

TREC HOUSEKEEPING BILL

Senate Bill 747, the TREC housekeeping bill, will become law on September 1, 2011. The following provisions of the bill go into effect on September 1.

- All business entities will be required to obtain errors and omissions insurance of at least \$1 million if the designated agent of the entity (active broker in good standing) owns less than 10% of the entity.
- A business entity that receives compensation on behalf of a license holder is required to be licensed as a broker. This requirement is already in the rules.
- Any type of business entity that engages in real estate brokerage and that is required to be registered to do business in Texas with the Secretary of State will be required to be licensed as a broker, including a partnership.
- The definition of “broker” is amended to clarify the distinction between written price opinions routinely performed by brokers and appraisal of real property that requires licensure under Occupations Code Chapter 1103.
- A person who controls the collection or acceptance of rent from a single family residence will be required to have a broker or sales license.
- An attorney licensed in a state other than Texas would need to be licensed in Texas if the attorney engages in real estate brokerage in this state.
- Applicants will be required to provide to the commission and notify the commission of any changes to the person’s current mailing address, telephone number and email address, if available.
- The period in which an applicant must satisfy an examination requirement will increase from six months to one year.
- The maximum period of time in which a person can late renew a license with monetary penalties decreases from one year to six months. If a license has been expired for six months or longer, the license may not be renewed.
- The commission will be able to impose the same types of disciplinary action against educational programs accredited by the commission as it imposes against other types of licenses regulated by the commission.
- The commission will be authorized to deny accreditation of an education program if an applicant owns or controls, or has previously owned or controlled an educational program that has been revoked.