

BILL ANALYSIS

Senate Research Center
87R20808 JES-D

H.B. 2998
By: Smith (Taylor)
Business & Commerce
5/21/2021
Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

H.B. 2998 amends current law relating to the requirement that certain business entities obtain a license from the Texas Real Estate Commission.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Real Estate Commission in SECTION 1 (Section 1101.355, Occupations Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1101.355, Occupations Code, by adding Subsections (d) and (e), as follows:

(d) Provides that, notwithstanding Subsection (c) (relating to the requirement that a business entity that receives compensation on behalf of a license holder be licensed as a certain broker) or any other law, a business entity is not required to be licensed under Chapter 1101 (Real Estate Brokers and Sales Agents) if the business entity:

- (1) receives compensation on behalf of a broker or sales agent licensed under this chapter that is earned by the license holder while engaged in real estate brokerage;
- (2) performs no other acts of a broker;
- (3) is a limited liability company as defined by Section 101.001 (Definitions), Business Organizations Code or an S corporation as defined by 26 U.S.C. Section 1361;
- (4) is registered with the Texas Real Estate Commission (TREC); and
- (5) is at least 51 percent owned by the license holder on whose behalf the entity receives compensation.

(e) Requires TREC to adopt rules providing for the registration of a business entity described by Subsection (d).

SECTION 2. Effective date: January 1, 2022.