

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 may 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 1103.403(b), Occupations Code, is
5 amended to read as follows:

6 (b) Not later than the 10th day after the date an appraiser
7 changes the appraiser's mailing address, business address,
8 business e-mail address, or business telephone number, the
9 appraiser shall notify the board of the change and pay any required
10 fee.

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

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

14 (1) must:

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

17 (B) have completed:

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

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

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

27 (A) the person has subsequently had the license

or certificate to act as an appraiser granted or reinstated; and

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

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

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

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

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

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

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

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

(3) enter into any contract, agreement, or other business relationship for the provision of appraisals or appraisal management services with any entity that employs, has entered into

1 an independent contract arrangement, or has entered into any
2 contract, agreement, or other business relationship with any person
3 who has ever had a license or certificate to act as an appraiser
4 denied, revoked, or surrendered in lieu of revocation in any state;
5 or

6 (4) have, as a controlling person, a person who has had
7 a license or certificate as an appraiser or a registration as an
8 appraisal management company suspended, revoked, or put on
9 probation in any state.

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

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

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

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

25 (c) If the board determines that a complaint does not
26 present facts that are grounds for disciplinary action, the board
27 or the executive director [~~commissioner~~] shall dismiss the

1 complaint and may not take further action.

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

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

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

8 (b) An agreed order must be:

9 (1) approved by the board; and

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

13 SECTION 10. Section 1104.151(a), Occupations Code, as
14 amended by this Act, applies only to conduct that occurs on or after
15 the effective date of this Act. Conduct that occurs before the
16 effective date of this Act is governed by the law in effect on the
17 date the conduct occurred, and the former law is continued in effect
18 for that purpose.

19 SECTION 11. Section 1104.202(d), Occupations Code, as
20 amended by this Act, applies only to an administrative penalty that
21 is collected on or after the effective date of this Act. An
22 administrative penalty collected before the effective date of this
23 Act is governed by the law in effect on the date the penalty was
24 collected, and the former law is continued in effect for that
25 purpose.

26 SECTION 12. (a) Except as provided by Subsection (b) of
27 this section, this Act takes effect September 1, 2025.

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

H.B. No. 3250

President of the Senate

Speaker of the House

I certify that H.B. No. 3250 was passed by the House on May 2, 2025, by the following vote: Yeas 104, Nays 28, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 3250 on May 28, 2025, by the following vote: Yeas 101, Nays 34, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 3250 was passed by the Senate, with amendments, on May 25, 2025, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

APPROVED: _____

Date

Governor