

1-1 By: Darby (Senate Sponsor - Menéndez) H.B. No. 3250
1-2 (In the Senate - Received from the House May 5, 2025;
1-3 May 5, 2025, read first time and referred to Committee on Business
1-4 & Commerce; May 22, 2025, reported adversely, with favorable
1-5 Committee Substitute by the following vote: Yeas 11, Nays 0;
1-6 May 22, 2025, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	Schwertner	X		
1-10	King	X		
1-11	Blanco	X		
1-12	Campbell	X		
1-13	Creighton	X		
1-14	Johnson	X		
1-15	Kolkhorst	X		
1-16	Menéndez	X		
1-17	Middleton	X		
1-18	Nichols	X		
1-19	Zaffirini	X		

1-20 COMMITTEE SUBSTITUTE FOR H.B. No. 3250 By: King

1-21 A BILL TO BE ENTITLED
1-22 AN ACT

1-23 relating to the regulation of real estate appraisers and appraisal
1-24 management companies.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Subchapter D, Chapter 1103, Occupations Code, is
1-27 amended by adding Section 1103.164 to read as follows:

1-28 Sec. 1103.164. STIPEND PROGRAM. (a) The board may
1-29 establish a program to provide stipends to appraiser trainees,
1-30 persons completing requirements necessary for or otherwise seeking
1-31 the issuance of a certificate or license under this chapter, and
1-32 certified appraisers who serve as supervisory appraisers for the
1-33 following public purposes:

1-34 (1) promoting the professional needs of this state;

1-35 (2) increasing the number of highly trained and
1-36 educated appraisers available to serve the residents of this state;
1-37 and

1-38 (3) improving the business environment of and
1-39 encouraging economic development in this state.

1-40 (b) In awarding stipends under this section, the board shall
1-41 consider the financial need of each person who applies for a stipend
1-42 under this section.

1-43 (c) The board may use only gifts, grants, and donations
1-44 received under Section 1103.157 to fund the stipend program under
1-45 this section.

1-46 (d) The board shall adopt rules necessary to implement this
1-47 section, including rules establishing the amount of a stipend
1-48 awarded under this section.

1-49 SECTION 2. Section 1103.403(b), Occupations Code, is
1-50 amended to read as follows:

1-51 (b) Not later than the 10th day after the date an appraiser
1-52 changes the appraiser's mailing address, business address,
1-53 business e-mail address, or business telephone number, the
1-54 appraiser shall notify the board of the change and pay any required
1-55 fee.

1-56 SECTION 3. Section 1104.104(b), Occupations Code, is
1-57 amended to read as follows:

1-58 (b) The controlling person designated under Subsection (a):

1-59 (1) must:
1-60 (A) be licensed or certified as an appraiser in

at least one state at all times during the designation; or

(B) have completed:

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

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

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

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

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

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

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

(b) An agreed order must be:

(1) approved by the board; and

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

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

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

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

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

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