

**SENATE AMENDMENTS**  
**2<sup>nd</sup> Printing**

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

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

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

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

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

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

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

26 (c) If the board determines that a complaint does not  
27 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.

ADOPTED

MAY 25 2025

*Larry Spaw*  
Secretary of the Senate

By: *Jai Menis*

H.B. No. 3250

Substitute the following for H.B. No. 3250:

By: *Phil King*

C.S. H.B. No. 3250

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9 persons completing requirements necessary for or otherwise seeking  
10 the issuance of a certificate or license under this chapter, and  
11 certified appraisers who serve as supervisory appraisers for the  
12 following public purposes:

13 (1) promoting the professional needs of this state;

14 (2) increasing the number of highly trained and  
15 educated appraisers available to serve the residents of this state;  
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18 encouraging economic development in this state.

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

22 (c) The board may use only gifts, grants, and donations  
23 received under Section 1103.157 to fund the stipend program under  
24 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):

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19 of Professional Appraisal Practice course; and

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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;

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25 an appraiser denied, revoked, or surrendered in lieu of revocation  
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23 appraiser denied, revoked, or surrendered in lieu of revocation in  
24 any state; [~~or~~]

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

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**May 26, 2025**

**TO:** Honorable Dustin Burrows, Speaker of the House, House of Representatives

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB3250** by Darby (Relating to the regulation of real estate appraisers and appraisal management companies.), **As Passed 2nd House**

<b>No significant fiscal implication to the State is anticipated.</b>
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The Real Estate Commission is a self-directed, semi-independent agency that is responsible for its costs of operations, prohibited from causing the General Revenue Fund to incur any cost, and not subject to the legislative budgeting process.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 329 Real Estate Commission

**LBB Staff:** JMc, SD, RStu, DPE, TUf, GDZ

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**May 22, 2025**

**TO:** Honorable Charles Schwertner, Chair, Senate Committee on Business & Commerce

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB3250** by Darby (relating to the regulation of real estate appraisers and appraisal management companies.), **Committee Report 2nd House, Substituted**

<b>No significant fiscal implication to the State is anticipated.</b>
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**Source Agencies:** 304 Comptroller of Public Accounts, 329 Real Estate Commission

**LBB Staff:** JMc, RStu, DPE, TUF, GDZ

**LEGISLATIVE BUDGET BOARD**

**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**May 19, 2025**

**TO:** Honorable Charles Schwertner, Chair, Senate Committee on Business & Commerce

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB3250** by Darby (Relating to the regulation of real estate appraisers and appraisal management companies.), **As Engrossed**

**No significant fiscal implication to the State is anticipated.**

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**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 304 Comptroller of Public Accounts, 329 Real Estate Commission

**LBB Staff:** JMc, RStu, DPE, TUf, GDZ

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**April 7, 2025**

**TO:** Honorable Dade Phelan, Chair, House Committee on Licensing & Administrative Procedures

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB3250** by Darby (Relating to the regulation of real estate appraisers and appraisal management companies.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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**LBB Staff:** JMc, TUf, GDZ, DPE