

Bill Summary for HB1530

SECTION 1. Amends §1101.005(5), Occupations Code, to provide that a person acting under a court order or under the authority of a will or trust instrument to conduct a real estate transaction is not subject to the Real Estate License Act to make clear that a person operating under such authority may not engage in the regular business of real estate brokerage without a real estate license.

SECTION 2. Amends §1101.057(a), Occupations Code, to remove the “illness or disability” clause from the list of reasons for removal of a member from the commission. Thus a member may be removed for failing to discharge the member’s duties for a substantial part of the member’s term, regardless of whether the reason for such failure is based on illness or disability.

SECTION 3. Amends §1101.152(a), Occupations Code, to require the commission to adopt rules to charge and collect reasonable fees, including a fee for certain purposes. Includes amongst these fees a fee for conducting a criminal history check for issuing or renewing a real estate license (license). Deletes existing limitations on the amount of certain fees.

SECTION 4. Amends §1101.302(b), Occupations Code, to increase the surety bond requirement for an educational institution authorized by the commission to offer a real estate or real estate inspector education program or course of study from \$10,000 to \$20,000.

SECTION 5. Amends Subchapter H, Chapter 1101, Occupations Code, by adding §1101.3521 to require the commission to require that an applicant for a license or renewal of an unexpired license submit a complete and legible set of fingerprints, on a form prescribed by the commission, to the commission or to the Department of Public Safety (DPS) for the purpose of obtaining criminal history record information from DPS and the Federal Bureau of Investigation; requires the commission to refuse to issue a license to or renew the license of a person who does not comply with the requirement of Subsection (a); requires the commission to conduct a criminal history check of each applicant for a license or renewal of a license using certain information; and authorizes the commission to enter into an agreement with DPS to administer a criminal history check required under this section and to authorize DPS to collect from each applicant the costs incurred by DPS in conducting the criminal history check.

SECTION 6. Amends §1101.356(a), Occupations Code, to require an applicant for a broker license to complete 2 semester hours (30 clock hours) of real estate brokerage as part of the 18 semester hours (270 clock hours) of core real estate courses required for a broker’s license.

SECTION 7. Amends Subchapter J, Chapter 1101, Occupations Code, by adding §1101.4521 to require an applicant for the renewal of an unexpired license to comply with the criminal history record check requirements of Section 1101.3521.

SECTION 8. Amends §1101.455, Occupations Code, by adding Subsection (k), to provide that a member of the legislature licensed under this chapter, notwithstanding the number of hours required by Subsection (e), is only required to complete three hours of continuing education on the legal topics under Subsection (e).

SECTION 9. Amends §1101.652(a), Occupations Code, to permit the commission to take disciplinary action against a license holder if he or she fails to timely notify the commission that he or she has entered a guilty plea to a felony or a criminal offense involving fraud.

SECTION 10. Amends §1101.655(a), Occupations Code, to permit the commission to revoke a license, approval, or registration issued by the commission under Chapters 1101 and 1102, Occupations Code, upon payment from the real estate recovery trust account on behalf of the licensee.

SECTION 11. Amends §1102.111(b), Occupations Code, to require the commission by rule to provide for substitution of relevant experience and, rather than or, additional education in lieu of the number of inspections and previous licensure requirements for real estate and professional inspector licensing, and provides that rules adopted under this section may not require more than 7 years of relevant experience and 320 of additional education.

SECTION 12. Amends §1102.402, to permit the commission to revoke a license, approval, or registration issued by the commission under Chapters 1101 and 1102, Occupations Code, upon payment from the real estate recovery trust account on behalf of the licensee. A person is unable to obtain an inspector license, regardless of whether the license was revoked or expired, until the person has repaid in full the amount paid from the fund on the person's account, plus interest at the legal rate.

SECTION 13. Amends §1303.302, Occupations Code, to include the buyer's agent to the list of persons subject to §1303.302 to provide (i) that a seller of residential property, the seller's agent and the buyer's agent may not require that the buyer purchase a residential service contract as a condition of the purchase of residential property, and (ii) that such persons must provide a clear and conspicuous statement that the purchase of a residential service contract is optional and that similar coverage can be purchase through another residential service company or insurance company that is authorized to do business in this state.

SECTION 14. Amends §1102.1035, Occupations Code, to repeal the licensing and renewal requirements for professional inspector corporations and limited liability companies.

SECTION 15. Requires an educational institution that maintains a bond under §1101.302(b), Occupations Code, on the effective date of this Act, to obtain a bond in the amount required by Section 1101.302(b), Occupations Code, as amended by this Act, not later than January 1, 2008.

SECTION 16. Requires the commission to adopt rules as required by §1101.152, Occupations Code, as amended by this Act, not later than January 1, 2008.

SECTION 17. (a) Makes application of the change in law made by this Act to §1101.356(a), Occupations Code, prospective to January 1, 2008.

(b) Provides that the requirement that a person applying for or renewing a license under Chapter 1101, Occupations Code, is required to submit to a criminal history check under §§ 1101.3521 and 1101.4521, Occupations Code, as added by this Act, applies only to an application filed on or after January 1, 2008.

SECTION 18. Provides and effective date of September 1, 2007.