

BILL ANALYSIS

C.S.H.B. 2378
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Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Out of more than 30 states that license real estate inspectors with a single type of inspector license, Texas is the only state that has a two-tiered licensing system with both a real estate inspector license and a professional inspector license. An overwhelming majority of license applicants in Texas seek a professional inspector license. Over the last three fiscal years, of the 1,556 inspector licenses issued by the Texas Real Estate Commission, 55 of those were real estate inspector licenses and 1,501 were professional inspector licenses. This infrequently used licensing option has served to complicate the licensing and regulation of real estate inspectors. C.S.H.B. 2378 seeks to address this issue by simplifying and streamlining the licensing and regulation of professional real estate inspectors.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2378 amends the Occupations Code and repeals specified Occupations Code provisions to eliminate the real estate inspector license. The bill sets out conforming provisions with respect to the elimination of the license and to the sole, direct supervision of apprentice inspectors by a licensed professional inspector and provides for the continuing validity and renewal of a real estate inspector license for which an application was submitted before September 1, 2021, and that was issued before September 1, 2022.

C.S.H.B. 2378, with respect to eligibility for a professional inspector license for an applicant who holds an apprentice inspector license at the time of application, sets the minimum number of required classroom hours of qualifying real estate inspection courses. These provisions apply only to an application for a professional inspector license submitted on or after September 1, 2021.

C.S.H.B. 2378 removes the requirement for a person who passes a license examination to pay a fee not to exceed \$200. Instead, a person who submits an original application for an apprentice inspector license or professional inspector license must pay a fee not to exceed \$10.

C.S.H.B. 2378 prohibits a person who has had the person's apprentice inspector license or professional inspector license revoked or application for the license denied after a hearing conducted by the State Office of Administrative Hearings or who has surrendered the person's

license to the Texas Real Estate Commission (TREC) from reapplying to the TREC for the license before the second anniversary of the date of the revocation, denial, or surrender. These provisions apply only to a person who has the person's license revoked or application for a license denied or who surrenders the person's license on or after September 1, 2021.

C.S.H.B. 2378 repeals the following provisions of the Occupations Code:

- Section 1102.001(10);
- Section 1102.102;
- Section 1102.108; and
- Section 1102.110(a).

EFFECTIVE DATE

September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2378 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute changes the amount of the fee required by the bill on submission of an original application for an apprentice inspector license or professional inspector license from \$10 to an amount not to exceed \$10.

The substitute revises the bill's repealer to include the explicit elimination of the real estate inspector license requirement.

The substitute includes other changes conforming to certain bill drafting conventions and includes procedural provisions regarding certain of those conforming changes.