87R20808 JES-D

By:  Smith H.B. No. 2998

Substitute the following for H.B. No. 2998:

By:  Hernandez C.S.H.B. No. 2998

A BILL TO BE ENTITLED

AN ACT

relating to the requirement that certain business entities obtain a license from the Texas Real Estate Commission.

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

SECTION 1.  Section 1101.355, Occupations Code, is amended by adding Subsections (d) and (e) to read as follows:

(d)  Notwithstanding Subsection (c) or any other law, a business entity is not required to be licensed under this chapter 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)  a limited liability company as defined by Section 101.001, Business Organizations Code; or

(B)  an S corporation as defined by 26 U.S.C. Section 1361;

(4)  is registered with the commission; and

(5)  is at least 51 percent owned by the license holder on whose behalf the entity receives compensation.

(e)  The commission shall adopt rules providing for the registration of a business entity described by Subsection (d).

SECTION 2.  This Act takes effect January 1, 2022.