

**Texas Real Estate Commission  
Chapter 535, GENERAL PROVISIONS  
Rules Adopted at the November 15, 2010 Commission Meeting**

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**Subchapter M. Nonresidents  
§535.131 and §535.132**

The Texas Real Estate Commission (TREC or the commission) adopts amendments to §535.131, regarding Unlawful Conduct; Splitting Fees and §535.132, regarding Eligibility of Licensure without changes to the proposed text as published in the September 10, 2010, issue of the *Texas Register* (35 TexReg 8267), and will not be republished.

Section 535.131 is amended to delete subsections (b) - (d) as the subjects are otherwise covered in definitions under §535.1 or in new §535.4 regarding License Required. Section 535.132 is amended to delete the definition for "state" which was moved to §535.1. TREC is simultaneously proposing the amendments as part of a comprehensive rule review of 22 TAC Chapter 535.

Generally speaking, the amendments correct typographical errors, reorganize, clarify, and streamline existing rules, and update cites to new laws and codes.

The reasoned justification for the amendments is more streamlined, consistent and readable rules.

No comments were received on the rules as proposed.

The amendments are adopted under Texas Occupations Code, §1101.151, which authorizes the Texas Real Estate Commission to make and enforce all rules and regulations necessary for the performance of its duties and to establish standards of conduct and ethics for its licensees in keeping with the purpose and intent of the Act to ensure compliance with the provisions of the Act.

The statutes affected by this adoption are Texas Occupations Code, Chapter 1101 and Chapter 1102. No other statute, code or article is affected by the adoption.

**§535.131. Unlawful Conduct; Splitting Fees.**

(a) The Act, permits Texas-licensed brokers to cooperate with and share earned

commissions with persons licensed as brokers in other states, but all negotiations physically conducted within Texas must be handled by Texas licensees.

(b) A resident of a foreign state that does not require a person to be licensed to act as a real estate broker is considered to be licensed as a broker for the purposes of §1101.651 of the Act, if the person complies with the law of the foreign state and practices there as a real estate broker.

**§535.132. Eligibility for Licensure.**

(a) A person residing in another state may apply for a license under the provisions of Subchapter H of the Act and this section if the person:

(1) is licensed as a broker by the other state; or

(2) was licensed as a Texas real estate salesperson or broker no more than six years prior to the filing of the application. The commission may waive examination, education and experience requirements if the applicant satisfies the conditions established by §535.61 of this title (relating to Waiver of Examinations) and by either §535.62 of this title (relating to Brokers: Education and Experience) or §535.63 of this title (relating to Salespersons: Education).

(b) A limited liability company created under the laws of another state or a corporation chartered in a state other than Texas may apply for a Texas real estate broker license if the entity meets one of the following requirements.

(1) The entity is licensed as a broker by the state in which it was created or chartered.

(2) The entity is licensed as a broker in a state in which it is permitted to engage in real estate brokerage business as a foreign limited liability company or corporation.

(3) The entity was created or chartered in a state that does not license limited liability companies or corporations, as the case may be, and the entity is lawfully engaged in the practice of real estate brokerage in another state and meets all other requirements for applications for a license in Texas.

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(c) An individual licensed as a broker who subsequently moves to another state is not required to maintain an office in Texas unless the individual sponsors a salesperson in this state.

(d) To be eligible to receive a license and maintain an active license, a limited liability company or corporation created or chartered in another state must designate a person to act for it who meets the requirements of §1101.453 of the Act, although the designated person is not required to be a resident of Texas. Foreign corporations and limited liability companies also must be permitted to engage in business in this state to receive a Texas real estate broker license.

This agency hereby certifies that the adoption has been reviewed by legal counsel and found to be within the agency's legal authority to adopt.

Filed with the Office of the Secretary of State on December 6, 2010

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Texas Real Estate Commission