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

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

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  Subchapter H, Chapter 1102, Occupations Code, is repealed.

SECTION 4.  (a) In this section:

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

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

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

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

(d)  The commission shall refund to each eligible inspector who also holds a license as of the date of the refund any amount in excess of the remaining liability of the real estate inspection recovery fund determined under subsection (c) at a rate not to exceed $10.

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

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

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

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

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

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