trainee's license [~~authority~~] to act as an
14 appraiser trainee for a violation of this chapter or a rule adopted
15 under this subchapter.

16 SECTION 44. Section 1103.356, Occupations Code, is amended
17 to read as follows:

18 Sec. 1103.356. RENEWAL OF APPRAISER TRAINEE LICENSE
19 [~~APPROVAL~~]. A person may renew a license [~~an approval~~] as an
20 appraiser trainee by:

- 21 (1) paying the renewal fee established by the board;
- 22 (2) providing evidence satisfactory to the board of
23 completion of any required continuing education; and
- 24 (3) meeting any other renewal requirement established
25 by the board.

26 SECTION 45. Section 1103.405, Occupations Code, is amended
27 to read as follows:

1 Sec. 1103.405. PROFESSIONAL STANDARDS. A person who holds
2 a [~~license,~~] certificate, license, or registration [~~approval~~]
3 issued under this chapter shall comply with:

4 (1) the most current edition of the Uniform Standards
5 of Professional Appraisal Practice adopted by the Appraisal
6 Standards Board of the Appraisal Foundation; or

7 (2) other standards provided by board rule that are at
8 least as stringent as the Uniform Standards of Professional
9 Appraisal Practice.

10 SECTION 46. Section 1103.451, Occupations Code, is amended
11 to read as follows:

12 Sec. 1103.451. INITIATION OF COMPLAINT PROCESS. (a) Any
13 person, including a member of the board, may initiate the complaint
14 process under this subchapter by submitting to [~~filing with~~] the
15 board a written allegation of a violation of this chapter
16 [~~complaint~~] on a form prescribed by the board.

17 (b) The board, on its own motion, may file a formal
18 complaint against:

19 (1) a certified or licensed appraiser, an appraiser
20 trainee, or a registrant under Subchapter G; or

21 (2) [~~an appraiser trainee who is approved by the board~~
22 ~~under Subchapter H.~~

23 [~~(c) A complaint alleging that a certified or licensed~~
24 ~~appraiser or an approved appraiser trainee has violated a rule of~~
25 ~~professional conduct adopted by the board must be filed with the~~
26 ~~board.~~

27 [~~(d) The board, on its own motion, may file a formal~~

1 ~~complaint against~~] a person who engages in an activity for which a
2 certificate or license is required under this chapter without
3 holding a certificate or license.

4 (c) This subchapter and Subchapter K apply to a complaint
5 filed under Subsection (b)(2) [~~this subsection~~] in the same manner
6 as they apply to a complaint filed under Subsection (b)(1) [~~(b)~~].

7 (d) An investigation of an alleged [~~(e) A complaint~~
8 ~~alleging a~~] violation by a person licensed or [~~]~~ certified [~~, or~~
9 ~~approved~~] under this chapter may not be terminated solely on the
10 basis that the person fails to renew the certificate or [~~]~~
11 license [~~, or approval~~].

12 (e) The board may not conduct an investigation of a person
13 certified, licensed, or registered under this chapter or Chapter
14 1104 for an allegation of a violation submitted to the board later
15 than the fourth anniversary of the date the alleged violation
16 occurred.

17 SECTION 47. Section [1103.452](#), Occupations Code, is amended
18 to read as follows:

19 Sec. 1103.452. REVIEW AND INVESTIGATION. (a) The [~~On~~
20 ~~receipt of a complaint or on its own motion, the~~] board shall review
21 and investigate an alleged act or omission that is the subject of an
22 allegation submitted or a formal complaint filed under Section
23 1103.451 [~~the board believes is a ground for disciplinary action~~].

24 (b) An investigator designated by the commissioner
25 [~~presiding officer of the board~~] shall investigate each allegation
26 or formal [~~in a~~] complaint [~~to determine whether probable cause~~
27 ~~exists for a hearing on the complaint~~].

1 (c) If the board determines at any time that an allegation
2 or formal [a] complaint is inappropriate or without merit [~~does not~~
3 ~~present facts that are grounds for disciplinary action~~], the board
4 or the commissioner shall dismiss the complaint and may not take
5 further action.

6 (d) For purposes of Subsection (c), a determination that the
7 allegation or complaint is inappropriate or without merit includes
8 a determination that the allegation or complaint:

9 (1) is not within the board's jurisdiction;

10 (2) was made in bad faith or filed for the purpose of
11 harassment or to gain a competitive or economic advantage; or

12 (3) lacks sufficient basis in fact or evidence.

13 SECTION 48. Section 1103.453(b), Occupations Code, is
14 amended to read as follows:

15 (b) A peer investigative committee consists of two or more
16 [~~three~~] certified or licensed appraisers. The presiding officer of
17 the committee must be an appraiser member of the board. Each
18 remaining committee member shall certify to the board that the
19 member is familiar with the appraisal process in the appraisal that
20 is the subject of the complaint.

21 SECTION 49. Section 1103.455(a), Occupations Code, is
22 amended to read as follows:

23 (a) At the conclusion of the investigation of a complaint,
24 the investigator shall prepare [~~submit to the board~~] a written
25 report to enable the board to determine what further action is
26 necessary.

27 SECTION 50. Section 1103.456, Occupations Code, is amended

1 to read as follows:

2 Sec. 1103.456. ACTION BASED ON REPORT. Based on the report
3 prepared [~~submitted~~] under Section 1103.455, the board may:

4 (1) order further investigation of the complaint;

5 (2) permit the appraiser or appraiser trainee who is
6 the subject of the complaint to participate in a voluntary [~~attend~~
7 ~~an informal~~] discussion of the facts and circumstances of the
8 alleged violation [~~as provided by Section 1103.457~~];

9 (3) determine that there is not probable cause to
10 believe that a violation occurred and dismiss the case; or

11 (4) determine that there is probable cause to believe
12 that a violation occurred and proceed as the complainant with a
13 contested case hearing under Subchapter K.

14 SECTION 51. Section 1103.458, Occupations Code, is amended
15 by amending Subsection (d) and adding Subsection (g) to read as
16 follows:

17 (d) A board member who participates in negotiating a consent
18 order under this section is [~~not~~] disqualified from participating
19 in the adjudication of a contested case that results from the
20 negotiation.

21 (g) An appraiser or appraiser trainee may be disciplined for
22 failure to comply with a consent order.

23 SECTION 52. Section 1103.459(d), Occupations Code, is
24 amended to read as follows:

25 (d) An appraiser or appraiser trainee may be disciplined
26 [~~prosecuted~~] for failure to comply with a consent agreement.

27 SECTION 53. Section 1103.460, Occupations Code, is amended

1 to read as follows:

2 Sec. 1103.460. CONFIDENTIALITY OF INVESTIGATION MATERIAL
3 [PUBLIC AVAILABILITY OF FINAL DECISION]. (a) Information or
4 material, including any investigation file, is confidential and not
5 subject to disclosure under Chapter 552, Government Code, or any
6 other means of legal compulsion for release, including disclosure,
7 discovery, or subpoena, if the information or material is prepared
8 or compiled by the board in connection with a complaint,
9 investigation, or audit of any person subject to the jurisdiction
10 of the board.

11 (b) Notwithstanding Subsection (a), information or material
12 prepared or compiled by the board in connection with a complaint,
13 investigation, or audit may be disclosed:

14 (1) to the respondent;

15 (2) to a person providing a service to the board,
16 including a peer investigative committee appointed under Section
17 1103.453, an expert or other witness, or an investigator, if the
18 information is necessary for preparation for, or a presentation in,
19 a disciplinary proceeding against an applicant or license holder,
20 or a subsequent trial or appeal taken from a disciplinary
21 proceeding;

22 (3) to an entity in another jurisdiction that
23 licenses, registers, credentials, or disciplines any person
24 subject to the jurisdiction of the board;

25 (4) to a law enforcement agency;

26 (5) to the State Office of Administrative Hearings; or

27 (6) to the board, or a panel of the board, for use

1 during any proceeding conducted by the State Office of
2 Administrative Hearings or in a subsequent trial or appeal of a
3 board action or order.

4 (c) The release of information under Subsection (b) is not a
5 voluntary disclosure for purposes of Section 552.007, Government
6 Code.

7 (d) The board may require a confidentiality agreement be
8 signed by a person entitled to receive information under Subsection
9 (b) before releasing the information.

10 (e) Notwithstanding Subsection (a), on the dismissal or
11 final resolution of a complaint, investigation, or audit,
12 information or material prepared or compiled by the board in
13 connection with the complaint, investigation, or audit, including a
14 completed audit report or a final order of the board, is subject to
15 disclosure under Chapter 321 or 552, Government Code [A final
16 decision of the board relating to a disciplinary action, including
17 a consent order or consent agreement, may be provided to another
18 state or made available to the public].

19 SECTION 54. Section 1103.519, Occupations Code, is amended
20 to read as follows:

21 Sec. 1103.519. MOTION [~~APPLICATION~~] FOR REHEARING. (a) A
22 [~~Not later than the 20th day after the date a final decision is~~
23 ~~issued in a contested case, a~~] party may file a motion for rehearing
24 [~~an application~~] with the board [~~for a rehearing~~]. The motion
25 [~~application~~] must state:

- 26 (1) the specific grounds for rehearing; and
27 (2) the relief sought.

1 (b) A motion for rehearing filed under this section is
2 governed by Chapter 2001, Government Code [~~The application is~~
3 ~~denied if the board does not grant it before the 20th day after the~~
4 ~~date the commissioner is served with the application~~].

5 SECTION 55. Section 1103.522, Occupations Code, is amended
6 to read as follows:

7 Sec. 1103.522. WAITING PERIOD [~~REINSTATEMENT OF~~
8 ~~CERTIFICATE OR LICENSE~~]. A person whose certificate or license has
9 been revoked, [or] a person who has surrendered a certificate or
10 license issued by the board, or a person whose application for a
11 certificate or license has been denied after a hearing under
12 Section 1103.508 may not apply to the board for a certificate or
13 license [~~reinstatement~~] until the second anniversary of the date of
14 revocation, [or] surrender, or denial.

15 SECTION 56. Subchapter K, Chapter 1103, Occupations Code,
16 is amended by adding Section 1103.523 to read as follows:

17 Sec. 1103.523. COST RECOVERY. The administrative law judge
18 may award reasonable costs to the board on a request for and proof
19 of the costs if the respondent fails to appear for the hearing under
20 Section 1103.510, including any costs:

21 (1) charged by the State Office of Administrative
22 Hearings; and

23 (2) related to the preparation for the hearing,
24 including costs of discovery, depositions, subpoenas, service of
25 process, witness expenses, travel expenses, and investigation
26 expenses.

27 SECTION 57. Section 1103.552, Occupations Code, is amended

1 by adding Subsection (c) to read as follows:

2 (c) Notwithstanding any other law, an administrative
3 penalty collected under this section shall be deposited in a
4 restricted fund maintained and operated by the board to develop
5 educational programs for appraisers or conduct studies that enhance
6 consumer protection.

7 SECTION 58. Subchapter L, Chapter 1103, Occupations Code,
8 is amended by adding Section 1103.5525 to read as follows:

9 Sec. 1103.5525. CEASE AND DESIST ORDER. (a) If it appears
10 to the board that a person is violating this chapter, Chapter 1104,
11 or a rule adopted under this chapter or Chapter 1104, the board,
12 after notice and opportunity for a hearing, may issue a cease and
13 desist order prohibiting the person from engaging in the activity.

14 (b) A violation of an order under this section constitutes
15 grounds for imposing an administrative penalty under this chapter
16 or Chapter 1104.

17 SECTION 59. The following provisions of the Occupations
18 Code are repealed:

- 19 (1) Section 1103.005;
20 (2) Section 1103.2015; and
21 (3) Section 1103.457.

22 SECTION 60. (a) Section 1103.055, Occupations Code, as
23 amended by this Act, does not affect the terms of the members of the
24 Texas Appraiser Licensing and Certification Board who are serving
25 on the effective date of this Act. Members appointed to fill
26 vacancies occurring on or after the effective date of this Act shall
27 be appointed to serve staggered terms in accordance with that

1 section.

2 (b) Section 1103.159, Occupations Code, as amended by this
3 Act, does not affect the terms of the members of the advisory
4 committee who are serving on the effective date of this Act. Not
5 later than the 60th day after the effective date of this Act, the
6 governor shall appoint the two new members of the advisory
7 committee to serve staggered terms in accordance with that section.

8 (c) The changes in law made by this Act apply only to an
9 application for a license or certificate submitted to the Texas
10 Appraiser Licensing and Certification Board on or after the
11 effective date of this Act. An application for a license or
12 certificate submitted before that date is governed by the law in
13 effect on the date the application was submitted, and the former law
14 is continued in effect for that purpose.

15 (d) The changes in law made by this Act apply only to a
16 disciplinary proceeding or a contested case hearing under Chapter
17 1103, Occupations Code, for conduct that occurs on or after the
18 effective date of this Act. Conduct that occurs before the
19 effective date of this Act is governed by the law in effect on the
20 date the conduct occurred, and the former law is continued in effect
21 for that purpose.

22 SECTION 61. This Act takes effect January 1, 2016.