

BILL ANALYSIS

Senate Research Center
88R19110 SHH-F

C.S.S.B. 1222
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Business & Commerce
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Real Estate Commission and Texas Appraisal Licensing & Certification Board regularly prepare bills to clean up current law. These groups have identified several barriers to licensees entering the appraisal industry, including confusion over experience requirements, frustration with submitting a sworn affidavit, and a lack of clarity over whether their experience needs to be in compliance with the Uniform Standard of Professional Appraisal Practice, which is a set of national guidelines.

What's more, the Texas Appraisal Licensing & Certification Board (TALCB) still is required to develop study guides for the appraiser licensing exam, despite the fact that Texas no longer creates this test and most test takers will choose exam prep created by private retailers. Lastly, the Texas Appraisal Management Company Registration and Regulation Act does not require an investigative committee review in its complaint process. This investigative committee review currently is being utilized for appraiser complaints, and there has been some confusion regarding why the two otherwise similar processes do not mirror one another.

S.B. 1222 would facilitate entry into the appraisal industry by clarifying the requirements for applicants and ensuring that all submitted experience adheres to the Uniform Standards of Professional Appraisal Practice. This bill also would repeal the requirement for TALCB to develop study guides for the appraiser licensing exam that test takers are not utilizing. What's more, this bill would add more transparency in the appraisal management complaint process by adding an investigative committee review. These changes would make the appraisal industry more accessible for new applicants, while also introducing a new level of transparency and efficiency throughout the relevant entities.

(Original Author's/Sponsor's Statement of Intent)

C.S.S.B. 1222 amends current law relating to regulation of appraisers and the duties of the Texas Appraiser Licensing and Certification Board.

RULEMAKING AUTHORITY

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 1103.004, Occupations Code, as follows:

Sec. 1103.004. APPLICABILITY OF CHAPTER. (a) Creates this subsection from existing text. Provides that Chapter 1103 (Real Estate Appraisers) does not apply to:

(1)-(4) makes no changes to these subdivisions;

(5)-(6) makes nonsubstantive changes to these subdivisions;

(7) a person who:

(A) performs appraisals in connection with the Practical Applications of Real Estate Appraisal course as approved by the Appraiser Qualifications Board; and

(B) does not use a title or a reference in violation of Section 1103.201(b) (relating to prohibiting a person, unless the person holds the appropriate license or certification, from performing certain actions).

(b) Authorizes the appraisals described by Subsection (a)(7), notwithstanding that subsection, to be credited by the Texas Appraisers Licensing and Certification Board (TALCB) toward satisfying the experience required to obtain a license or certificate under this chapter.

SECTION 2. Amends Section 1103.205(c), Occupations Code, by deleting existing text providing that acceptable appraisal experience, for the purpose of determining the qualifications of an applicant for a certificate or license under this chapter, includes experience as a real estate mortgage lending officer of a financial institution or as a real estate broker that includes the actual performance or technical review of real estate appraisals. Makes nonsubstantive changes.

SECTION 3. Amends Section 1103.554(a), Occupations Code, by deleting existing text providing that a person commits an offense if the person knowingly provides false information in connection with an affidavit filed under Section 1103.205 (Fulfillment of Experience Requirements). Makes nonsubstantive changes.

SECTION 4. Amends Subchapter E, Chapter 1104, Occupations Code, by adding Section 1104.2051, as follows:

Sec. 1104.2051. INVESTIGATIVE COMMITTEE. (a) Authorizes the presiding officer of TALCB, with the advice and consent of the executive committee of TALCB, to appoint an investigative committee.

(b) Provides that an investigative committee consists of at least two members. Requires the presiding officer of the investigative committee to be a TALCB member.

(c) Requires an investigative committee to:

(1) review and determine the facts of a complaint; and

(2) submit in a timely manner a written report regarding the complaint to TALCB.

SECTION 5. Repealers: Sections 1103.205(b) (relating to requiring an applicant for a certificate or license to provide an affidavit on a form prescribed by TALCB stating that the applicant has the required number of hours of experience in performing appraisals as recognized by the Appraiser Qualifications Board) and 1103.259 (Guidelines; Study Guides), Occupations Code.

SECTION 6. Makes application of Section 1103.205, Occupations Code, prospective.

SECTION 7. Makes application of Section 1103.554, Occupations Code, prospective.

SECTION 8. Makes application of Section 1104.2051, Occupations Code, prospective.

SECTION 9. Effective date: September 1, 2023.