

By: Kuempel

H.B. No. 2378

Substitute the following for H.B. No. 2378:

By: Geren

C.S.H.B. No. 2378

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the licensing and regulation of real estate inspectors;  
3 reducing a fee.

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

5 SECTION 1. Sections [1102.001](#)(1), (5), and (7), Occupations  
6 Code, are amended to read as follows:

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

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

17 (7) "License" means an apprentice inspector license[~~7~~  
18 ~~real estate inspector license~~] or professional inspector license.

19 SECTION 2. Section [1102.101](#), Occupations Code, is amended  
20 to read as follows:

21 Sec. 1102.101. APPRENTICE INSPECTOR LICENSE REQUIRED. A  
22 person may not act or attempt to act as an apprentice inspector in  
23 this state for a buyer or seller of real property unless the person:

24 (1) holds an apprentice inspector license under this

1 chapter; and

2 (2) is under the direct supervision of a [~~real estate~~  
3 ~~inspector or~~] professional inspector.

4 SECTION 3. Section 1102.104, Occupations Code, is amended  
5 to read as follows:

6 Sec. 1102.104. SUPERVISION. For the purposes of this  
7 chapter, a person performing a real estate inspection or preparing  
8 a report of a real estate inspection is under:

9 (1) direct supervision if the person is instructed and  
10 controlled by a professional inspector [~~or real estate inspector~~]  
11 who is:

12 (A) responsible for the actions of the person;

13 (B) available if needed to consult with or assist  
14 the person; and

15 (C) physically present at the time and place of  
16 the inspection; and

17 (2) indirect supervision if the person is instructed  
18 and controlled by a professional inspector who is:

19 (A) responsible for the actions of the person;  
20 and

21 (B) available if needed to consult with or assist  
22 the person.

23 SECTION 4. Section 1102.109, Occupations Code, is amended  
24 to read as follows:

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

1 (1) at the time of application have:

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

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

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

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

12 (4) satisfy the commission as to the applicant's  
13 honesty, trustworthiness, integrity, and competence.

14 SECTION 5. Section 1102.111, Occupations Code, is amended  
15 to read as follows:

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

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

21 (2) the requirement that an applicant be[+  
22 [~~(A)~~] licensed as an apprentice inspector  
23 [~~before being licensed as a real estate inspector, or~~  
24 [~~(B)~~] licensed as a real estate inspector before  
25 being licensed as a professional inspector].

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

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

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

6 (3) have more than seven years of relevant experience.

7 SECTION 6. Section 1102.113, Occupations Code, is amended  
8 to read as follows:

9 Sec. 1102.113. ELIGIBILITY AS SPONSOR. A professional  
10 inspector may sponsor an apprentice inspector [~~or a real estate~~  
11 ~~inspector~~] only if the professional inspector provides sufficient  
12 proof to the commission that the professional inspector has  
13 completed at least 200 real estate inspections as a professional  
14 inspector.

15 SECTION 7. Section 1102.151(a), Occupations Code, is  
16 amended to read as follows:

17 (a) A license examination must evaluate competence in the  
18 subject matter of each required qualifying [~~core~~] real estate  
19 inspection course.

20 SECTION 8. Section 1102.205(b), Occupations Code, is  
21 amended to read as follows:

22 (b) As a prerequisite for renewal of a [~~real estate~~  
23 ~~inspector license~~], professional inspector license[~~7~~] or  
24 apprentice inspector license, the inspector must participate in the  
25 continuing education program and submit evidence satisfactory to  
26 the commission of successful completion of at least 16 classroom  
27 hours of qualifying [~~core~~] real estate inspection courses or

1 continuing education courses for each year of the license period  
2 preceding the renewal.

3 SECTION 9. Section 1102.251, Occupations Code, is amended  
4 to read as follows:

5 Sec. 1102.251. FEES. The commission shall charge and  
6 collect reasonable and necessary fees to cover the cost of  
7 administering this chapter for:

8 (1) filing an original application for an apprentice  
9 inspector license;

10 (2) ~~[filing an original application for a real estate~~  
11 ~~inspector license;~~

12 ~~[(3)]~~ filing an original application for a  
13 professional inspector license;

14 (3) ~~[(4)]~~ renewal of an apprentice inspector license;

15 (4) ~~[(5)]~~ ~~renewal of a real estate inspector license;~~

16 ~~[(6)]~~ renewal of a professional inspector license;

17 (5) ~~[(7)]~~ a license examination;

18 (6) ~~[(8)]~~ a request to change a place of business or to  
19 replace a lost or destroyed license; and

20 (7) ~~[(9)]~~ filing a request for issuance of a license  
21 because of a change of name, return to active status, or change in  
22 sponsoring professional inspector.

23 SECTION 10. Section 1102.352(a), Occupations Code, is  
24 amended to read as follows:

25 (a) In addition to any other fees required by this chapter,  
26 a person who submits an original application for a license under  
27 this chapter ~~[passes a license examination]~~ must pay a fee not to

1 exceed \$10 [~~\$200~~]. The commission shall deposit the fee to the  
2 credit of the fund before issuing the license.

3 SECTION 11. Subchapter I, Chapter 1102, Occupations Code,  
4 is amended by adding Section 1102.409 to read as follows:

5 Sec. 1102.409. REAPPLICATION AFTER LICENSE REVOCATION,  
6 DENIAL, OR SURRENDER. A person who has had the person's license  
7 issued under this chapter revoked or application for a license  
8 under this chapter denied after a hearing conducted under Section  
9 1101.657 or who has surrendered the person's license issued under  
10 this chapter to the commission may not reapply to the commission for  
11 a license under this chapter before the second anniversary of the  
12 date of the revocation, denial, or surrender.

13 SECTION 12. The following provisions of the Occupations  
14 Code are repealed:

- 15 (1) Section 1102.001(10);
- 16 (2) Section 1102.102;
- 17 (3) Section 1102.108; and
- 18 (4) Section 1102.110(a).

19 SECTION 13. Section 1102.109, Occupations Code, as amended  
20 by this Act, applies only to an application for a professional  
21 inspector license submitted on or after September 1, 2021. An  
22 application submitted before September 1, 2021, is governed by the  
23 law in effect on the date the application was submitted, and the  
24 former law is continued in effect for that purpose.

25 SECTION 14. Section 1102.409, Occupations Code, as added by  
26 this Act, applies only to a person who has the person's license  
27 revoked or application for a license denied or who surrenders the

1 person's license on or after September 1, 2021. A revocation,  
2 denial, or surrender that occurs before September 1, 2021, is  
3 governed by the law in effect on the date of the revocation, denial,  
4 or surrender, and the former law is continued in effect for that  
5 purpose.

6 SECTION 15. (a) Notwithstanding the repeal by this Act of  
7 Section [1102.102](#), Occupations Code, a real estate inspector license  
8 for which an application was submitted before September 1, 2021,  
9 and that was issued under that former section before September 1,  
10 2022, continues to be valid until the license expires and may be  
11 renewed in accordance with the renewal requirements for that  
12 license under Section [1102.203](#), Occupations Code, as those  
13 requirements existed immediately before September 1, 2021, and the  
14 former law is continued in effect for that purpose.

15 (b) The changes in law made by this Act do not affect the  
16 validity of a disciplinary action or other proceeding that was  
17 initiated against a real estate inspector license holder before  
18 September 1, 2021, and that is pending before a court or other  
19 governmental entity on that date.

20 SECTION 16. This Act takes effect September 1, 2021.