

BILL ANALYSIS

Senate Research Center
89R31654 RAL-F

C.S.H.B. 3250
By: Darby (Menéndez)
Business & Commerce
5/22/2025
Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The Texas Appraiser Licensing and Certification Board (TALCB) regulates real estate appraisers and appraisal management companies (AMCs). The bill author has informed the committee that TALCB is interested in statutory changes to increase efficiency, enhance consumer protection, and support industry growth as, with only about 6,700 active licensed appraisers serving nearly 350,000 home sales in 2024, there is concern—especially in rural areas—about the aging workforce and high barriers to entry, including costly training and supervision requirements. Additionally, under current law, TALCB lacks access to business contact information which has caused confusion and frustration within the appraisal and real estate industries, particularly in high-population counties where distinguishing between similarly named appraisers can be difficult.

H.B. 3250 seeks to strengthen the appraisal industry by granting TALCB the authority to administer a stipend program that supports industry growth and sustainability and to collect and display business contact information for license holders on its website.

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

C.S.H.B. 3250 amends current law relating to the regulation of real estate appraisers and appraisal management companies.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Appraiser Licensing and Certification Board in SECTION 1 (Section 1103.164, Occupations Code) of this bill.

Rulemaking authority previously granted to the Texas Appraiser Licensing and Certification Board is modified in SECTION 8 (Section 1104.208, Occupations Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subchapter D, Chapter 1103, Occupations Code, by adding Section 1103.164, as follows:

Sec. 1103.164. STIPEND PROGRAM. (a) Authorizes the Texas Appraiser Licensing and Certification Board (TALCB) to establish a program to provide stipends to appraiser trainees, persons completing requirements necessary for or otherwise seeking the issuance of a certificate or license under Chapter 1103 (Real Estate Appraisers), and certified appraisers who serve as supervisory appraisers for certain public purposes.

(b) Requires TALCB, in awarding stipends under this section, to consider the financial need of each person who applies for a stipend under this section.

(c) Provides that TALCB is authorized to use only gifts, grants, and donations received under Section 1103.157 (Gifts, Grants, and Donations) to fund the stipend program under this section.

(d) Requires TALCB to adopt rules necessary to implement this section, including rules establishing the amount of a stipend awarded under this section.

SECTION 2. Amends Section 1103.403(b), Occupations Code, as follows:

(d) Requires the chief appraiser, not later than the 10th day after the date an appraiser changes the appraiser's mailing address, business address, business email address, or business telephone number, to notify TALCB of the change and pay any required fee.

SECTION 3. Amends Section 1104.104(b), Occupations Code, to provide that the controlling person designated under Subsection (a) (relating to requiring an appraisal management company applying for registration to designate one controlling person as the point of contact for certain entities) is required to meet certain criteria, including being required to perform certain actions, including being required to be licensed or certified as an appraiser in at least one state at all times during the designation.

SECTION 4. Amends the heading to Section 1104.151, Occupations Code, to read as follows:

Sec. 1104.151. RESTRICTIONS ON EMPLOYMENT AND CONTROLLING PERSON

SECTION 5. Amends Section 1104.151(a), Occupations Code, to prohibit an appraisal management company registered under Chapter 1104 (Appraisal Management Companies) from knowingly performing certain actions, including having, as a controlling person, a person who has had a license or certificate as an appraiser or a registration as an appraisal management company suspended, revoked, or put on probation in any state, and to make nonsubstantive changes.

SECTION 6. Amends Section 1104.202(d), Occupations Code, as follows:

(d) Requires TALCB, notwithstanding any other law, to remit an administrative penalty collected under Section 1104.202 (Administrative Penalty) to the Comptroller of Public Accounts of the State of Texas for deposit in the general revenue fund.

Deletes existing text requiring that an administrative penalty collected under this section, notwithstanding any other law, be deposited in a restricted fund maintained and operated by TALCB to develop educational programs for appraisers or to conduct studies that enhance consumer protection.

SECTION 7. Amends Sections 1104.205(b) and (c), Occupations Code, as follows:

(b) Requires an investigator designated by the presiding officer of TALCB or the executive director of TALCB (executive director), rather than commissioner, to investigate each allegation in a complaint to determine whether probable cause exists for a hearing on the complaint.

(c) Requires TALCB or the executive director, rather than TALCB or the commissioner, if TALCB determines that a complaint does not present facts that are grounds for disciplinary action, to dismiss the complaint and prohibits them from taking further action.

SECTION 8. Amends Section 1104.208(b), Occupations Code, to authorize TALCB by rule to delegate any of its authority under Subsection (a) (relating to authorizing TALCB, based on a report of investigation, to perform certain actions) to the executive director, rather than the commissioner.

SECTION 9. Amends Section 1104.2081(b), Occupations Code, to make a conforming change.

SECTION 10. Makes application of Section 1104.151(a), Occupations Code, as amended by this Act, prospective.

SECTION 11. Makes application of Section 1104.202(d), Occupations Code, as amended by this Act, prospective.

SECTION 12. (a) Effective date, except as provided by Subsection (b) of this section: September 1, 2025.

(b) Effective date, Section 1103.164, Occupations Code, as added by this Act: upon passage or September 1, 2025.