



TEXAS REAL ESTATE COMMISSION

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PRESS RELEASE

TEXAS REAL ESTATE COMMISSION TO EXAMINE INTERNET ADVERTISING;
ALSO PROPOSES NO LICENSE FEE INCREASES IN BUDGET PLAN

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FOR IMMEDIATE RELEASE:

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During a meeting of the Texas Real Estate Commission (TREC) held on Monday, July 27, Commissioners decided to take a close look at new methods and recent trends in real estate advertising over the Internet, and through other electronic means. Commission Chairman, Jay Brummett, said, "New technology and expanding markets involving business transactions from state to state raises several issues of concern. Interstate business opportunities, combined with technological tools, necessitates an examination of advertising practices through electronic means to determine if current regulatory standards are being met."

Several commission members agreed that it is important to assure compliance with requirements governing real estate advertising displayed over the Internet, web sites, E-mail, and through cable outlets. Observable or reported violations of advertising standards through alternative methods may include failure to include the name of licensed brokers or broker agencies, or may have other content that is misleading to consumers.

Commissioners directed that a notice in the agency's *Advisor* newsletter be published expressing the intent of TREC to enforce current regulations on advertising regardless of whether it is published electronically, including on the Internet, or through more traditional mediums. Also, in an effort to further assess the extent of potential rule violations, and the potential for new approaches to enforcement of advertising rules, the Commission will be seeking input from consumers, licensees, and the general public over the next several weeks. TREC will be soliciting

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opinions and comments as to how electronic and alternative advertising concerns should be addressed. It is anticipated that a summary of comments along with possible recommendations could be completed for presentation to the Commission in October of this year.

On another enforcement related issue, Commissioners considered a new proposal to require real estate education providers to read aloud, at the beginning of each exam preparation course, a text of the Commission's rule prohibiting disclosure of license exam questions. This proposal would remind all involved that it is a serious legal violation for education course providers to solicit, or examinees to reveal, specific test related questions and/or answers. Further consideration of the measure and possible final adoption is scheduled for the Commission's next regularly scheduled meeting on September 14.

Commissioners approved TREC's biennium appropriation request for submission to the State Legislature. The budget request totals \$3,608,262 for fiscal year 2000 and \$3,613,379 in fiscal 2001.

TREC Administrator, Wayne Thorburn, explained that no increases in license fees collected by the agency to fund its operations are expected under the budget proposal. He also said that the proposal places the highest priority on improving the effectiveness of the agency's enforcement programs. As consumers become more aware of TREC's complaint process, the number of complaints filed has steadily increased. This budget priority is intended to provide swift and accurate complaint resolution.

As part of an ongoing regulatory review to determine if various TREC rules remain valid or are in need of revision, Commissioners determined that the need for rules pertaining to canons of professional ethics and conduct for real estate licensees still exists. These particular provisions were re-adopted without revision. Rules relating to practice and procedure, primarily in rule making and disciplinary proceedings; as well as regarding general administration are the next provisions slated for review.

Commissioners began the process of replacing a 14-page standard inspection form in favor of a new simplified five page report form that has recently been promulgated. At its next meeting,

discontinuation of the longer complex form, effective January 1, 1999, is expected to be authorized.

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Final action at the next meeting is also anticipated on a proposed grace period for completion of mandatory continuing education (MCE) for renewal of real estate licenses. Under the proposal, applicants would be allowed to renew their licenses without first completing the MCE requirement. They would, however, be required to pay an additional \$200 fee and complete their course work within 60 days of renewal.

This proposal is regarded as helpful to salespersons and brokers alike. Salespersons would additionally benefit from the grace period since, under the current process, there is a risk of their real estate practice being interrupted if their sponsoring broker's license cannot be renewed due to non-completion of MCE in a timely way.

Also during their meeting on Monday, July 27, Commissioners announced selection of the agency's 50th anniversary commemorative logo design. Mr. Rick Valdes, an investigator for the agency's Enforcement Division, submitted the winning design entry. Sixteen logo proposals were presented for Commission review through a design competition among TREC employees.