

## **BILL ANALYSIS**

H.B. 1518  
By: Darby  
Licensing & Administrative Procedures  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

Texas law exceeds federal requirements with respect to appraisal management companies by requiring an extensive appraisal review of the work an appraiser performs for the company for compliance with the Uniform Standards of Professional Appraisal Practice (USPAP). The Texas Appraiser Licensing and Certification Board does not audit or use these reviews for any purpose. Furthermore, appraisal management companies and lenders already possess internal quality control reviews for appraisals that are conducted before the appraisal is provided for use in the consumer transaction to ensure compliance with USPAP and to check for other errors that may impact valuation. H.B. 1518 preserves consumer protection through appraisal reviews conducted by appraisal management companies that comply with USPAP, as well as through internal reviews through lenders prior to closing, but removes a redundant mandate from state law.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

H.B. 1518 amends the Occupations Code, with respect to the required periodic review of the work of appraisers performing appraisal services for an appraisal management company, to replace references to the required appraisal review with references to an appraisal services examination. The bill replaces the requirement for a person performing such a review to be a licensed appraiser and qualified to perform the applicable appraisal with a requirement for a person examining the work of appraisers performing those services to be knowledgeable of appraisal practice and the Uniform Standards of Professional Appraisal Practice. The bill requires a registered appraisal management company to keep a record of the qualifications of a person conducting such an examination.

### **EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2023.