By:  Kuempel H.B. No. 2378

A BILL TO BE ENTITLED

AN ACT

relating to regulation of real estate inspectors.

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

SECTION 1.  Section 1102.001, Occupations Code is amended as follows:

Sec. 1102.001.  DEFINITIONS. In this chapter:

(1)  "Apprentice inspector" means a person who is in training under the direct supervision of a professional inspector or a real estate inspector to become qualified to perform real estate inspections.

(2)  "Broker" has the meaning assigned by Section 1101.002

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

(4)  "Committee" means the Texas Real Estate Inspector Committee.

(5)  "Qualifying[~~Core~~] real estate inspection course" means an educational course approved by the commission that relates to real estate inspection, including a course on structural items, electrical items, mechanical systems, plumbing systems, roofing, business, law, standards of practice, report writing, appliances, or ethics.

(6)  "Inspector" means a person who holds a license under this chapter.

(7)  "License" means an apprentice inspector license, real estate inspector license, or professional inspector license.

(8)  "Professional inspector" means a person who represents to the public that the person is trained and qualified to perform a real estate inspection and who accepts employment to perform a real estate inspection for a buyer or seller of real property.

(9)  "Real estate inspection" means a written or oral opinion as to the condition of the improvements to real property, including structural items, electrical items, mechanical systems, plumbing systems, or equipment.

(10)  "Real estate inspector" means a person licensed before September 1, 2022 who represents to the public that the person is trained and qualified to perform a real estate inspection under the indirect supervision of a professional inspector and who accepts employment to perform a real estate inspection for a buyer or seller of real property.

(11)  "Salesperson" has the meaning assigned by Section 1101.002.

SECTION 2.  Section 1102.109, Occupations Code is amended as follows:

Sec. 1102.109.  ELIGIBILITY FOR PROFESSIONAL INSPECTOR LICENSE. To be eligible for a professional inspector license, an applicant must:

(1)  at the time of application have:

(A)  held an apprentice [~~a real estate~~] inspector license for at least 12 months; and

(B)  performed at least 175 real estate inspections under indirect supervision;

(C)  submit evidence satisfactory to the commission of successful completion of at least 120[~~40~~] classroom hours of qualifying[~~core~~] real estate inspection courses[~~, in addition to the hours required by Section 1102.108~~];

(D)  demonstrate competence based on the examination under Subchapter D; and

(E)  satisfy the commission as to the applicant's honesty, trustworthiness, integrity, and competence

SECTION 3.  Section 1102.111, Occupations Code is amended as follows:

Sec. 1102.111.  SUBSTITUTE REQUIREMENTS. (a) The commission by rule shall provide for substitution of relevant experience and additional education in place of:

(1)  the number of real estate inspections required for licensing; and

(2)  the requirement that an applicant be[~~:~~

~~(A)~~]  licensed as an apprentice inspector before being licensed as a real estate inspector[~~; or~~

~~(B)  licensed as a real estate inspector before being licensed as a professional inspector~~].

(b)  Rules adopted under Subsection (a) may not require an applicant to:

(A)  complete more than 320 additional hours of qualifying[~~core~~] real estate inspection courses;

(B)  complete more than 40 hours of field work, if the applicant completes correspondence or other course provided by alternative means; or

(C)  have more than seven years of relevant experience.

SECTION 4.  Section 1102.151, Occupations Code is amended as Follows:

Sec. 1102.151.  CONTENT OF EXAMINATION. (a) A license examination must evaluate competence in the subject matter of each required qualifying[~~core~~] real estate inspection course.

(b)  The commission shall:

(1)  prescribe each license examination; and

(2)  prepare or contract for the examination

SECTION 5.  Section 1102.205(b), Occupations Code is amended as follows:

(b)  As a prerequisite for renewal of a real estate inspector license, professional inspector license, or apprentice inspector license, the inspector must participate in the continuing education program and submit evidence satisfactory to the commission of successful completion of at least 16 classroom hours of qualifying[~~core~~] real estate inspection courses or continuing education courses for each year of the license period preceding the renewal.

SECTION 6.  Section 1102.352(a) as is amended follows:

Sec. 1102.352.  PAYMENTS INTO FUND. (a) In addition to any other fees required by this chapter, the commission shall collect a fee of $10 to deposit to the credit of the fund from an applicant for an original license.[~~a person who passes a license examination must pay a fee not to exceed $200. The commission shall deposit the fee to the credit of the fund before issuing the license.~~]

SECTION 7.  Chapter 1102, Occupation Code is amended by adding Section 1102.409 as follows:

Sec. 1102.409.  REAPPLYING AFTER REVOCATION, SURRENDER, OR DENIAL. A person whose license as been revoked, a person who has surrendered a license issued by the commission, or a person whose application for a license has been denied after a hearing under Section 1101.657 may not apply to the commission for a license before the second anniversary of the date of the revocation, surrender, or denial.

SECTION 8.  Sections 1102.108 and 1102.110(a), and 1102.251(a)(2), Occupations Code are repealed.

SECTION 9.  The changes in law made by this Act apply only to an application for a license submitted to the Texas Real Estate Commission on or after September 1, 2021. An application for a license submitted before that date is governed by the law in effect on the date the application was submitted, and the former law is continued in effect for that purpose.

SECTION 10.  This Act takes effect September 1, 2021.