

By: Darby

H.B. No. 3250

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of real estate appraisers and appraisal management companies.

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

SECTION 1. Subchapter D, Chapter 1103, Occupations Code, is amended by adding Section 1103.164 to read as follows:

Sec. 1103.164. STIPEND PROGRAM. (a) The board shall 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 this chapter, and certified appraisers who serve as supervisory appraisers for the following public purposes:

(1) promoting the professional needs of this state;

(2) increasing the number of highly trained and educated appraisers available to serve the residents of this state; and

(3) improving the business environment of and encouraging economic development in this state.

(b) In awarding stipends under this section, the board shall consider the financial need of each person who applies for a stipend under this section.

(c) The board may use only gifts, grants, and donations received under Section 1103.157 to fund the stipend program under this section.

1 (d) The board shall adopt rules necessary to implement this
2 section, including rules establishing the amount of a stipend
3 awarded under this section.

4 SECTION 2. Section 1103.203(d), Occupations Code, is
5 amended to read as follows:

6 (d) The application must include the applicant's current
7 mailing address, business address, and business telephone number
8 and the applicant's business e-mail address, if available. The
9 applicant shall notify the board of any change in the applicant's
10 mailing or e-mail address or telephone number while the application
11 is pending.

12 SECTION 3. Section 1104.104(b), Occupations Code, is
13 amended to read as follows:

14 (b) The controlling person designated under Subsection (a):

15 (1) must:

16 (A) be licensed or certified as an appraiser in
17 at least one state at all times during the designation; or

18 (B) have completed:

19 (i) the 15-hour national Uniform Standards
20 of Professional Appraisal Practice course; and

21 (ii) the seven-hour national Uniform
22 Standards of Professional Appraisal Practice update course not more
23 than two years before the renewal of the appraisal management
24 company's registration;

25 (2) may not have had a license or certificate to act as
26 an appraiser denied, revoked, or surrendered in lieu of revocation
27 in any state unless:

1 (A) the person has subsequently had the license
2 or certificate to act as an appraiser granted or reinstated; and

3 (B) the license or certificate to act as an
4 appraiser was denied, revoked, or surrendered for a nonsubstantive
5 reason as determined by the board; and

6 (3) shall submit to a background investigation, as
7 determined by the board.

8 SECTION 4. The heading to Section 1104.151, Occupations
9 Code, is amended to read as follows:

10 Sec. 1104.151. RESTRICTIONS ON EMPLOYMENT AND CONTROLLING
11 PERSON [~~OF CERTAIN PERSONS PROHIBITED~~].

12 SECTION 5. Section 1104.151(a), Occupations Code, is
13 amended to read as follows:

14 (a) An appraisal management company registered under this
15 chapter may not knowingly:

16 (1) employ a person in a position in which the person
17 has the responsibility to order appraisals or to review completed
18 appraisals if the person has had a license or certificate to act as
19 an appraiser denied, revoked, or surrendered in lieu of revocation
20 in any state;

21 (2) enter into any independent contractor arrangement
22 for the provision of appraisals or appraisal management services
23 with any person who has had a license or certificate to act as an
24 appraiser denied, revoked, or surrendered in lieu of revocation in
25 any state; [~~or~~]

26 (3) enter into any contract, agreement, or other
27 business relationship for the provision of appraisals or appraisal

management services with any entity that employs, has entered into an independent contract arrangement, or has entered into any contract, agreement, or other business relationship with any person who has ever had a license or certificate to act as an appraiser denied, revoked, or surrendered in lieu of revocation in any state; or

(4) have, 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.

SECTION 6. Section 1104.202(d), Occupations Code, is amended to read as follows:

(d) Notwithstanding any other law, the board shall remit an administrative penalty collected under this section to the comptroller for deposit in the general revenue fund ~~[an administrative penalty collected under this section must be deposited in a restricted fund maintained and operated by the board to develop educational programs for appraisers or to conduct studies that enhance consumer protection]~~.

SECTION 7. Sections 1104.205(b) and (c), Occupations Code, are amended to read as follows:

(b) An investigator designated by the presiding officer of the board or the executive director ~~[commissioner]~~ shall investigate each allegation in a complaint to determine whether probable cause exists for a hearing on the complaint.

(c) If the board determines that a complaint does not present facts that are grounds for disciplinary action, the board

1 or the executive director [~~commissioner~~] shall dismiss the
2 complaint and may not take further action.

3 SECTION 8. Section 1104.208(b), Occupations Code, is
4 amended to read as follows:

5 (b) The board by rule may delegate any of its authority
6 under Subsection (a) to the executive director [~~commissioner~~].

7 SECTION 9. Section 1104.2081(b), Occupations Code, is
8 amended to read as follows:

9 (b) An agreed order must be:

10 (1) approved by the board; and

11 (2) signed by the executive director [~~commissioner~~]
12 and the appraisal management company or other person who is the
13 subject of the complaint.

14 SECTION 10. Section 1103.203, Occupations Code, as amended
15 by this Act, applies only to an application for a certificate or
16 license or renewal of a certificate or license submitted on or after
17 the effective date of this Act. An application submitted before the
18 effective date of this Act is governed by the law in effect on the
19 date the application was submitted, and the former law is continued
20 in effect for that purpose.

21 SECTION 11. Section 1104.151(a), Occupations Code, as
22 amended by this Act, applies only to conduct that occurs on or after
23 the effective date of this Act. Conduct that occurs before the
24 effective date of this Act is governed by the law in effect on the
25 date the conduct occurred, and the former law is continued in effect
26 for that purpose.

27 SECTION 12. Section 1104.202(d), Occupations Code, as

1 amended by this Act, applies only to an administrative penalty that
2 is collected on or after the effective date of this Act. An
3 administrative penalty collected before the effective date of this
4 Act is governed by the law in effect on the date the penalty was
5 collected, and the former law is continued in effect for that
6 purpose.

7 SECTION 13. (a) Except as provided by Subsection (b) of
8 this section, this Act takes effect September 1, 2025.

9 (b) Section 1103.164, Occupations Code, as added by this
10 Act, takes effect immediately if this Act receives a vote of
11 two-thirds of all the members elected to each house, as provided by
12 Section 39, Article III, Texas Constitution. If this Act does not
13 receive the vote necessary for immediate effect, that section takes
14 effect September 1, 2025.