

BILL ANALYSIS

C.S.H.B. 2427
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Licensing & Administrative Procedures
Committee Report (Substituted)

BACKGROUND AND PURPOSE

One barrier to entry into the appraiser profession is the ability for individuals to obtain a supervisory appraiser to gain experience. On January 1, 2021, the Appraiser Qualifications Board (AQB), which is the federal entity charged with establishing the minimum standards of education and experience for real property appraisers across the country, established the Practical Applications of Real Estate Appraisal as an acceptable method of satisfying the experience requirement for real property appraisers. This method is an alternative to the traditional supervisory appraiser/trainee model that does not require a supervisory appraiser or a trainee license to participate. Most of the language of the enabling statute of the Texas Appraiser Licensing and Certification Board (TALCB) was written with the traditional model in mind or references that are no longer applicable. C.S.H.B. 2427 seeks to remove administrative burdens on applicants while still maintaining TALCB's consumer protection functions by clarifying the applicability of certain licensing requirements to reflect modern methods of gaining experience and by removing outdated provisions.

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

C.S.H.B. 2427 amends the Occupations Code to exempt from the Texas Appraiser Licensing and Certification Act a person who performs appraisals in connection with the practical applications of real estate appraisal course as approved by the Appraiser Qualifications Board and who does not use the "certified real estate appraiser" or "licensed real estate appraiser" title or refer to an appraisal performed by the person as a certified or licensed appraisal. However, the person's performance of an appraisal in connection with that course may be credited by the Texas Appraiser Licensing and Certification Board (TALCB) toward satisfying the experience required to obtain a real estate appraiser license or certificate. The bill repeals provisions relating to TALCB's duty to publish guidelines and study guides for the appraiser examination.

C.S.H.B. 2427 removes as an acceptable form of appraisal experience for the purpose of determining the qualifications of an applicant for a real estate appraiser certificate or license experience as a financial institution's real estate mortgage lending officer or as a real estate broker that includes the actual performance or technical review of real estate appraisals. The bill repeals the requirement that the applicant provide an affidavit stating that the applicant has the required number of hours of experience in performing appraisals as recognized by the Appraiser

Qualifications Board, and removes from the conduct that constitutes the Class B misdemeanor offense involving misrepresenting real estate appraiser qualifications the conduct of providing false information in connection with such an affidavit. The bill's experience requirement provisions apply only to an application for a certificate or license submitted to TALCB on or after the bill's effective date, and the bill's criminal penalty provision applies only to an offense committed on or after that date. The bill provides for the continuation of the law in effect before the bill's effective date for purposes of an offense, or any element thereof, that occurred before that date.

C.S.H.B. 2427 authorizes TALCB's presiding officer, with the advice and consent of TALCB's executive committee, to appoint an investigative committee consisting of at least two members. The presiding officer of the investigative committee must be a TALCB member. The bill requires the investigative committee to review and determine the facts of a complaint under the Texas Appraisal Management Company Registration and Regulation Act and submit in a timely manner a written report regarding the complaint to TALCB. These provisions apply only to a complaint submitted on or after the bill's effective date.

C.S.H.B. 2427 repeals Sections 1103.205(b) and 1103.259, Occupations Code.

EFFECTIVE DATE

September 1, 2023.

COMPARISON OF INTRODUCED AND SUBSTITUTE

While C.S.H.B. 2427 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

Whereas the introduced established that appraisals in connection with the practical applications of real estate appraisal course may be credited by TALCB toward satisfying the education and experience required to obtain a real estate appraiser license or certificate, the substitute establishes that those appraisals may be credited toward satisfying only the experience required to obtain such a license or certificate.