Commission Member Training Guide

November 2026

Table of Contents

Introduction 4

Section 1 – Laws and Rules 7

1.1 Laws Governing TREC Operations 8

1.1.1 Enabling Legislation 8

Texas Occupations Code, Chapter 1101: Real Estate Brokers and Sales Agents 8

Texas Occupations Code, Chapter 1102: Real Estate Inspectors 9

Texas Property Code, Chapter 221: Texas Timeshare Act 9

Texas Occupations Code, Chapter 1105: Self-Directed and Semi Independent Status of TREC/TALCB 9

1.2 TREC Rules & Rulemaking Authority 10

1.2.1 Texas Administrative Code, Chapter 531: Canons of Professional Ethics and Conduct 10

1.2.2 Texas Administrative Code, Chapter 533: Practice and Procedure 10

1.2.3 Texas Administrative Code, Chapter 534: General Administration 10

1.2.4 Texas Administrative Code, Chapter 535: General Provisions 10

1.2.5 Texas Administrative Code, Chapter 537: Professional Agreements and Standard Contracts 10

1.2.6 Texas Administrative Code, Chapter 541: Rules Relating to the Provisions of Texas Occupations Code 10

1.2.7 Texas Administrative Code, Chapter 543: Rules Relating to the Provision of the Texas Timeshare Act 10

1.3 Texas Administrative Procedure Act 11

1.4 Texas Open Meetings Act 12

1.5 Texas Public Information Act 14

1.6 Antitrust Laws 15

1.6.1 History 15

1.6.2 State Immunity from Antitrust Liability 16

1.6.3 Other Administrative/Court Decisions 18

1.6.4 What does this mean for TREC/TALCB? 19

1.7 Other Laws Affecting Public Officials 21

1.7.1 Financial Disclosure 21

1.7.2 Conflict of Interest 21

Section 2 – TREC: An Overview 24
2.1 Agency Mission, Philosophy & Motto 25
2.2 History of TREC & TALCB 26
2.3 TREC Governing Commission & Committees 27
2.3.1 Commissioners 27
2.3.2 Commission Committees 28
2.3.3 Advisory Committees 28
2.4 Agency Staff, Programs, & Functions 30
2.4.1 TREC Executive Leadership 30
2.4.2 Agency Divisions & Senior Team 30
2.5 Financial Management of TREC 33
2.5.1 TREC-TALCB Memorandum of Understanding 33
2.5.2 TREC Annual Operating Budget, Investments & Fees 33
2.5.3 Review and Approval of Large-Value Contracts 33
2.5.4 Audits 33
Section 3 – Policies, Procedures, and Agreements 35
3.1 TREC Policies 36
3.1.1 Memoranda of Understanding 36
3.1.2 TREC Operations 36
3.1.3 Miscellaneous 36
3.2 Statement Acknowledging Receipt and Review of TREC Commission/TALCB Board Member Guide 37
Appendix – Additional Reports & Resources 39
Additional Reports 39
Strategic Plan 39
SDSI Report 39
Sunset Review Final Report 39
Additional Resources 39

Introduction

Thank you for your service on the Texas Real Estate Commission (TREC or Commission). This guide will provide necessary training, helpful information, and ongoing support for common questions and issues that may arise during your tenure on the Commission.

This guide is divided into four sections:

- Section 1 – Law and Rules provides an overview of the various laws governing the Commission and the administrative rules the Commission has adopted.
- Section 2 – TREC: An Overview provides an overview of TREC, including the agency's organization, management, operations, and roles.
- Section 3 – Policies, Procedures and Agreements provides policies of the Commission that directly relate to the work of TREC and its Commissioners.
- Appendix – Additional Reports & Resources provides links to the current Strategic Plan, SDSI Report, and the Sunset Advisory Commission Staff Report with Final Results, as well as online links to additional resources.

Section 1101.059 of the Texas Occupations Code specifies the annual training requirements for TREC Commissioners. This training covers:

- Laws governing Commission Operations
  - Texas Occupations Code, Chapter 1101
  - Texas Occupations Code, Chapter 1102
  - Texas Property Code, Chapter 221
  - Texas Occupations Code, Chapter 1105
  - TREC Rules & Rulemaking Authority; including scope and limitation
- Texas Open Meetings Act
- Texas Public Information Act
- Texas Administrative Procedure Act
- Antitrust Laws
- Conflict of interest, disclosure, and other laws relating to public officials
- Financial Management of TREC
  - Annual Budget
  - Reserves and Investments
  - TREC-TALCB MOU
- Audits
- TREC Policies

Every new Commission member must complete specific trainings within certain statutory timeframes. The first two required trainings are published by the Office of the Attorney General and can be found here. They provide detailed information regarding Open Government, including the Public Information Act and the Open Meeting Act, and must be completed within **90 days** after the date that you assume your responsibilities as a member of the TREC Commission. Tex. Gov't Code §551.005; Tex. Gov't Code §552.012. When you have completed these courses, ***please provide the TREC Recording Secretary with a copy of your course completion certificate for TREC's records.***

The third required training is published by the Comptroller of Public Accounts (CPA) and can be found here. Tex. Gov't Code §656.053. This training details the ethical and professional responsibilities associated with state contracting. It must be completed promptly upon appointment**.** ***When you have completed the course, please email a copy of your completed course certificate to the TREC Recording Secretary.***

The fourth required training course is an online video published by the University of North Texas regarding the Public Funds Investment Act, Chapter 2256, Texas Government Code. The Act governs the investment of government funds in Texas and requires education investment controls, security risks, strategy risks, market risks, diversification of investment portfolio, and compliance with the Act. You may access this online video using the information provided in the chart below. ***When you have completed this video, please email the course completion certificate to the TREC Recording Secretary.***

Additionally, all appointed state officials must complete cybersecurity and artificial intelligence training annually. Tex. Gov't Code §2054.5191. The Department of Information Resources certifies the training programs to satisfy this statutory obligation. An online link will be sent to all Commission members with instructions to complete these training courses annually.

The final training requirement is unique to TREC's Commission members. Tex. Occ. Code §1101.059. This training guide you are currently reviewing contains all information required to meet this obligation. It provides an overview of TREC programs, finances, operations, rulemaking authority, etc. Review of this document must be completed prior to voting, deliberating or being counted as a member in attendance at a Commission meeting. The law also requires these training materials to be updated annually and provided to Commission members each year. If you prefer, detailed information can be presented to you in person at your convenience. ***When you have completed your review of the TREC Commission Member Training Guide, please sign the statement form acknowledging receipt and review of this training guide found at the end of this guide and email a scanned copy to the TREC Recording Secretary.***

The table below lists all required training, including a description, the location, how to verify completion, and the deadlines for completion. It is also your responsibility to ensure that you complete all required financial and conflict of interest disclosures as described in this guide.

Required Training	Description	Location	Verification to TREC Recording Secretary	Due Date
1. Texas Open Meetings Act	Covers the basics of the Open Meetings Act	Texas Office of the Attorney General (OAG) Website	Send Course Certificate to TREC Recording Secretary upon completion	90 days after first day of service
2. Texas Public Information Act	Covers the basics of the Public Information Act	OAG Website	Send Course Certificate to TREC Recording Secretary upon completion	90 days after first day of service
3. Texas Comptroller of Public Accounts (CPA) *(must register)*	Contract training for the procurement and contracting processes of a state agency	Texas Comptroller of Public Accounts (CPA) website	Send acknowledgement form (available at end of training) to TREC Recording Secretary and the identified CPA email address	Promptly
4. Public Funds Investment Act Training	Government funds/ investment training	University of North Texas website	Send Course Certificate to TREC Recording Secretary upon completion	6 months after assuming duties
5. Cybersecurity Training		Instructions and link will be emailed to you	Completing the courses will generate automatic notification	Annually
6. AI Training		Instructions and link will be emailed to you	Completing the courses will generate automatic notification	Annually
7. TREC Commission Member Training Guide	TREC Training	Emailed to you and available on the TREC website	Email signed acknowledgment statement to TREC Recording Secretary upon completion	Prior to voting, deliberating or being counted as a member/ Annually

Section 1 – Laws and Rules

This section provides the requisite information to train new Commission members on the following topics:

- Laws Governing TREC Operations,
- TREC Rules & Rulemaking Authority,
- Texas Open Meetings Act,
- Texas Public Information Act,
- Texas Administrative Procedure Act,
- Antitrust Laws, and
- Other laws affecting public officials, including public disclosure and conflict of interest requirements.

1.1 Laws Governing TREC Operations

The Legislature has enacted three chapters of the Texas Occupations Code that govern the operations of TREC. Chapter 1101 is the Texas Real Estate License Act (TRELA), which provides for the licensing and regulation of real estate brokers and sales agents in Texas. Chapter 1102 provides for the licensing and regulation of real estate inspectors in Texas. Chapter 221 of the Texas Property Code is the Texas Timeshare Act and provides for the registration of timeshare developers and timeshare plans. Chapter 1105 grants self-directed, semi-independent (SDSI) status to the Commission. This chapter further discusses the authority and reporting requirements applicable to the Commission and Board as an SDSI agency. While not directly related to TREC operations, Chapter 1103 outlines the relationship between TREC and the Texas Appraiser Licensing and Certification Board (TALCB or Board), which is an independent subdivision of TREC.

1.1.1 Enabling Legislation

Texas Occupations Code 1101: Real Estate Brokers and Sales Agents

Subchapter A: General Provisions

Subchapter B: Texas Real Estate Commission

Subchapter C: Executive Director and Other Commissioner Personnel

Subchapter D: Commission Powers and Duties

Subchapter E: Public Interest Information and Complaint Procedures

Subchapter F: Texas Real Estate Broker-Lawyer Committee

Subchapter G: Approval of Real Estate Education al Programs and Courses of Study

Subchapter H: License Requirements

Subchapter I: Examinations

Subchapter J: License Renewal

Subchapter K: Certificate Requirements

Subchapter L: Practice by License Holder

Subchapter M: Real Estate Recovery Trust Account

Subchapter N: Prohibited Practices and Disciplinary Proceedings

Subchapter O: Administrative Penalty

Subchapter P: Other Penalties and Enforcement Provisions

Subchapter Q: General Provisions Relating to Liability Issues

Texas Occupations Code 1102: Real Estate Inspectors

- Subchapter A: General Provisions
- Subchapter B: Texas Real Estate Inspector Committee
- Subchapter C: License Requirements
- Subchapter D: License Examination
- Subchapter E: License Renewal
- Subchapter F: License Fees
- Subchapter G: Prohibited Acts
- Subchapter I: Disciplinary Proceedings, Penalties, and Enforcement Provisions

Texas Property Code 221: Texas Timeshare Act

- Subchapter A: General Provisions
- Subchapter B: Creation of Timeshare Regime
- Subchapter C: Registration
- Subchapter D: Disclosure
- Subchapter E: Cancellation of Purchase Contract
- Subchapter F: Exchange Program
- Subchapter G: Escrow Deposits
- Subchapter H: Miscellaneous Provisions
- Subchapter I: Timeshare Owners' Associations
- Subchapter J: Service Agreements to Transfer or Terminate a Timeshare Interest

Texas Occupations Code 1105: Self-Directed and Semi-Independent Status of TREC / TALCB

1.2 TREC Rules & Rulemaking Authority

TREC promulgates new rules or amends or repeals old rules to accomplish its mission as required by statute. This procedure is guided by the Texas Administrative Procedures Act. Once properly adopted, TREC rules have the full force and effect of law.

The Legislature granted rulemaking authority to TREC throughout its enabling legislation. This rulemaking authority includes authority to adopt rules related to education, licensing, charging and collecting reasonable and necessary fees, establish a compliant process, and approve forms.

Rules below can be found in the:

1.2.1 Texas Administrative Code, Chapter 531
Canons of Professional Ethics and Conduct

1.2.2 Texas Administrative Code, Chapter 533
Practice and Procedure

1.2.3 Texas Administrative Code, Chapter 534
General Administration

1.2.4 Texas Administrative Code, Chapter 535
General Provisions

1.2.5 Texas Administrative Code, Chapter 537
Professional Agreements and Standard Contracts

1.2.6 Texas Administrative Code, Chapter 541
Rules Relating to the Provisions of Texas Occupations Code

1.2.7 Texas Administrative Code, Chapter 543
Rules Relating to the Provisions of the Texas Timeshare Act

1.3 Texas Administrative Procedure Act

TREC's enabling legislation provides that certain matters, including rulemaking, appeals of a license denial, and contested case hearings when requested in a disciplinary action, are subject to the Texas Administrative Procedure Act (APA), found in Chapter 2001, Texas Government Code. The purpose of the APA is to provide minimum standards of uniform practice and procedure for state agencies, public participation in the rulemaking process, and confirmation of the state law for judiciary review. Tex. Gov't Code §2001.001.

Rulemaking:
TREC staff draft or revise rules upon Commission request, as needed, or as required by statute. Interested persons may also suggest new or amended rules by filing a petition with the Commission. Once drafted, the rulemaking process begins, in which consensus is sought from various stakeholders. Draft rules or amendments, where appropriate, are vetted through the Commission's various advisory committees prior to consideration by the Commission. After stakeholder input is received and accounted for in the draft language of a new or revised rule, the rule is brought to the Commission for consideration during an open Commission meeting.

When considering a committee recommendation for a new rule or amendments to an existing rule, the Commission may accept the recommendation, make changes to the recommendation, send the recommendation back to the committee for further development and stakeholder input, or reject the recommendation altogether. Upon approval of a new or amended rule, the Commission authorizes publication of the rule in the *Texas Register* for 30 days to provide the public with the opportunity to comment and give feedback. Following this 30-day period, the Commission considers any public feedback or comments received, and the new or amended rule is again brought before the Commission for final approval. Upon final adoption, the new or amended rule is submitted for publication in the *Texas Register* for publication. The rule becomes law 20 days after submission to the *Texas Register* or on another date specified by the Commission.

In addition, all TREC rules must be reviewed every four years for relevancy and to avoid redundancy. During a rule review, TREC follows the same process regardless of whether changes have occurred: the Commission must approve both a publication of the rule for public comment and, in a later meeting, vote to adopt or repeal the rule.

Included among the standards of uniform practice and procedure, the APA establishes the procedures for emergency rulemaking, notice and comment rulemaking, as well as rule challenges.

Contested Cases:
The APA also establishes requirements and procedures for contested case hearings, including the circumstances in which TREC may reject or modify a proposal for decision received from an Administrative Law Judge (ALJ) after an administrative hearing is held by the State Office of Administrative Hearings. Specifically, the Commission can change findings of facts or conclusions of law if the ALJ: (1) did not properly apply law, rules, policies, or prior administrative decisions; (2) relied on a prior administrative decision that is incorrect or should be changed; or (3) made a technical error in a finding of fact. Tex. Gov't Code §2001.058(e).

Finally, the APA establishes the procedures and requirements for seeking judicial review in a Travis County District Court after TREC enters a final order in a contested case.

1.4 Texas Open Meetings Act

The Texas Open Meetings Act (Open Meetings Act) governs the conduct of governmental bodies to ensure that governmental actions taken on public business and policy are accessible to the public, unless expressly authorized otherwise by statute. Violation of the Act can carry criminal penalties and civil remedies.

The Open Meetings Act prohibits a governmental body from meeting or communicating privately on agency business. This includes individual Commission member interactions if such a meeting or communication—including emails—would result in a quorum, directly or through any such chain of communications, which is referred to as a "walking quorum." To avoid such an occurrence, Commission members should be mindful of "reply all" responses to email messages that include other Commission members as addressees and sharing conversations with one or two Commissioners that may be repeated to other Commissioners thereby resulting in a conversation about agency business with a quorum of Commissioners.

The Commission traditionally meets once each quarter or as called by the Commission chair. When meeting, the Commission must adhere to all requirements of the Open Meetings Act. The Commission must comply with the following:

- A timely notice of the matters to be considered must be published in the *Texas Register*.
- A quorum of five must be present for action or deliberation by the Commission.
- Members of the Commission must abstain from discussing official business during breaks or recesses.
- Minutes of all Commission meetings must be maintained. This includes certified agendas of any matters considered in closed or executive session.
- A TREC attorney should be present for all Commission meetings to ensure full compliance with the Open Meetings Act.

The Open Meetings Act expressly provides for certain circumstances when a Commission may discuss matters in a closed meeting or executive session because an open meeting would not be appropriate. Instances when this is allowed include, but are not limited to:

- Consultations with an attorney; and
- Certain personnel matters.

Whenever a closed or executive session is held, the following requirements must be met:

- Only issues pertaining to the above-referenced exceptions shall be discussed;
- Decisions, votes, or "straw" votes on matters shall be avoided; and
- A certified agenda must be created and maintained for a minimum of two years **except** when the Commission consults with an attorney in the closed session.

Texas Open Meetings Act: Subcommittees

Generally, subcommittees are not subject to the Open Meetings Act if:

- The subcommittee is not attended by a Commission quorum; *and*
- The subcommittee does not have the authority to vote or otherwise take final action on a matter of agency business; *and*
- The Commission does not routinely "rubber stamp" the recommendation of its subcommittees.

Notwithstanding, in the interest of openness and transparency, TREC regularly posts public notice of agendas, materials, and minutes of subcommittee meetings.

1.5 Texas Public Information Act

The Texas Public Information Act (Public Information Act) creates transparency in governmental action with the foundational belief that most government records, including those held by TREC Commission members, should be open to the public upon request. As with the Open Meetings Act, failure to provide documents or take appropriate measures to protect them may result in criminal or civil penalties.

If a Commission member receives a written request for public information, the Commission member must immediately notify TREC's General Counsel and Public Information Officer. The Commission member should also respond to the requestor and direct the requestor to submit the request for public information via email to public.information@trec.texas.gov. By asking the requestor to submit their request for information through the proper channels, a Commission member allows TREC staff to fulfill the request and remain in full compliance with the Public Information Act.

Although the Public Information Act provides numerous exceptions in which information responsive to a request may be withheld, TREC must request an opinion as to whether an exception applies from the Office of the Attorney General (OAG) prior to withholding such information. TREC is subject to and must comply with specific statutory deadlines to request an opinion from the OAG. If TREC fails to comply, the ability to withhold requested information based on a specific exception may be lost. Therefore, timely notification to TREC's Executive Director, Public Information Officer, or General Counsel is imperative.

Lastly, all or a portion of a Commission member's business calendar is subject to disclosure under the Public Information Act if Commission business is maintained on the personal email account or business calendar. Commission members are strongly encouraged to maintain separate email accounts and calendars for Commission business.

For information regarding a public information request, please contact TREC's General Counsel or Public Information Officer.

1.6 Antitrust Laws

Antitrust laws were enacted by Congress to protect consumers and promote fair competition in the marketplace. Such laws are based on the premise that free and fair competition best promotes consumer welfare. Antitrust laws encourage fair competition by prohibiting businesses and individuals from engaging in anticompetitive behavior, such as collusion, price fixing, or mergers that would give substantial market power to a single company or only a few companies.

1.6.1 History

Congress passed the first antitrust laws in the late 1800s and early 1900s to combat the growth and anticompetitive behaviors of big businesses known as "trusts."[1] Many of these so-called trusts controlled entire segments of the economy, such as railroads, oil, steel, and sugar. Two of the most famous trusts were U.S. Steel and Standard Oil. Other more recent examples of large companies to come under government scrutiny for anticompetitive behavior are American Telephone & Telegraph (AT&T) and Microsoft.

President Theodore Roosevelt "busted" or broke up many of these trusts by enforcing the antitrust laws enacted by Congress. The three core antitrust laws enacted by Congress are:

- **The Sherman Act**
  This is the nation's oldest antitrust law. Passed by Congress in 1890, the Sherman Act makes it illegal for competitors to make agreements with each other that would limit competition. In particular, the Sherman Act outlaws "every contract, combination, or conspiracy in restraint of trade," and any "monopolization, attempted monopolization, or conspiracy or combination to monopolize." The Supreme Court has held that the Sherman Act does not prohibit *every* restraint of trade, only those that are unreasonable. For example, a partnership agreement between two individuals may limit or restrict trade, but may not unreasonably do so and, therefore, would not be illegal under the Sherman Act. However, certain acts are considered so harmful to competition that they are almost always illegal. Examples include plain agreements or arrangements between individuals or businesses to fix prices, divide markets, or rig bids. These acts are "*per se*" violations of the Act, in other words no defense or justification is allowed.

- **The Clayton Act**
  The Clayton Act was passed in 1914 and addresses specific acts not clearly prohibited under the Sherman Act. This Act prevents mergers or acquisitions that are likely to stifle competition or tend to create a monopoly.

[1] These trusts developed under an arrangement through which stockholders in multiple companies would transfer their shares to a single set of trustees.

- **The Federal Trade Commission Act**
  Also passed in 1914, the Federal Trade Commission Act created the Federal Trade Commission and prohibits "unfair methods of competition" and "unfair or deceptive acts or practices." The Supreme Court has said that every act that violates the Sherman Act also violates the FTC Act. Thus, the FTC can bring cases under the FTC Act for the same types of conduct or activities that violates the Sherman Act. The FTC Act also reaches other conduct harmful to competition that may not fit neatly into one of the categories of conduct prohibited under the Sherman Act. The FTC also enforces antitrust laws against states, including state licensing boards and commissions.

1.6.2 State Immunity from Antitrust Liability

Parker Immunity / The Parker Doctrine

Relevant to the activities of TREC and TALCB, the Supreme Court, in *Parker v. Brown*, 317 U.S. 341 (1943), has held that states are generally immune from antitrust liability when exercising legislative authority to enact a regulation with anticompetitive effects. The Supreme Court thus established "Parker Immunity" or the "Parker Doctrine." The rationale behind Parker Immunity is that Congress did not intend to restrain legitimate necessary state behavior when enacting the Sherman Act. The Parker Doctrine thus strikes a necessary balance between protecting competition and respecting state sovereignty.

"State action" as defined in cases granting Parker Immunity is different than "state action" in other contexts such as Due Process. The term "state action" in antitrust cases refers only to government policies that are articulated with sufficient clarity that it can be said they are in fact the state's policies, and not simply happenstance, mistakes, or acts reflecting the discretion of individual officials. Thus, when determining whether Parker Immunity applies, the question becomes whether the anticompetitive action at issue is a clearly articulated exercise of the state's sovereign power.

The Supreme Court developed a two-part test to determine if Parker Immunity applies in *California Retail Liquor Dealers Ass'n v. Midcal Aluminum*, 445 U.S. 97 (1980). A California statute required wine producers and wholesalers to file fair trade contracts or price schedules with the state. If a producer has not set prices through a fair trade contract, wholesalers must post a resale price schedule and are prohibited from selling wine to a retailer at other than the price set in a price schedule or fair trade contract. A wholesaler selling below the established prices faces fines or license suspension or revocation. A wholesaler charged with selling wine at prices less than those in the price schedules filed suit and sought to enjoin the state's wine pricing scheme. The Court found the price setting scheme constituted resale price maintenance in violation of the Sherman Act and held the state's involvement was insufficient to establish Parker Immunity.

To be immune from antitrust liability under *Parker v. Brown*:

1) The challenged action must be "one clearly articulated and affirmatively expressed as state policy"; and
2) The action must be "actively supervised" by the state itself.

The Court reasoned that, although the state's pricing scheme met the first part of the test because it was based on a clearly articulated state policy, the scheme failed the second part of the test because it was not "actively supervised" by the state. Under the California statute, the state simply authorized price setting and enforced the prices set by private parties. The state did not set the prices, review the price schedules for reasonableness, regulate terms of the fair trade contracts, monitor conditions in the market, or otherwise engage in any meaningful review of the state authorized scheme. The Court explained, "The national policy in favor of competition cannot be thwarted by casting such a gauzy cloak of state involvement over what is essentially a private price-fixing arrangement." 445 U.S. at 105-106.

NC State Board of Dental Exam'rs v. FTC

More recently, the Supreme Court considered the question of state action immunity in *North Carolina State Board of Dental Examiners v. FTC*, 135 S.Ct. 1101 (2015). At issue in this case was whether the actions of an occupational licensing board comprised of a majority individuals who were "active participants" in the licensed profession and were elected to serve on the licensing board by other active participants were entitled to antitrust immunity under the Parker Doctrine. The Supreme Court held that, in order to obtain antitrust immunity, a state agency must be actively supervised by the state if "a controlling number of [its] decision makers are active market participants in the occupation the board regulates."

The North Carolina State Board of Dental Examiners ("the Board") was a state-created agency tasked with licensing dentists and dental hygienists. Six of the eight members were required to be practicing dentists and were elected by other dentists. The Board could bring actions against people suspected of practicing dentistry without a license. In 2003, the Board became aware of a growing trend in the market for teeth-whitening services. Specifically, non-dentists were performing whitening procedures in salons and shopping mall kiosks at significantly lower prices than dentists. The Board sent cease-and-desist letters to 29 non-dentist providers. The Board's campaign was effective. The non-dentists left the teeth-whitening market and sellers of the whitening products shut down their operations in North Carolina.

In 2010, the FTC brought an administrative action against the Board alleging the Board engaged in unfair methods of competition in violation of the FTC Act. The Board moved to dismiss claiming that, as a state agency, it was protected by state-action antitrust immunity under the Parker Doctrine. The FTC disagreed and entered a final order finding violations of the FTC Act. After several appeals, the case was heard by the Supreme Court. The Supreme Court affirmed the FTC's order finding antitrust violations and

declining to invoke Parker Immunity, and directed the Board to stop sending cease-and-desist letters to non-dentists or otherwise discouraging the providing of teeth-whitening goods or services by non-dentists.

1.6.3 Other Administrative / Court Decisions

Teledoc, Inc. v. Texas Medical Board

Teledoc, Inc., sued the Texas Medical Board to challenge regulations adopted by the board that required in-patient examinations by a physician before telephonic treatment was permitted. Teledoc argued that the board's actions violated antitrust laws and that the board was not immune from liability under the Parker Doctrine because the board was comprised of a majority of private market participants. Thus, the board was not entitled to immunity because the actions of the board were not an exercise of state sovereignty under clearly articulated state policy, nor were the board's actions subject to active supervision by the state.

Agreeing with Teledoc, the United States District Court for the Western District of Texas, denied the board's motion to dismiss on grounds of state action immunity. *Teledoc, Inc. v. Texas Med. Bd.*, 2015 WL 8773509 (Dec. 14, 2015) (order denying motion to dismiss). The board filed an interlocutory appeal with the United States Court of Appeals for the Fifth Circuit. The appeal was dismissed on October 17, 2016.

In 2017, the Governor signed legislation ending Texas' prohibition against telemedicine without a prior in-person consultation. Thereafter, the Texas Medical Board finalized regulations allowing doctors to treat patients virtually without a prior face-to-face interaction. The new regulations took effect November 26, 2017, and Teledoc dropped its antitrust lawsuit against the board.

FTC v. Louisiana Real Estate Appraisers Board

The FTC filed a complaint alleging Rule 31101 adopted by the Louisiana Real Estate Appraiser Board (LREAB) unreasonably restrained price competition for real estate appraisal services provided to AMCs by requiring AMCs to pay rates for appraisal services at least as high as the median appraisal fees identified in the Southeastern Louisiana University survey. *See* Opinion and Order of the Commission, *In the matter of Louisiana Real Estate Appraisers Board*, Docket No. 9374, at 1-2 (May 6, 2019). Although this case does not involve state action immunity under the Parker Doctrine, the FTC is considering whether other theories of antitrust immunity including the good-faith regulatory compliance defense and implied immunity apply to LREAB's conduct.

At issue in this case is LREAB's efforts to enforce compliance with federal law, which requires AMCs to pay "customary and reasonable" fees to appraisers for providing appraisal services. The Federal Reserve System's Board of Governors issued an interim

final rule concerning the "customary and reasonable fee" requirement. 75 Fed. Reg. 66,554 (Oct. 28, 2010) (codified at 12 C.F.R. pt. 226). Although the rule stated that "the marketplace should be the primary determiner of the value of appraisal services," *id.* at 66,569, the rule provided two safe harbors for compliance. First, the appraisal fee is presumed to be customary and reasonable if it is reasonably related to recent fees paid for comparable appraisal services in the relevant geographic market, the fee was set by the creditor or its agent after taking into account six enumerated factors, and the creditor or its agent has not engaged in anticompetitive conduct affecting the appraisal fee. *Id.* at 66,555-56, 66,582. Second, the appraisal fee is presumed to be customary and reasonable if it was determined by relying on rates established by objective third-party information, including fee schedules, studies, and surveys prepared by independent third parties, where such schedules, studies, and surveys exclude fees paid by AMCs. *Id.* at 66,555-56, 66,582.

LREAB contracted with Southeastern Louisiana University Business Research Center to survey typical appraisal fees paid by lenders to appraisers. After receiving the survey results, LREAB adopted and enforced Rule 31101 in 2013 requiring AMCs to set and pay rates for appraisal services at least as high as the median appraisal fees identified in the Southeastern Louisiana University survey. 46 La. Admin Code §31101. The FTC argues that by effectively setting the fees to be paid by AMCs for appraisal services and preventing AMCs and appraisers from arriving at appraisal fees through *bona fide* negotiation an operation of the free market, LREAB has violated section 5 of the FTC Act.

Before the administrative trial was set to begin, the FTC and LREAB reached a settlement agreement, and on April 5, 2022 the FTC approved the final order in this matter. Under the terms of the order, LREAB cannot adopt a fee schedule for appraisal services or take any other actions that have the effect of raising, stabilizing, or fixing compensation levels for appraisal services. Additionally, LREAB must rescind its rule in the Louisiana Administrative Code, known as Rule 31101, which effectively set minimum fees for real estate appraisals. Additional case information is available here.

1.6.4 What does this mean for TREC / TALCB?

The Parker Doctrine and state action immunity are based on the idea that Congress did not intend to prohibit the legitimate exercise of state police powers to enact economic regulation that affects competition. When enacting such regulation, states and state actors will be immune from antitrust liability only where the action taken falls under a clearly articulated and expressed state policy and, when market participants are involved, the state action is actively supervised by the state.

Although the Supreme Court in NC State Board of Dental Examiners said that the state's argument that the board's actions were actively supervised by the state would have been stronger if the board members has been appointed by government officials pursuant to a state statute, the board never argued the active supervision prong of the test and, therefore, conceded its actions were not supervised by the state.

Currently, TREC and TALCB both have a majority of active market participants as members. TREC's membership includes 6 real estate brokers, or current market participants; and 3 members who represent the public, Tex. Occ. Code §1101.051, while TALCB's membership includes 4 certified or licensed appraisers who are actively engaged in the practice of appraising real property, or current market participants; 4 public members with recognized business ability; and the executive secretary of the Veteran's Land Board or the secretary's designee, who happens to be an appraiser, or market participant. Thus, TREC and TALCB would be subject to additional scrutiny when adopting rules that have an anticompetitive effect.

To be clear, such scrutiny would be minimized to the extent TREC or TALCB are acting pursuant to a clearly articulated or expressed state policy, i.e., a specific statute in the TREC or TALCB enabling legislation. Additionally, to the extent TALCB is acting pursuant to federal law and policy, scrutiny of such actions could be further minimized. However, to the extent a statute or policy gives discretion to TREC or TALCB, it may become necessary to show that discretionary actions taken by TREC or TALCB that have an anticompetitive effect are subject to active supervision by the state. In response to the NC State Board of Dental Examiners case, the Legislature authorized the Governor's Office to create the Regulatory Compliance Division. This division is tasked with conducting independent reviews of certain state licensing agencies' proposed rules that affect market competition, ensuring sufficient legal authority exists for the proposed rule, and that the rule is consistent with state policy.

1.7 Other Laws Affecting Public Officials

Commissioners are considered public officials, regardless of their outside employment. As such, certain Texas statutes guide Commissioners' affairs, including the following:

- Financial disclosure, and
- Conflict of interest.

The Texas Ethics Commission has developed a comprehensive guide to Texas ethics law. The most applicable details can be found below.

1.7.1 Financial Disclosure

Commission members and the TREC executive director must file personal financial statements. Tex. Gov't Code §572.021. The reports are to be filed with the Texas Ethics Commission within 30 days of appointment or qualification, whichever is earlier, and by April 30 of each following year of the member's tenure. A $500 penalty is automatically assessed for late filing of a financial statement; however, a 60-day extension may be requested for all but the initial report. The filing must include the following:

- Personal financial activity for the previous year;
- In some cases, the financial activity of your spouse and dependent children if you had authority to exercise control over that activity; and
- Certain received gifts worth more than $250, excluding those from relatives or political contributions; gifts otherwise reported under the Election Code; or a gift from a lobbyist reported on the lobbyist's activity report.

The Texas Ethics Commission sends the appropriate forms to officials subject to financial disclosure requirements. Commission members may also fill out this form online.

All personal financial statements are open to the public under the Public Information Act.

1.7.2 Conflict of Interest

Texas state law, including TREC's enabling legislation, guides the activities of Commissioners. Among the activities restricted by TREC's enabling legislation are:

- Acting as an officer, employee, or paid consultant of a Texas trade association in the real estate industry.
- Having a spouse who is an officer, manager or paid consultant of a Texas trade association in the real estate industry.
- Registering as a lobbyist because of compensated activities on behalf of a profession related to the operation of the Commission.

State law provides that:

(a) Each state agency employee or official who is involved in procurement or in contract management for a state agency shall disclose to the agency any potential conflict of interest specified by state law or agency policy that is known by the employee or official with respect to any contract with a private vendor or bid for the purchase of goods or services from a private vendor by the agency.
(b) A state agency may not enter into a contract for the purchase of goods or services with a private vendor with whom any of the following agency employees or officials have a financial interest:

(1) a member of the agency's governing body;
(2) the governing official, executive director, general counsel, chief procurement officer, or procurement director of the agency; or
(3) a family member related to an employee or official described by Subdivision (1) or (2) within the second degree by affinity or consanguinity.

(c) A state agency employee or official has a financial interest in a person if the employee or official:

(1) owns or controls, directly or indirectly, an ownership interest of at least one percent in the person, including the right to share in profits, proceeds, or capital gains; or
(2) could reasonably foresee that a contract with the person could result in a financial benefit to the employee or official.

(d) A financial interest prohibited by this section does not include a retirement plan, a blind trust, insurance coverage, or an ownership of less than one percent in a corporation. Tex. Gov't Code §2261.252.

Texas law also provides that a Commission member may not:

- Accept or solicit any gift, favor, or service that might reasonably tend to influence the Commission member's duties or that the member knows or should know is being offered with the intent to influence the member's official conduct.
- Accept other employment or engage in a business or professional activity that the Commission member might reasonably expect would require or induce the member to disclose confidential information acquired by reason of the member's official position.
- Accept other employment or compensation that could reasonably be expected to impair a Commission member's independence of judgment in the performance of a member's official duties.
- Make personal investments that could reasonably be expected to create a substantial conflict between a Commission member's private interest and the public interest.
- Intentionally or knowingly solicit, accept, or agree to accept any benefit for having exercised the Commission member's official powers or performed the member's official duties in favor of another. Tex. Gov't Code §572.051

In addition:

- A Commission member who has a personal or private interest in a measure, proposal, or decision pending before the Commission shall publicly disclose in an open meeting and shall recuse him/herself from deliberations or decisions on the matter. Tex. Gov't Code §572.058.

Conflict of Interest Violations

There are several defined instances in which a Commission member may violate state conflict of interest laws, including:

- Texas Penal Code §36.02, which makes it illegal to accept anything in exchange for your vote, decision, or recommendation.
- Texas Penal Code §36.07, which makes it illegal to accept an honorarium in exchange for services you are asked to provide because of your status as an appointed Commission member.
- Texas Penal Code §36.09, which makes it illegal for someone to offer you a benefit they know is illegal for you to accept.

Certain exceptions for Texas Penal Code §36.09 are set forth in the Penal Code at Section 36.10. Common exceptions include certain transportation and lodging cost, gifts under $50, and certain meals and entertainment if reported in a lobbyist report to the Texas Ethics Commission.

Section 2 – TREC: An Overview

This section provides the requisite information to train new TREC Commission members on the following topics:

- Agency Mission, Philosophy & Motto
- TREC History
- TREC Governing Commission & Committees
- Agency Staff, Programs & Functions, and
- Financial Management of TREC

2.1 TREC/TALCB Mission, Philosophy, and Motto

Mission of the Agency:

Our agency protects consumers of real estate services in Texas by ensuring qualified and ethical service providers through upholding high standards in education, licensing, and regulation. We oversee the providers of real estate brokerage, appraisal, appraisal management services, inspection, timeshares, and right-of-way services, thereby safeguarding the public interest while facilitating economic growth and opportunity across Texas.

Philosophy of the Agency:

To achieve this mission, our agency:

- provides exceptional customer service that is accessible, responsive and transparent;
- demands integrity, accountability and high standards, of both license holders and ourselves; and
- strives continuously for effectiveness, efficiency and excellence in our performance.

Agency Motto:

Protecting Texans' Dreams

2.2 History of TREC & TALCB

The Texas Legislature established the Texas Real Estate Commission in 1949 to safeguard consumers in matters of real property transactions and valuation services. The Legislature established TALCB as an independent subdivision of TREC in 1991, when federal law required increased regulation of appraisals. TREC shares staff members and resources with the TALCB. Together TREC and TALCB oversee real estate brokerage, real property appraisals, appraisal management services, inspections, right-of-way services, and timeshare. The agency provides licensing, education, and complaint investigation services, as well as regulation and enforcement of state and federal laws and requirements that govern each of these areas of service to consumers in Texas.

2.3 TREC Governing Commission & Committees

2.3.1 Commissioners

The Commission is composed of nine members appointed by the Governor with the advice and consent of the Senate as follows:

- Six members who have been engaged in the brokerage business as licensed brokers as their major occupation for the five years preceding appointment; and
- Three members who represent the public.

Members serve staggered six-year terms, with the terms of three members expiring January 31 of each odd-numbered year.

Meetings

The Commission meets once each quarter of the state fiscal year and may meet at other times at the call of the presiding offer or as provided by agency rule. The governor shall designate a member of the Commission as presiding officer, who serves in that capacity at the pleasure of the governor.

The Commission employs an executive director to manage the daily operations of TREC consistent with Tex. Occ. Code §1101.101 and Commission-established policy. In that regard, he or she is assigned responsibility and authority to:

- Organize the staff into such divisions, sections and other operating units as deemed appropriate;
- Approve all personnel actions;
- Approve expenditures;
- Oversee the licensing, education approval and administration, enforcement/investigative processes and the agency's day-to-day support functions, such as accounting, purchasing, human resources, and technology;
- Execute agreements under $1,000,000, including interagency agreements and audit engagements;
- Execute Agreed Orders and default Final orders; and
- Oversee the timely submittal of required reports.

Except as the Commission may otherwise specify, the day-to-day operation of the agency is the responsibility of the executive director and may, in accordance with law, be delegated to appropriate members of staff.

2.3.2 Commission Committees

Executive Committee
Size/Composition/Appointment: Three Commission members consisting of the Commission chair, vice-chair, and secretary. Chair appointed by Governor, vice-chair and secretary elected by full Commission at February meeting. Per policy, in the event a public member is not elected to the Committee, the Commission adopted a policy providing the Chair may appoint an ex-officio public member.
Legal Basis: Tex. Occ. Code §1101.056

Budget Committee
Size/Composition/Appointment: Three Commission members appointed by the Commission chair.

Enforcement Committee
Size/Composition/Appointment: Three Commission members appointed by the Commission chair.

Joint Audit Committee
Size/Composition/Appointment: Two Commission members appointed by the Commission chair and one Board member appointed by the Board chair. Of the Commission members, one member must be from the Executive Committee and the other must be from the Budget Committee.

2.3.3 Commission Advisory Committees

Texas Real Estate Broker-Lawyer Committee
Size/Composition/Appointment: Six broker members appointed by the Commission, six lawyer members appointed by the State Bar of Texas appointed by the president of the state bar; and one public member appointed by the governor.
Purpose/Duties: To draft and revise contract forms that are capable of being standardized to expedite real estate transactions and minimize controversy.
Legal Basis: Tex. Occ. Code Chapter 1101, Subchapter F

Texas Real Estate Inspector Committee
Size/Composition/Appointment: Six inspector members and three public members appointed by the Commission. One Commission member liaison appointed by the chair of the Commission.
Purpose/Duties: To recommend rules concerning the licensing, education, and standards of practice and to establish a code of professional ethics for real estate inspectors to the Commission.
Legal Basis: Tex. Occ. Code Chapter 1102, Subchapter B and Tex. Admin. Code §535.206

Education Standards Advisory Committee

Size/Composition/Appointment: Seven real estate license holder members, four education members, and one public member appointed by the Commission. One Commission member liaison appointed by the chair of the Commission.

Purpose/Duties: To recommend rules concerning licensing and regulation of real estate education providers, instructors and courses to the Commission.

Legal Basis: Tex. Admin. Code §535.43

Broker Responsibility Advisory Committee

Size/Composition/Appointment: Seven broker members and two public members appointed by the Commission.

Purpose/Duties: To regularly examine issues surrounding broker responsibility within the real estate industry, make recommendations regarding possible legislative changes associated with broker responsibility, and examine Commission rules related to broker responsibility.

Legal Basis: Tex. Admin. Code §535.46

2.4 Agency Staff, Programs, & Functions

2.4.1 TREC Executive Leadership

The TREC Executive Leadership includes:

- *Chelsea Buchholtz, Executive Director*
  chelsea.buchholtz@trec.texas.gov
  512-936-3177

- *Vanessa Burgess, Deputy Executive Director*
  vanessa.burgess@trec.texas.gov
  512-936-3284

- *Abby Lee, General Counsel*
  abby.lee@trec.texas.gov
  512-936-3057

- *Britni Ramirez, Deputy General Counsel*
  britni.ramirez@trec.texas.gov
  512-936-3576

2.4.2 Agency Divisions and Senior Team

The Agency is organized into several divisions, which oversee Agency programs and carry out Agency functions. The TREC organizational chart is included in the Appendix to this guide.

Executive Division
Executive Director Chelsea T. Buchholtz
chelsea.buchholtz@trec.texas.gov
512-936-3177

The executive division coordinates the regular meetings of policy makers appointed by the Governor, implements the decisions of the Commission and Board, coordinates with key stakeholders and other branches of government, directs day-to-day operations and manages major initiatives of the agency in education, licensing, and industry regulation programs. The division includes the TREC/TALCB Executive Director, General Counsel to TREC, General Counsel/Director to TALCB, human resources, and government and communications personnel.

Communications Division
Director Summer Mandell
summer.mandell@trec.texas.gov
512-936-3091

The communications division is responsible for creating clear, useful, and trustworthy information for license holders, prospective license holders, and the public while directing and maintaining the agency's brand. The division oversees updating and managing agency media including its websites, videos, e-newsletters, and social media. It also coordinates and responds to media inquiries.

Customer Relations Division
Director Robert Hood
robert.hood@trec.texas.gov
512-936-3807

Customer relations is the agency's centralized customer service division. Division team members receive and respond to general communications from Texas consumers, license holders, and applicants, including all telephone, e-mail, and in-person inquiries.

Financial Services Division
Chief Financial Officer Ranada Williams
ranada.williams@trec.texas.gov
512-936-0102

The finance division performs all of the revenue accounting, budgeting, financial payment functions, , purchasing and contract administration, asset and property management, and records management for the agency.

Licensing Division
Director Jon Huebner
jon.huebner@trec.texas.gov
512-936-3095

The licensing division ensures education and experience requirements are satisfied for the various license types. Licensing team members verify qualifications have been met before the agency issues a new license or registration to real estate brokers or sales agents, appraisers, inspectors, and easement or right-of-way registrants and process license renewals, information changes and license histories.

Education and Examinations Division
Director Jennifer Wheeler
jennifer.wheeler@trec.texas.gov
512-936-3096

The education and examinations division receives, reviews and processes applications for qualifying and continuing education providers, courses and instructors to ensure statutory and agency standards are met. Division team members support the agency's mission to protect consumers of real estate services in Texas by ensuring content for qualifying and continuing education courses is both accurate and relevant and that courses satisfy requirements for design and delivery methodologies.

Enforcement Division
Director Michael Molloy
michael.molloy@trec.texas.gov
512-936-3005

TREC's enforcement division administers TREC's complaint investigation and disciplinary enforcement programs. The division's team members carry out the Commission's mission to protect consumers by enforcing The Real Estate License Act, Rules of the Commission, Chapter 1102 of the Texas Occupations Code regarding real estate inspectors, and the Texas Timeshare Act. TREC enforcement staff also implements standards and reviews applications for licensure and fitness determinations to assess the honesty, integrity, and trustworthiness of applicants. For more information, visit the Rules and Laws section of the TREC website.

Information and Technology Division
Director Melissa Tran
melissa.tran@trec.texas.gov
512-936-3242

The IT division develops and maintains the technical infrastructure needed to meet the agency's business requirements, including application development, network management, technical support, and website services. The IT team members follow standards adopted by the Texas Department of Information Resources (DIR) and utilize industry best practices to ensure utility, reliability, and security.

2.5 Financial Management of TREC

The Commission is tasked with various responsibilities related to TREC's financial management as assigned by statute and TREC's own rules. The Legislature has granted TREC / TALCB self-directed, semi-independent, or SDSI status. Tex. Occ. Code §§1105.001, *et seq*. As an SDSI agency, TREC is unique in that it does not receive funding through general revenue of the state, as most other state agencies do. The Commission is instead responsible for all direct and indirect costs of the Commission's existence and operation through revenue collected through fees, charges, and other revenues required or permitted by law. The law outlining details of this SDSI status can be found in Chapter 1105, Texas Occupations Code.

2.5.1 TREC-TALCB Memorandum of Understanding

TREC and TALCB have entered into a Memorandum of Understanding (MOU) regarding the cost allocation of services and employees shared between them. The MOU also sets out the performance review process for the TREC/TALCB Executive Director.

2.5.2 TREC Annual Operating Budget, Investments & Fees

TREC staff prepares and presents an Annual Operating Budget to the Commission each August for the upcoming fiscal year (September 1 – August 31).

The TREC accounts are held within the State's Texas Treasury Safekeeping Trust Company (TTSTC) per the Self-Directed Semi-Independent statute. TTSTC acts as the agency's bank and by state law and agency policy makes all investments. Quarterly investment reports are provided at each regular commission meeting. A budget update on expenditures and revenues is provided to the Commission at each quarterly meeting as well. Agency balance sheets reflect available cash for operations as well as amounts obligated for investments, anticipated liabilities, and set-aside funds for reserves.

2.5.3 Review and Approval of Large-Value Contracts

Per Tex. Gov't Code §2261.254, the Commission shall approve all contracts and contract amendments with a value exceeding $1 million dollars. After a vendor is selected and before execution of a contract with the vendor, TREC's Executive Director or a designee shall seek approval by the Commission. The agency posts all required purchasing-related reports on the agency website.

2.5.4 Audits

The agency is statutorily required to undergo internal audits. Such periodic audits include audits of major systems and controls including, but not limited to, accounting, administrative, and electronic data processing. These periodic internal audits are performed by TREC's internal auditor, who is selected by and reports to the Commission.

Before commencement of an internal audit, the Commission must approve the proposed audit plan, which is prepared using risk assessment techniques, and identify individual audits to be conducted throughout the year. The internal auditor also works with the Audit Committee to develop the audit plan and updates the committee as necessary. Upon completion, the internal auditor reports the results of internal audits to TREC and TALCB. Final copies must be filed with the following entities:

- Sunset Advisory Commission,
- Governor's Budget and Policy Offices,
- State Auditor's Office, and
- Legislative Budget Board.

In addition to internal audits completed by TREC's internal auditor, the State Auditor's Office (SAO) performs periodic audits of agency programs.

Section 3 – Policies, Procedures, and Agreements

This section provides the requisite information to train new Commission members on the following topics:

- TREC Policies, and
- Statement of Acknowledgment regarding receipt and review of Commission Training Guide

3.1 TREC Policies

3.1.1 Memoranda of Understanding

- MOU between Texas Department of Savings and Mortgage Lending (SML), Texas Department of Insurance (TDI), TREC & TALCB (8/08)
- TREC-TALCB MOU (8/25)
- TREC-TAMUREC MOU (11/25)
- TREC-Broker-Lawyer Committee MOU (3/93)

3.1.2 TREC Operations

- Texas Real Estate Broker-Lawyer Committee (11/09)
- Acceptability of Imaged Signatures (3/10)
- TREC Electronic Minutes Policy (2/13)
- Per Diem and Travel Expenses Memo (4/14)
- Duties and Ethics of Commission Members (~2015)
- TREC ED Delineation of Duties Policy (11/23)
- Handgun Policy (2/22)
- Officer Election Policy (5/16)
- TREC Budget Policy Timeline (11/18)
- Board Member and Commissioner Travel Guidelines (7/26)
- TREC Meetings Schedule (2/19)
- TREC Form Update Policy (5/19)
- Denial of Recovery Fund Claims Policy (2/21)
- Public Member Participation on Executive Committee Policy (5/21)
- TREC Budget and Investment Policy (8/26)
- Audit Committee Policy (11/21)
- TREC Executive Committee Functions Policy (11/21)
- TREC Committee Selection Process Policy (11/21)

3.1.3 Miscellaneous

- Confidentiality of Social Security Numbers (11/09)
- State Bar CE Courses re: MCE Credit (3/10)
- Per Diem and Travel Reimbursement Election Form (8/14)
- TREC Internal Audit Charter (8/26)

3.2 Statement Acknowledging Receipt and Review of Annual Training Guide

When you have completed your review of the TREC Commission Member Training Guide, please sign the statement acknowledging receipt and review at the end of this training guide and email a scanned copy to the TREC Recording Secretary.

ACKNOWLEDGMENT

(To be signed each year by every Commissioner and Board Member)

I acknowledge I have received and reviewed a copy of the TREC Commission/TALCB Board Member Training Guide.

_____

Commissioner/Board Member Name

_____

Signature

_____

Date

Appendix - Additional Resources

Additional Reports

- **Strategic Plan** – Since 2008, the Texas Real Estate Commission (TREC) and the Texas Appraiser Licensing and Certification Board (TALCB) have prepared, approved, and submitted a unified strategic plan. The purpose of the plan is to provide the public and stakeholders with insight on the vision, goals, and direction for the Agency.

- **SDSI Report** – The Legislature modified the requirements for the TREC / TALCB SDSI Report, which is filed on November 1st each year. In addition to the statutorily required information and content, this report now includes five-year trend data in various categories related to Agency operations and performance measures.

- **Sunset Advisory Commission 2019 Staff Report with Final Results** – TREC / TALCB underwent review by the Sunset Advisory Commission and the Texas Legislature in 2019. The 2019 Staff Report with Final Results is available online.

Additional Resources

Office of the Governor

- Governor's Initiatives
- Budget and Policy Division
- Regulatory Compliance Division
- Appointments
- Press Announcements

Office of the Attorney General

- Open Government
- Open Meetings Handbook
- Public Information Handbook
- Administrative Law Handbook

Texas Ethics Commission

- Reference Guides
- Personal Financial Statement
- Online Ethics Training
- Guide to Ethics Laws

Office of the Secretary of State

- State Rules and Open Meetings
- Texas Administrative Code
- Open Meetings Postings

Texas Comptroller of Public Accounts

State Auditor's Office

Sunset Advisory Commission

Texas House of Representatives

Texas Legislature Online
- Texas Statutes
- Texas Constitution

Texas State Senate

Complete list of Texas State Agencies and Websites available on Texas.gov

State Capitol Maps and Floor Plans

ORIGINAL OK

TEXAS DEPARTMENT OF SAVINGS & MORTGAGE LENDING

Douglas B. Foster
Commissioner

RECEIVED
AUG 15 2008
Texas Real Estate Commission

August 14, 2008

Via interagency mail

Devon V. Bijansky
Assistant General Counsel
Texas Real Estate Commission
P.O. Box 12188
Austin, Texas 78711-2188

Re: Memorandum of Understanding between SML, TDI, TREC, and TALCB

Dear Devon:

Enclosed please find the two executed copies of the above referenced Memorandum. As instructed, I have retained one copy for my records.

I appreciate your efforts with regard to this Memorandum. Please let me know if we can assist you with anything further.

Sincerely,

Jane M. Black

Jane M. Black
General Counsel

Enc.

Texas Department of Insurance
Legal Services Division, Mail Code 110-1A
333 Guadalupe • P. O. Box 149104, Austin, Texas 78714-9104
512-475-1821 telephone • www.tdi.state.tx.us

RECEIVED
TEXAS REAL ESTATE COMMISSION
JUL 29 2008
CASHIER'S SECTION
OPERATOR 18

July 25, 2008

Devon V. Bijansky
Assistant General Counsel
Texas Real Estate Commission
P. O. Box 12188
Austin, TX 78711-2188

Re: Memorandum of Understanding (MOU)

Dear Ms. Bijansky:

Enclosed are three signed copies of the proposed Memorandum of Understanding between the Texas Department of Insurance (TDI), Texas Appraiser Licensing and Certification Board, Texas Department of Savings and Mortgage Lending, and the Texas Real Estate Commission. After the copies of MOU have been signed by the other parties, please return one original signed copy to TDI for its records.

If you have any questions or comments, please do not hesitate to contact me by telephone at (512) 463-6102 or by email at cynthia.villarreal-reyna@tdi.state.tx.us.

Sincerely,

Cynthia Villarreal-Reyna

Cynthia Villarreal-Reyna
Agency Counsel Section Chief

Enclosures

MEMORANDUM OF UNDERSTANDING

The parties to this Memorandum of Understanding (MoU) are the following agencies: Texas Appraiser Licensing and Certification Board, Texas Department of Insurance, Texas Department of Savings and Mortgage Lending, and Texas Real Estate Commission.

In order to promote more efficient state government and more effective consumer protection, each agency that is a party to this MoU hereby agrees with each and all of the other parties as follows:

1. Forwarding of Complaints

When an agency ("the forwarding agency") receives a consumer complaint that is not within its jurisdiction but alleges facts that may indicate a complaint within another party agency's jurisdiction, it will forward the complaint to that other agency ("the receiving agency") and advise the complainant that this has been done.

2. Contact information

Each party agency will keep all other party agencies advised on a current basis of the name, telephone number, and email address of a person to whom enforcement and/or complaint-related questions may be directed.

3. Cooperation

Each party agency will cooperate with each other party agency as requested, to the fullest extent permitted by law, regarding the coordination of investigative and enforcement actions of common licensees.

4. Open Records

If a party agency receives a Public Information Act (PIA) request for information that the agency forwarded to or received from another party agency, the agency to which the PIA request was submitted will immediately notify the other agency of the request. The other agency will promptly review the request to determine whether grounds exist to withhold any of the requested documents.

Requests Submitted by Member of the Public to Forwarding Agency

If the receiving agency determines that grounds exist to withhold documents, the receiving agency will, not later than the fifth business day following notice by the forwarding agency, notify the forwarding agency of the exceptions to the Public Information Act that apply and will, not later than the tenth business day following notice by the forwarding agency, provide to the forwarding agency written comments stating the reasons why the stated exceptions apply.

Requests Submitted by Member of the Public to Receiving Agency

If the forwarding agency determines that grounds exist to withhold documents, the forwarding agency will, not later than the fifth business day following notice by the receiving agency, notify the receiving agency of the exceptions to the Public Information Act that apply. If the forwarding agency wishes to withhold records that the receiving agency did not independently wish to withhold and is notified of such by the receiving agency, the forwarding agency will also provide to the receiving agency, not later than the tenth business day following notice by the receiving agency, written comments stating the reasons why the stated exceptions apply.

Texas Appraisal Licensing and Certification Board

Signature | Date: 8/5/2008

TIMOTHY K. IRVINE (Name (Print)) | COMMISSIONER (Title)

TALCB Enforcement contact: Name: DEBORIS KRAFT-LONGORIA
Title: DIRECTOR OF ENFORCEMENT
Phone number: 465-3956
E-mail address: deloris.kraft-longoria@talcb.state.tx.us

Texas Department of Insurance

Signature | Date: 7/22/08

Karen A. Phillips (Name (Print)) | Chief of Staff (Title)

TDI Enforcement contact: Name: Catherine Reyer
Title: Associate Commissioner
Phone number: (512) 322-4346
E-mail address: Catherine.Reyer@tdi.state.tx.us

Texas Department of Savings and Mortgage Lending

Signature | Date: 13 Aug 08

DOUGLAS B FOSTER (Name (Print)) | COMMISSIONER (Title)

TDSML Enforcement contact: Name: Chris Schneider
Title: Chief Enforcement Attorney
Phone number: (512) 475-0980
E-mail address: cschneider@sml.state.tx.us

Texas Real Estate Commission

Signature | Date: 8/5/2008

TIMOTHY K. IRVINE (Name (Print)) | ADMINISTRATOR (Title)

TREC Enforcement contact: Name: DELLA LINDQUIST
Title: DIRECTOR OF ENFORCEMENT
Phone number: 465-3963
E-mail address: della.lindquist@trec.state.tx.us

Memorandum of Understanding Texas Real Estate Commission and Texas Appraiser Licensing & Certification Board

I. Introduction and Background. The Texas Real Estate Commission (TREC) is an executive branch agency of the State of Texas, and the Texas Appraiser Licensing & Certification Board (TALCB) is an independent subdivision of TREC. TREC and TALCB have regularly entered into Memorandums of Understanding to fully describe the roles and responsibility of each agency, as the legal structure and status of the agencies have changed over the years: TALCB becoming an independent subdivision of TREC in 1991 and the unified agency becoming a self-directed, semi-independent state agency in 2011. This Memorandum of Understanding (Agreement) replaces all prior Agreements and is intended to remain in effect until amended, terminated by the parties, superseded by another agreement, or the agency ceases to exist.

II. Parties. TREC and TALCB are the parties to this Agreement.

III. Purpose. The purpose of this Agreement is to delineate:

a. The roles and responsibilities of each party;
b. The administrative and support services that TREC will provide to TALCB;
c. The allocation of resources between TREC and TALCB; and
d. The costs and expenses for which TALCB is directly responsible for payment.

IV. General Agreements. Under Texas Occupations Code Section 1103.101, the TREC Executive Director serves as the TALCB Executive Director. The Executive Director is responsible for supervision of all TALCB staff and oversight of all TALCB expenditures within the parameters of a TALCB-approved budget and any legislative appropriations. The Executive Director reports to and performs these duties under the policy direction of TALCB and is ultimately responsible to TALCB for the board's operations. A portion of the Executive Director's salary is allocated from TALCB resources.

TREC and TALCB recognize that under the current legislative structure, the ability to hire and fire the Executive Director is the responsibility of the Commission. However, for purposes of performance evaluation, the parties agree that the Commission will seek and consider input from Board Members on the Executive Director's annual performance review at the same time and in the same manner that it solicits input from the members of the Commission. The Chairs of the Commission and Board may agree to discuss the annual performance review with the Executive Director jointly. If there is no agreement, each Chair may meet separately with the Executive Director to discuss the Executive Director's performance.

TREC and TALCB further agree to the following:

A. TREC will provide administrative services and support to TALCB, including but not limited to the following:

1. Staff Services in accordance with TREC operating procedures as follows:

a) Human Resources;
b) Budgeting, accounting and reporting;
c) Purchasing and contracting;
d) Cashier and mail room;
e) Payroll; and
f) Facilities management

2. Technology support services, except as described in section C below;
3. Agency-wide personnel training programs;
4. Use of meeting rooms on a space available basis;
5. Texas Register Liaison services; and
6. Governmental and public relations services.

These costs are allocated pursuant to Exhibit A with an additional cost allocation of $15,500, for each fiscal year.

B. TALCB Enforcement, Education & Examination, and Licensing staff report to the Director of TALCB, who is supervised by the Executive Director or his or her designee.

C. TALCB bears the lawfully payable or reimbursable amounts of all costs incurred by the Board other than those TREC-provided support services enumerated in Part IV.A of this Agreement, including, but not limited to:

1. All direct and indirect costs salary and benefits for TALCB allocated FTEs;
2. Rent and overhead expenses for space occupied by TALCB and a pro-rata percentage of common area expenses;
3. Services provided by the State Office of Administrative Hearings;
4. Services provided by the Office of the Attorney General;
5. Services provided by the State Auditor's Office;
6. Equipment, supplies, services, or other goods;
7. Telephone system equipment and services;
8. Travel, meals, and lodging;
9. Dues and subscriptions;
10. Personnel training and continuing professional education;
11. Database service modifications and computer software primarily benefiting TALCB; and
12. Per capita cost for acquisition, lease or maintenance of computer hardware.

D. Portions of staff salaries are allocable and payable as further described in Exhibit A to this Agreement and may be temporarily reallocated as necessary by the Executive Director to ensure the efficient provision of administrative and support services to TALCB, with notice to the Chairs of both governing bodies as soon as reasonably practicable.

E. TALCB is allocated its *pro rata* portion of the contribution to General Revenue required by Texas Occupations Code Chapter 1105.

F. The Executive Director, with prior written notice to the respective Chairs of any planned adjustments, may determine that TREC will provide additional administrative support services as

necessary to ensure the smooth operation of the agency.

G. The Executive Director may direct the transfer of funds between the parties as necessary to maintain the financial soundness of each, informing the Chairs of both governing bodies in writing as soon as reasonably practicable and proposing a plan for repayment.

V. Term of Agreement. This Agreement becomes effective September 1, 2025, and remains in effect unless amended by mutual written agreement of the parties. This Agreement terminates and supersedes any other memorandum of understanding or agreement entered into between the parties before the effective date of this Agreement. Either party may withdraw from this Agreement by written notice to the Chair of the other governing body of the other party with 365 days prior notice.

The execution and performance of this Agreement has been authorized by each respective governing body.

This Agreement shall not be construed to create any additional liability or obligation for either party.

This Agreement as amended takes effect on September 1,2025.

Mark Woodroof, Chair
Texas Real Estate Commission

08.11.2025
Date

R. Chance Bolton, Chair
Texas Appraiser Licensing & Certification Board

08.08.2025
Date

Exhibit A

1. Portions of the following TREC salaries are allocable to and payable by TALCB:

   A. TREC/TALCB Executive Director– 10%

   B. TREC/TALCB Deputy Executive Director– 10%

   C. TREC/TALCB Public Information Officer–10%

   D. TREC/TALCB Recording Secretary – 30%

   E. TREC/TALCB Executive Assistant 30%

   F. TREC Customer Service Representative – 70% of an FTE (average Customer Service Representative salary & benefits)

2. Portions of the following TALCB salaries are allocable to and payable by TREC:

   A. TALCB General Counsel/TREC Deputy General Counsel – 40%

Docusign Envelope ID: 27588946-F1BD-4A6B-B92B-3BC853EB9C8D

Memorandum of Understanding

This memorandum of understanding ("**MOU**") is by and between the Texas Real Estate Commission ("**TREC**") and the Real Estate Center at Texas A&M University (the "**Center**")(collectively, the "**parties**").

I. **Research Support.** The Center will provide specific research and forecasting support to TREC as follows:
   a. To help inform the Center's annual research plan, the Center will solicit input from TREC annually regarding any research topics desired by TREC.
   b. In conjunction with TREC's quarterly meeting each May, the Director of the Center or the Director's designee will make a presentation regarding current and anticipated real estate market trends to the Commissioners.
   c. In conjunction with TREC's quarterly meeting each November, the Director of the Center or the Director's designee will provide an annual report regarding the work of the Center, which may be delivered orally or as a written report.

II. **Funding.** Pursuant to Texas Occupations Code §1101.154, TREC will, no less than quarterly, transmit fees collected for the Center for the purposes of supporting, maintaining, and carrying out the purposes, objectives, and duties of the Center.

III. **Term; Termination.**
   a. This MOU is effective upon its signing by the TREC Executive Director and the Director of the Center.
   b. Either party may terminate this MOU by providing written notice to the other party at a date not less than twelve months from the date written notice is given.

IV. **Entire Agreement**. This MOU constitutes the entire agreement between the parties and may only be amended by written agreement of the parties.

For the Parties:

Texas Real Estate Commission Approved as to Form: Abby Lee General Counsel 11/7/2025

Chelsea Buchholtz 11/7/2025

By its Executive Director Date
Chelsea Buchholtz

Real Estate Center at Texas A&M University

Pamela Canon 11/7/2025

By its Director Date
Pamela Canon

TEXAS REAL ESTATE COMMISSION

P.O. BOX 12188 • AUSTIN, TEXAS 78711-2188 • STREET ADDRESS: 1101 CAMINO LA COSTA • AUSTIN, TEXAS 78752 • (512) 459-6544

MEMORANDUM

TO: Broker-Lawyer Committee Members

FROM: Mark A. Moseley, General Counsel MAM

RE: Report on Developments

DATE: March 16, 1993

On March 15, 1993, the members of the Texas Real Estate Commission approved the Letter of Understanding submitted by the Broker-Lawyer Committee.

I will deliver an original letter to the Committee in El Paso. A copy is enclosed for each member.

Enc.
MAM:pah

March 1, 1993

Texas Real Estate Commission
P. O. Box 12188
Austin, Texas 78711-2188

Dear Members of the Commission:

A question has arisen as to the correlative rights of the Texas Real Estate Commission (TREC) and the Texas Real Estate Broker/Lawyer Committee (the B/L Committee) under Section 16 Article 6573a of the Revised Civil Statutes of Texas, in connection with the delegation of authority under Section 16 to prepare contract forms authorized by Section 16 and the promulgation of such forms. It is the desire of TREC and the B/L Committee to define their respective rights in order to eliminate any such question and to agree on a procedure to be following in preparing and promulgating the forms.

A. The respective rights of TREC and the B/L Committee are as follows:

1. The B/L Committee shall have the obligation and responsibility to draft all of the forms and each and every portion thereof.

2. TREC shall have the obligation and responsibility to promulgate, or refuse to promulgate, the forms as drafted by the B/L Committee.

B. The following procedures shall be followed by TREC and the B/L Committee in drafting and promulgating the forms:

1. Drafts of forms shall be distributed to all members of TREC for their review and suggestions. All suggestions shall be in writing.

2. The B/L Committee shall consider all comments and suggestions and make such revisions to the forms as the B/L Committee deems appropriate. A revised draft of the forms shall be distributed to all members of TREC. If the B/L Committee determines that revisions are not appropriate, it shall notify TREC and state its reasons to TREC in writing.

3. TREC shall not make changes, alterations, or amendments to any form drafted by the B/L Committee and submitted for promulgation. If TREC fails to approve any form as drafted by the B/L Committee and submitted for promulgation, TREC shall return the form to the B/L Committee for further action accompanied by the written objections of TREC and the reason for its objections.

4. The B/L Committee shall diligently and in good faith attempt to satisfy the objections of TREC to any form returned. However, if the B/L Committee determines that the objections cannot be satisfied, no change in the form will be made. Whether the objection is satisfied or not, the form shall be resubmitted to TREC with a written explanation stating the reasons for the decision and action by the B/L Committee.

5. If TREC, after receiving the written explanation of the B/L Committee, continues its objection and TREC and the B/L Committee cannot agree on a mutually satisfactory resolution to the objection, the matter shall be submitted to an ad hoc committee for resolution. The ad hoc committee shall consist of four members of TREC, appointed by the Chair of TREC, and four members of the B/L Committee, appointed by the Co-chairs of the B/L Committee. The ad hoc committee shall diligently and in good faith work until it resolves the matter. A majority vote of the ad hoc committee shall be sufficient to approve a resolution of the matter. The ad hoc committee shall promptly communicate its decision as a recommendation to the Texas Real Estate Commission and the Texas Real Estate Broker-Lawyer Committee. The Texas Real Estate Broker-Lawyer Committee shall make such drafting changes as necessary to carry out the ad hoc committee recommendation.

6. The members of TREC and the B/L Committee shall meet at mutually satisfactory times and places to discuss the work of the B/L Committee.

If this statement of the respective rights of TREC and the B/L Committee and the statement of procedure to be followed by TREC and the B/L Committee have the concurrence of TREC, it is requested that the Chair of TREC be authorized to execute the attached copy of this letter, and that the copy so executed be returned to the B/L Committee, it being understood that this letter agreement will be made a part of the minutes of the respective meeting of TREC and the B/L Committee at which the written concurrence of this letter agreement is adopted.

Your early attention to this matter is requested in order that the B/L Committee may submit additional forms for your consideration and promulgation.

Very truly yours,

THE TEXAS REAL ESTATE BROKER/LAWYER COMMITTEE

By Guy Chipman Jr.
Co-Chair, Guy Chipman, Jr.

By Thomas D. McGown
Co-Chair, Thomas D. McGown
by James A. Baker
Secretary

CONCURRED IN AND AGREED TO THIS
15 DAY OF March 1993.

TEXAS REAL ESTATE COMMISSION

By Eden VZ Box
Chair, Eden Box

TEXAS REAL ESTATE COMMISSION

REAL ESTATE COMMISSION

APPRAISER LICENSING & CERTIFICATION BOARD

MEMORANDUM

TO: TREC/TALCB Staff

FROM: Douglas E. Oldmixon

RE: Broker-Lawyer Committee

DATE: November 1, 2009

The respective rights of The Texas Real Estate Commission (the Commission) and the Broker-Lawyer Committee are as follows:

(1) The Broker-Lawyer Committee shall have the obligation and responsibility to draft all of the forms and each and every portion thereof.
(2) The Commission shall have the obligation and responsibility to promulgate, or refuse to promulgate, the forms as drafted by the Broker-Lawyer Committee.

The following procedures shall be followed by the Commission and the Broker-Lawyer Committee in drafting and promulgating the forms:

(1) Drafts of forms shall be distributed to all members of the Commission for their review and suggestions. All suggestions shall be in writing.
(2) The Broker-Lawyer Committee shall consider all comments and suggestions and make such revisions to the forms as the Broker-Lawyer Committee deems appropriate. A revised draft of the forms shall be distributed to all members of the Commission. If the Broker-Lawyer Committee determines that revisions are not appropriate, it shall notify the Commission and state reasons to the Commission in writing.
(3) The Commission shall make changes, alterations, or amendments to any form drafted by the Broker-Lawyer Committee and submitted for promulgation. If the Commission fails to approve any form as drafted by the Broker-Lawyer Committee and submitted for promulgation, the Commission shall return the form to the Broker-Lawyer Committee for further action accompanied by the written objections of the Commission and the reason for its objections.
(4) The Broker-Lawyer Committee shall diligently and in good faith attempt to satisfy the objections of the Commission to any form returned. However, if the Broker-Lawyer Committee determines that the objections cannot be satisfied or not, the form shall be resubmitted to the Commission with a written explanation state the reasons for the decision and action by the Broker-Lawyer Committee.
(5) If the Commission, after receiving the written explanation of the Broker-Lawyer Committee, continues its objection and the Commission and the Broker-Lawyer Committee cannot agree on a mutually satisfactory resolution to the objection, the matter shall be submitted to an ad hoc committee for resolution. The ad

TEXAS REAL ESTATE COMMISSION

APPRAISER LICENSING & CERTIFICATION BOARD

MEMORANDUM

TO: TREC/TALCB Staff

FROM: Douglas E. Oldmixon

RE: Policy Regarding Acceptability of Imaged Signatures

DATE: March 1, 2010

PURPOSE

The purpose of this policy is to clarify the acceptable use of handwritten or imaged signatures communicated electronically to the agency. Since the agency will soon be imaging all of its paper records, documents with an original signature become extraneous since we will no longer maintain paper records with original signatures on any applicant or complaint once all files are imaged and maintained electronically.

POLICY

Handwritten signatures on applications and complaints that are communicated to the agency by fax or email (imaged signatures) are the equivalent of "original" ink signatures. On this basis, while a document must still be signed to be acceptable, it is not necessary that a person submit an "original" ink signature before the agency processes the document. An imaged signature may be considered an "original" signature for all agency purposes.

hoc committee shall consist of four members of the Commission, appointed by the Chair, and four members of the Broker-Lawyer Committee, appointed by the Co-chairs of the Broker-Lawyer Committee. The ad hoc committee shall diligently and in good faith work until it resolves the matter. A majority vote of the ad hoc committee shall be sufficient to approve a resolution of the matter. The ad hoc committee shall promptly communicate its decision as a recommendation to the Commission and the Broker-Lawyer Committee. The Broker-Lawyer Committee shall make such drafting changes as necessary to carry out the ad hoc committee recommendation.

(6) The members of the Commission and the Broker-Lawyer Committee shall meet at mutually satisfactory times and places to discuss the work of the Broker-Lawyer Committee.

TEXAS REAL ESTATE COMMISSION

DOUGLAS E. OLDMIXON, ADMINISTRATOR

POLICY MEMORANDUM

TREC Commissioners

Avis G. Wukasch
Chair

Bill L. Jones
Vice Chair

Joanne Justice
Secretary

Troy C. Alley, Jr.

Adrian A. Arriaga

Robert C. (Chris) Day

Jaime Blevins Hensley

Weston Martinez

T.J. Turner

Douglas E. Oldmixon
Administrator

Date: February 13, 2013

RE: Official Record of Commission Meetings

This memorandum is to confirm that the Texas Real Estate Commission (Commission) approved the use of electronic minutes with a booked marked video recording of Commission meetings as the official record of the meetings and delegated authority to the Commission Secretary to approve this official record prior to posting it on the agency website.

This policy is effective as of February 11, 2013 and remains in effect until and unless changed or revoked by the Commission.

Approved by the Commission and signed this 14 day of February 2013.

Avis Wukasch

Avis Wukasch, Chair
Texas Real Estate Commission

TEXAS REAL ESTATE COMMISSION

REAL ESTATE COMMISSION

APPRAISER LICENSING & CERTIFICATION BOARD

MEMORANDUM

FROM: TREC Commissioners & TALCB Members

TO: Administrator/Commissioner & Agency Staff

RE: Commissioner/Board Member Per Diem & Travel Expenses; Key Staff Travel

DATE: November 1, 2009, updated 5/17/10, 12/1/11, & 4/29/14

(A) Statutory Per Diem Payment
Under state law, Commissioners/Board Members may request compensatory per diem for any day during which they represent the Commission/Board in an official capacity. Participation in any regularly scheduled or specially-called Commission/Board meeting, standing committee or subcommittee meeting qualifies as official duties. Any other event requires the preapproval of the Chair.

(B) Commissioner/Board Member Travel
In addition to statutory per diem, travel expenses will be paid according to the Texas Comptroller guidelines for Commissioners/Board Members when performing official duties. Official duties means representing the Commission/Board at a meeting where participation has been approved by the Chair and travel scheduled through the agency staff.

(C) Expense Reimbursement for Official Duties
As provided for in the State and Agency Travel Guidelines, Commissioners/Board members also will be reimbursed for certain expenses incurred in connection with travel for official duties on behalf of the Commission or Board. To minimize such expenses, committee meetings should be held via teleconference, or on the same day as a scheduled Commission/Board meeting. Other in-person meetings must be approved by the Chair. Lodging and meal expenses are not reimbursable for travel of less than 75 miles one way.

(D) When a Commissioner or Board member attends initial orientation, the individual will indicate in writing the person's preference for receipt of statutory per diem and/or travel expense reimbursements on an agency form. This indicated choice will remain in effect until changed by the person signing a later form and providing it to the Administrator/Commissioner. This change of choices may be done at any time.

(E) Representation at ARELLO/AARO Meetings
The Chair will officially represent the Commission/Board at Annual and/or Mid-Year ARELLO/AARO meetings as necessary and shall vote for the Commission/Board. If the Chair is not able to attend, the Chair may designate an alternate to attend. If the Administrator/Commissioner certifies that sufficient travel funds are available, the Commission/Board Chair may designate an additional Commissioner/Board Member to attend and represent the agency at these organization meetings.

(E) Administrator/Commissioner Attendance
The Administrator/Commissioner or a designee may attend all ARELLO/AARO meetings as necessary to represent the agency. In the absence of the Chair or the Chair's designated alternate, the Administrator/Commissioner shall vote on behalf of the agency.

(F) General Counsel Attendance
If the Administrator/Commissioner certifies that sufficient travel funds are available, the General Counsel may attend ARELLO/AARO meetings as appropriate to represent the agency.

(G) Division Director Attendance
If the Administrator/Commissioner certifies that sufficient travel funds are available, one or more division directors may be permitted to attend ARELLO/AARO meetings to participate in educational sessions.

(H) Out of State Travel
Under Ethics Commission rules, all travel reimbursement reports for Commissioners/Board Members which involve out of state travel must be filed with the Ethics Commission prior to reimbursement. Commissioners/Board Members representing TREC/TALCB at meetings and other functions held outside Texas should obtain advance approval of the Commission/Board Chair prior to attending such meetings when they will be submitting a request for reimbursement of travel and related expenses.

TEXAS REAL ESTATE COMMISSION

TREC Commissioners

Avis G. Wukasch
Chair

Bill L. Jones
Vice Chair

Joanne Justice
Secretary

Troy C. Alley, Jr.

Adrian A. Arriaga

Jaime Blevins Hensley

Weston Martinez

T.J. Turner

Chart H. Westcott

Douglas E. Oldmixon
Administrator

Duties and Ethics of Commission Members under Texas Law

Conduct at Commission Meetings

Texas Open Meetings Act – Chapter 551, Tex. Gov't Code ("Act") and Robert's Rules of Order

1. ***Right to Speak*** – A Commission member has the right to state his or her views, opinions, positions, and recommendations but should do so professionally and respectfully in the procedural manner established or directed by the Chair.

2. ***Duty to Listen*** – A Commission member should listen respectfully to the views, opinions, positions, and recommendations of others, even those with whom he or she disagrees.

3. ***Duty to Respect Commission Decisions*** – A Commission member should abide by and not subvert lawfully-taken Commission decisions. If, as a matter of principle, a Commission member must articulate a minority opinion, he or she may do so; however, such opinion should be announced to the Commission through the Chair, who may call upon the dissenting Commission member to articulate his or her opinion. In any case, the Commission member must refrain from subverting or otherwise denigrating lawfully taken Commission decisions to outside parties.

4. ***Duty of Confidentiality*** – A Commission member may not report the Commission's executive session discussions, deliberations, or statements of Commission members (including his or her own statements) to any third party without the Commission's permission. The Texas Open Meetings Act provides for civil and criminal penalties against Commission members who disclose certain confidential information in violation of the Act. *See, e.g.*, Tex. Gov't Code §551.146. (NOTE: The duty of confidentiality also applies to privileged communications between the Commission and its attorney.)

Conflicts of Interest

Tex. Gov't Code §572.051

5. ***Gifts and Bribes*** – A Commission member may not accept or solicit any gift, favor or service that might reasonably tend to influence him or her in the discharge of official duties or that he or she knows or should know is being offered with the intent to influence his or her official conduct. Nor should he or she knowingly solicit, accept or

agree to accept any benefit for exercising or having exercised his or her official powers or duties in favor of another. (NOTE: This prohibition applies to *individual* Commission members and does not affect the Commission's ability to solicit gifts, grants or donations as authorized in Texas Occupations Code §1103.157.)

6. ***Business or Professional Activities*** – A Commission member may not engage in employment or in business or professional activities that might reasonably require or induce him or her to disclose confidential information acquired by virtue of his or her official position.

7. ***Employment*** – A Commission member may not accept employment or compensation that could reasonably be expected to impair his or her independence of judgment in the performance of his or her official duties.

8. ***Investments*** – A Commission member may not make personal investments that could reasonably be expected to create a substantial conflict between the member's private interest and the Commission's interest; nor, may a Commission member usurp an opportunity of the Commission to profit or benefit from any person or entity.

Restrictions on Former Commission Members
Tex. Gov't Code §572.054

9. ***Communication or Appearance by former Commission member*** – A former Commission member may not appear before or communicate with an officer or employee of the Commission with the intent to influence and on behalf of any person in connection with any matter on which the person seeks official action within two years after the former Commission member ceased to serve on the Commission.

10. ***Representation by former Commission member*** – A Commission member may not represent any person or receive compensation for services rendered on behalf of any person regarding a matter in which the former Commission member participated during the member's service on the Commission, either through direct involvement or because the matter was within the Commission member's official responsibility. (NOTE: This restriction does not apply to a rulemaking proceeding that concluded before the Commission member's service ended.)

DELINEATING POLICY-MAKING FUNCTIONS OF
THE TEXAS REAL ESTATE COMMISSION (THE "COMMISSION")
THE MANAGEMENT FUNCTIONS OF THE COMMISSION'S
EXECUTIVE DIRECTOR AND STAFF

Tex. Occ. Code, §1101.102 requires the Commission to "develop and implement policies that clearly separate the policy making responsibilities of the Commission and the management responsibilities of the Executive Director and staff of the Commission." Other provisions of Tex. Occ. Code, Chapter 1101 address specific powers of the Commission and the Executive Director.

It is the intent of the Commission, in adopting this document, to clarify respective areas of authority and management, consistent with the requirements of Tex. Occ. Code, §1101.102, but this is done with an overarching concern that the Commission and management work in a closely coordinated manner. In order to facilitate an effective working relationship between the Commission and management, it is essential that communications be handled in a manner that will not violate open meetings laws or deprive the Commission of the right to assert its lawful prerogatives as it deems fit. To that end, the Executive Director should maintain a good, candid, open relationship with the Chair, keeping him or her apprised on a current basis of significant issues encountered in the operation of the agency. If, after conferring on an issue, the Chair believes that the matter needs to be brought to the Commission's attention, he or she will request that the Executive Director prepare and disseminated an appropriate briefing.

The Executive Director shall be responsible for obtaining from staff and providing to the Commission such reports as law or the Commission may from time to time require.

The Executive Director's regular communications with the Chair should include, but are not limited to:

- Discussing items to be included on the Commission agenda and on the agendas for meetings of committees of the Commission;
- Updates on pending legislation affecting the agency and the industries it oversees;
- Updates on pending or threatened litigation;
- Matters relating to the Commissioners such as pending hearings at which they need to be present;
- Discussing significant personnel matters, including those related to the general counsel, and/or organizational changes;
- Proposing rule changes;
- Discussing issues of broad significance raised by license holders or other affected parties;
- Discussing the status of audits; and
- Providing updates and status reports on operational crises and other important "out of the ordinary" matters.

Commission Policy-Making Functions

The Commission makes policy chiefly through:

- The adoption of rules;
- The adoption of the required ethics policy;
- The approval of, annual operating budgets, and strategic plans; contracts over $1,000,000; and
- Specific decisions regarding actions placed before the Commission for action.

From time to time one or more Commissioners may identify an area with respect to which the Commission ought to establish policy. If that is the case, the interested Commissioners should tell the Chair and ask that the matter be considered for inclusion on a Commission agenda.

Management Functions

The Executive Director is charged with overseeing all matters necessary to the daily operation of the agency, consistent with law and Commission-established policy. In that regard he or she is assigned responsibility and the attendant authority, subject to other laws, and Commission budget and policy, acting directly or through delegated staff, to:

- Organize the staff into such divisions, sections and other operating units as deemed appropriate;
- Approve all personnel actions;
- Approve expenditures;
- Oversee the licensing, education approval and administration, enforcement/investigative processes and the agency's day-to-day support functions, such as accounting, purchasing, human resources and technology;
- Execute agreements under $1,000,000, including interagency agreements and audit engagements;
- Execute Agreed Orders and default Final Orders; and
- Oversee the timely submittal of required reports.

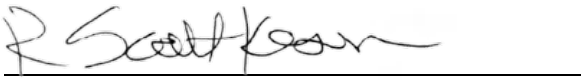
Except as the Commission may otherwise specify, the day-to-day operation of the agency is the responsibility of the Executive Director and may, in accordance with law, be delegated to appropriate members of staff.

Adopted by the Commission on August 17, 2015.



Avis Wukasch, Chair

Amended by the Commission on November 6, 2023.



R. Scott Kesner, Chair

Texas Real Estate Commission (Agency)

Handgun Policy

Any person, including Agency employees or members of the public, licensed to carry a handgun under Subchapter H, Chapter 411, Texas Government Code, may carry their concealed or openly holstered handgun on any premises owned, leased, or operated by the Agency, or in agency leased vehicles, so long as they comply with the legal requirements associated with carrying a handgun.

Texas law prohibits a person from possessing or carrying a handgun in the room or rooms where a meeting of a governmental entity is held, if the meeting is an open meeting subject to Chapter 551, Government Code, and if the entity provided notice as required by that chapter. This prohibition does not apply to a person licensed to carry a handgun under Subchapter H, Chapter 411, Government Code, unless a sign containing the language found in sections 30.06 and 30.07, Penal Code, is posted at the entrance of the room or rooms.

Therefore, the Agency will prohibit open and concealed carry handguns at its open meetings and notify attendees of this prohibition by posting a sign at the entrance to all open meetings and on all posted open meeting agendas.

Disclaimer

Employees who obtain licenses to carry handguns do so in their own individual capacities. Any possession or use of such handguns by employees, whether on or off Agency premises, is outside the scope of employment, is excluded from the purposes of employment by the Agency, and is done solely in the employee's individual capacity, and not as an employee of the Agency.

TREC

TEXAS REAL ESTATE COMMISSION

POLICY MEMORANDUM

Date: May 2, 2016

RE: Officer Nominations

This memorandum is to confirm that the Texas Real Estate Commission (Commission) approved the following practice regarding nomination for officers of the Commission:

At the last quarterly Commission meeting of each calendar year, the Commission will include an item on the agenda for nominations for the positions of Vice-Chair and Secretary. Additional nominations and a vote to elect a Vice-Chair and Secretary from those nominated will occur at the Commission's February meeting.

Approved by the Commission and signed May 2, 2016.

Avis Wukasch

Avis Wukasch, Chair
Texas Real Estate Commission

P.O. Box 12188 Austin, Texas 78711-2188 • 512-936-3000 • www.trec.texas.gov

Timeline for TREC Budget Committee

TREC's budget is on a fiscal year from September 1 – August 31. The budgeting process begins in the early spring for late summer adoption. Below are the milestones identified in policy with specific dates for each fiscal year. Current Fiscal Year 2019 = September 1, 2018 – August 31, 2019

Action	By When (no later than)	Next Date
Budget Committee Appointed	February	_____
Staff prepares 1st draft budget for Committee	March 31st	_____
Budget Committee meets	April 10th	_____
Committee members provide comments	April 20th	_____
Staff updates budget; draft sent to Commission	10 days prior to May meeting	_____
Committee Chair reports to full Commission	May meeting	_____
Commission reviews draft budget	May meeting	_____
Staff prepares 2nd draft budget for Committee	June 10th	_____
Budget committee meets	June 20th	_____
Staff prepares final budget draft	July 20th	_____
Full Commission receives budget draft	10 days prior to Aug meeting	_____
Committee Chair reports to full Commission	August meeting	_____
Commission reviews and adopts final budget	August meeting	_____

Special Budget Committee meetings may be called at any time to address any fiscal issues.

Reporting

Budget drafts will include a five-year data set for revenues and expenditures

Monthly – Budget Status Report

Quarterly – Budget Status Report and Reserve Fund Balance Report

Annually – Annual Financial Report, reconciled Budget Report for prior fiscal year;

Self-Directed, Semi-Independent Report

Agency Travel Guidelines (effective 07/01/2026)

All forms referred to in this document can be found on the Agency Common drive at J:/Travel.

Air Fare, Car Rental, & Taxi

1. Contact your Travel Coordinator for all airfare and car rental reservations. Reservations are made in accordance with state travel guidelines. Agency Travel Coordinators are:

   - TREC Commissioner, TALCB Board, Advisory Committee and Executive Staff Travel: Jamie Andrews, jamie.andrews@trec.texas.gov, 512-936-6068
   - Staff Travel: Maria Leigh, maria.leigh@trec.texas.gov, 512-936-3606

2. State travel guidelines will not allow reimbursement for travel at rates higher than contract rates (TAC, Title 34, Part 1, Ch 20, Subchapter E, Division 2, Rule 20.411). When possible, please make or request reservations at least 14 days in advance of travel.

3. All staff are required to submit a signed Travel Authorization Form to the Travel Coordinator prior to requesting reservations. This form can be found in the Travel folder on the Agency Common drive.

4. Airfare will be charged to the agency central billing account (CBA), but rental car charges are paid by an individual's charge card to be reimbursed once travel report and receipts are submitted.

5. State contracted vendors ***must*** be used for car rental unless an exception exists and is noted on the travel report.

6. Vendors currently under contract for car rental are Enterprise Rent-A-Car/National Car Rental, and Hertz. Loss damage waiver (LDW) coverage is included in the contract rate. Additional insurance obtained is not reimbursable. TREC rate identifier codes for car rentals:
   a. Enterprise/National – [redacted]
   b. Hertz - [redacted]

7. Original receipts are required for airfare and car rentals. Submit the electronic ticket received from the airline with your travel report, even if it was charged to the central billing account.

8. Gas for rental cars is reimbursable. Please remember to refill the rental car before returning it to the rental agency. Receipts are required for reimbursement of gas costs for rental cars. Pre-paid gas option is not reimbursable.

9. Taxi receipts are required regardless of amount.

10. Actual cost of transportation provided by a network transportation driver (Uber, Lyft, etc.) if incurred to conduct state business and if it was **the most cost-effective mode** of transportation available considering all relevant circumstances, will be reimbursed. Receipts are required for reimbursement.

11. Tips or gratuities are not reimbursable.

12. To ensure the conservation of state funds, **the most overall cost-effective form of travel**, which factors in an authorized traveler's time shall be used. For example, renting a car versus

driving a personal vehicle. Please document extenuating circumstances, which may require a more expensive form of travel, in advance where feasible.

13. A Mileage vs. Rental Car calculation tool, located at the link below, will help you estimate which mode of transportation is **the most cost effective** in terms of actual dollars spent. https://fmx.cpa.texas.gov/fmx/travel/mileage/index.php

Personal Car Mileage

1. The mileage reimbursement rate for travel is $0.76 cents per mile effective July 1, 2026. Updated rates can be found on the Comptroller's Textravel site. Use Google maps for determining mileage between cities. Maps should be saved as PDF files and submitted along with the travel report.

2. You must itemize mileage on a point-to-point basis, which includes physical address or destinations (i.e., Headquarters (your home/office) to TREC headquarters 200 miles; TREC headquarters to restaurant 3 miles; restaurant to hotel 1 mile).

Meals and/or Lodging

1. Contact your Travel Coordinator (see above) for hotel reservations. Reservations are made in accordance with state travel guidelines. The Travel Coordinator will reserve rooms using Hotel Engine, the state contracted hotel booking platform, whenever possible. **It is your responsibility to cancel reservations if you are unable to make the trip.** We also ask that you inform your Travel Coordinator if cancellations are necessary.

2. Hotel Engine must be used unless an exception exists which must be noted on the travel report.

3. If the nightly hotel rate exceeds the GSA Daily Lodging Rate, a Request to Increase Maximum Lodging Rate form must be completed and submitted prior to securing reservations.

4. The daily in-state and out-of-state per diem rates are based on the U.S. General Service Administration (GSA) Per Diem Rates for lodging and meals/incidentals by location. Federal rates are based on city and month, updated annually in October. Reimbursement may not exceed the maximum amount for location. **The agency reimburses meals for all authorized travelers based upon departure and arrival as follows:**
   - Breakfast: depart before 7:00am or return after 7:00am
   - Lunch: depart before 11:00am or return after 1:00pm
   - Dinner: depart before 5:00pm or return after 7:00pm

5. Receipts are not required for meal reimbursement.

6. Non-overnight meal reimbursements for agency staff must be approved by the Executive Director prior to travel via the Travel Authorization Request form. Non-overnight meal reimbursement is permitted for Commissioners and Board Members and is considered income that must be reported on a W-2 tax form. Non-overnight meal reimbursements may not exceed $36. To qualify for non-overnight meal reimbursement, an authorized traveler must be away from their designated headquarters for more than six consecutive hours. Any exceptions may only be approved by the Executive Director.

7. Lodging and meal expenses are reimbursed for business trips of more than 50 miles from an employee's business HQ/residence and which *require* an overnight stay. Not all business trips

require an overnight stay; prudence and conservation of agency funds must be exercised. Exceptions may only be approved by the Executive Director.

8. Lodging receipts are required for reimbursement and must show a "zero" balance.

9. Tips, gratuities, and alcoholic beverages are not reimbursable.

10. If you spend the night with relatives or friends, please put it in the description (i.e., commercial lodging not obtained).

11. If you combine personal travel with business, please indicate personal days on the travel report. For example: *Travel period 2/26 – 3/01/25; 03/01/25 - Personal business.*

Other Expenses

1. Parking receipts are required unless paid at a meter. The parking tax charged at a hotel is reimbursable.
2. Airport parking reimbursement will not exceed the lowest posted daily rate for economy parking at the airport of departure. The current daily max rate at Austin-Bergstrom International Airport is $12 per day for economy parking.
3. Toll road fees are reimbursable if the mileage is incurred while engaged in travel that is reimbursable.
4. Hotel occupancy taxes are reimbursable.
5. Phone calls charged to a hotel room are reimbursable only if made for state agency business and should be itemized.
6. Baggage fees that are related to state business are reimbursable. It is assumed that the first checked bag is necessary to complete business travel. Charges for excessive baggage may be reimbursed if the travel is related to state business (e.g., transporting state-owned equipment).

Compensatory Per Diem

1. Commission and Board members in attendance at meetings are entitled to receive $75 compensatory per diem for each day the member performs in their official capacity.

2. Compensatory per diem is paid through the payroll system and taxes are withheld. Such payments will be reported on a W-2 at the end of each year. Each Commissioner/Board Member will be asked to provide a W-4 when first appointed.

Summary of Processing Procedures

1. If flying, contact your Travel Coordinator for airline and/or rental car reservations. The Travel Coordinator can also make lodging reservations, if needed.
2. When traveling, retain receipts and/or mileage records.
3. Complete a Travel Expense Report as soon as possible (within 30 days of travel) or submit a travel report and receipts to Maria Leigh on the last day of Commission or Board meetings.
4. Based on the travel report that you submit, a voucher will be processed and routed to you via DocuSign. Upon receiving an email stating that the voucher is ready, please review for

accuracy. If the voucher includes all reimbursable expenses, sign the form electronically and it will automatically route to the next party.

5. If you find that the voucher is incorrect or a reimbursable expense is missing, please alert Maria Leigh (maria.leigh@trec.texas.gov / 512-936-3603). Corrections and/or additions will be made, and the voucher will be re-routed for signature via DocuSign.

Commissioners and Board Members Only

1. Commissioners/Board Compensatory per diem will be processed on the next supplemental payroll (usually the first day of the month following the meeting).

2. You may receive both your travel and compensatory per diem payments by direct deposit if you wish. To do this please ensure you have submitted a completed Direct Deposit Authorization form to your appropriate recording secretary. It generally takes 2-3 weeks for the set-up process to be completed.

   If you do not intend to request reimbursement for travel expenditures, please inform your respective travel coordinator.

Contact Information

Contact		Phone Number	Email Address/Website
Commissioner Travel Arrangements	Primary: Jamie Andrews Secondary: Amber Hinton	(512) 936-6068 (512) 936-3092	Jamie.andrews@trec.texas.gov amber.hinton@trec.texas.gov
Board Travel Arrangements	Primary: Jamie Andrews Secondary: Amber Hinton	(512) 936-6068 (512) 936-3092	Jamie.andrews@trec.texas.gov amber.hinton@trec.texas.gov
Advisory Committee Travel Arrangements	Jamie Andrews	(512) 936-6068	Jamie.andrews@trec.texas.gov
Executive Staff Travel Arrangements	Jamie Andrews	(512) 936-6068	Jamie.andrews@trec.texas.gov
Staff Travel Arrangements	Maria Leigh	(512) 936-3606	maria.leigh@trec.texas.gov
Travel reimbursements	Financial Services Division, Travel Section	(512) 936-3606	travel@trec.texas.gov
State of Texas Travel Information Resources			https://fmx.cpa.texas.gov/fmx/travel/textravel/index.php
Contract Airfares, Car Rentals & Hotels			https://comptroller.texas.gov/purchasing/programs/travel-management/
Federal GSA Rates			Current Rates: Domestic Maximum Per Diem Rates. (Only the per diem rates listed at the federal "Domestic Maximum Per Diem Rates" Web site apply to state employees. Other information included in the Web site is not applicable.)
National Travel Systems		1-800-542-0452	**After Hours** In case of an emergency during out-of-business hours, please call 1-800-542-0452 and identify yourself as a traveler. Have your Agency ID (Agency 329) ready so the reservationist can pull up your profile.

Approved TREC Commission and Committee Meetings Timelines

Meeting	Date	Time calculation
Commission meetings	Second Monday of Nov, Feb, Aug First Monday of May	Traditional set schedule
Enforcement Committee	Between 45 -55 days after Commission meeting if motion for rehearing received	- per APA, have to allow time for filing and response, then action by committee has a deadline
Education Standards Advisory Committee	Second Monday of Oct., Jan., Apr., July	- 18 days for proposed rules to post in Texas register + 30 day comment period + 2 days to process materials +8 days post agenda and materials = 58 days min. after Commission meeting and 24 days min. prior to next Commission meeting for Governor's office review/posting etc. –see below- (90-82 leaves 8 day window for committee meetings)
Broker Lawyer Committee	Second Friday of Oct, Jan (not during session), Apr (not during session), July (and June after session)	- Same as above committee
Broker Responsibility Working Group	Second Wednesday Oct., Jan., April, July	-Same as above committee
Inspector Advisory Committee	Third Monday of Oct, Jan, Apr, July	-Same as above committee
Budget Committee	Between March 31st – April 10th and June 10th - 20th and prior to May and Aug Commission meeting)	-Budget policy requirements
Executive Committee	As called	

TREC

TEXAS REAL ESTATE COMMISSION

TREC FORM UPDATE POLICY

TREC Commissioners

R. Scott Kesner
Chair

Bob Leonard
Vice Chair

T.J. Turner
Secretary

Jason Hartgraves

Jan Fite Miller

Barbara Russell

Rayito Stephens

DeLora Wilkinson

Micheal Williams

Douglas E. Oldmixon
Executive Director

The Texas Real Estate Commission (Commission) approved the following policies regarding new forms or changes to existing TREC forms:

• New or Changes to Existing Forms Required by a Change in State or Federal Law or a Change to TREC Rules:

The Commission recognizes that the preparation of new forms or changes to existing forms required by a change in state or federal law is an administrative function and, to implement such changes in the law, the Commission delegates authority to prepare new forms or make changes to existing forms to TREC staff.

The Commission further recognizes that the preparation of new forms or changes to existing forms required by a change to TREC Rules is likewise an administrative function. The Commission therefore adopts the following RECOMMENDED MOTION template to be used when new forms or changes to existing forms are required by a change to TREC Rules:

RECOMMENDED MOTION TEMPLATE:

MOVED that staff is authorized, on behalf of the Commission, to submit for adoption amendments to 22 TAC §_____, along with any technical or non-substantive changes as required for adoption AND staff is directed to prepare any new forms or make changes to existing forms as needed to implement [this / these new rule(s) / amendments].

• Technical or Non-substantive Form Changes:

The Commission likewise delegates authority to make any technical or non-substantive changes to existing forms, including but not limited to formatting or style changes or error corrections, to TREC staff.

The creation of new forms or substantive changes to existing forms that do not fall under the delegations made in this policy must be approved by the Commission before implementation.

This policy regarding new forms or changes to existing TREC forms is effective as of May 6, 2019, and remains in effect unless and until changed or revoked by the Commission.

Approved by the Commission and signed this 6th day of May, 2019.

R. Scott Kesner, Chair
Texas Real Estate Commission

Staff prepares agenda/rules/PRM for meeting	5 working days	- 24 days before Commission meeting – prepare rules and agenda following committee recommendations
Staff Agenda and Materials meeting/GC sends Chair agenda for approval	3 Wednesdays before Commission meeting	-19 days before meeting -2 days prior to sending to Governor's office
GC sends agenda and PRM to Governor's office for approval	3 Fridays before Commission meeting	-17 days before meeting -one week review requested by Governor's office
Post Agenda and Materials to Members	2 Fridays before Commission meeting	10 days prior to Commission meeting

TEXAS REAL ESTATE COMMISSION

POLICY REGARDING THE
REAL ESTATE RECOVERY TRUST ACCOUNT AND
REAL ESTATE INSPECTION RECOVERY FUND

The Real Estate Recovery Trust Account and the Real Estate Inspection Recovery Fund (the "Recovery Fund") are governed by Texas Occupations Code, Chapters 1101 and 1102, respectively. These statutes set out numerous requirements that must be satisfied before a claimant may receive payment from the Recovery Fund. If a claimant or claim fails to satisfy any of these requirements, the claim may be denied. Reasons for denial may include the following:

- The claimant is the spouse, personal representative of the spouse or related to the defendant within the first degree of consanguinity; (Tex. Occ. Code §§ 1101.607; 1102.356)
- The claimant is a license holder seeking to recover a commission or compensation related to the transaction; (Tex. Occ. Code § 1101.607)
- The defendant was not engaging in brokerage activity or acting as a principal in a real estate transaction; (Tex. Occ. Code § 1101.602)
- The lawsuit was filed beyond the 2-year limitation period; (Tex. Occ. Code §§ 1101.605; 1102.354)
- The license holder was acting in an exempt capacity (engaging in brokerage activity under circumstances not requiring a license, such as selling homes as an employee of a builder); (Tex. Occ. Code §§ 1101.602; 1102.351)
- The claim seeks lost profits or speculative damages; (Tex. Occ. Code §§ 1101.601; 1102.351)
- The claim seeks punitive or mental anguish damages; (Tex. Occ. Code §§ 1101.601; 1102.351)
- The defendant was not licensed at the time of the transaction; (Tex. Occ. Code §§ 1101.601; 1101.351)
- The suit was for breach of contract, or does not involve a violation of Chapter 1101 or 1102 (as appropriate) listed in the statutes for the Recovery Funds; (Tex. Occ. Code §§ 1101.602; 1102.351)
- The claimant benefited from the misconduct of the license holder or otherwise had "unclean hands";
- The judgment is interlocutory (i.e., not final); (Tex. Occ. Code §§ 1101.606; 1102.351)
- The judgment's appeal timelines have not run or there is an appeal or bill of review pending; (Tex. Occ. Code §§ 1101.606; 1102.351)
- The plaintiff has recovered some or all of his damages prior to applying for payment and has not credited those payments to the actual damages or attorney's fees; (Tex. Occ. Code §§ 1101.611; 1102.360)

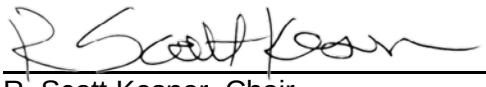
- The claimant did not use good faith efforts to protect the judgment from being discharged in bankruptcy (if applicable); (Tex. Occ. Code § 1101.606)
- The judgment was a default judgment and the evidence provided to the Commission does not support recovery; (Tex. Occ. Code §§ 1101.607; 1102.356)
- The judgment was an agreed judgment and process set out in the statute was not followed by claimant. (Tex. Occ. Code § 1101.605)

Once denied, claimants are advised that should they so choose, they may schedule a hearing in coordination with the Office of the Attorney General to contest the denial.

The Texas Real Estate Commission (the "Commission") recognizes that the determination to deny a claim on these or similar bases is largely an administrative function, made in consultation with legal counsel. As a result, the Commission adopts the following policy:

> **The Commission delegates its authority to Commission staff to deny Recovery Fund claims, if such claims fail to satisfy applicable legal requirements. However, Commission staff shall report any such denials to the Commission at its quarterly meetings.**

Approved by the Commission and signed this 19th day of February, 2021.



R. Scott Kesner, Chair
Texas Real Estate Commission

TEXAS REAL ESTATE COMMISSION

POLICY REGARDING PUBLIC MEMBER PARTICIPATION ON EXECUTIVE COMMITTEE

The Executive Committee consists of the Chair, the Vice Chair, and Secretary of the Commission. The Vice Chair and Secretary are elected annually at the February Commission meeting. *See* Tex. Occ. Code § 1101.056. In the instance where no public member is elected to serve on the Executive Committee, the Chair may appoint a public member to serve as an ex-officio member who will attend Executive Committee meetings and provide input.

Adopted at May 3, 2021, Commission Meeting

FY 2027 BUDGET AND FINANCIAL ADMINISTRATION POLICY

Texas Real Estate Commission

Approved: August 10, 2026

Texas Real Estate Commission
Budget and Financial Administration Policy

The financial integrity of the Commission is of vital importance. Written financial policies assist the Commission and staff in the financial management of the agency, save time and energy when discussing financial matters, engender public confidence, and provide continuity over time as Commission and staff changes occur.

Section 1.01 Fiscal Year.

The fiscal year of the Texas Real Estate Commission (TREC) shall begin on the first day of September and end on the last day of August.

Section 1.02 Public Record.

The budget shall be a public record, and copies shall be made available to the public upon request.

Section 1.03 Budget Committee.

The Chair appoints the Budget Committee and its Chair in February of each year. The Budget Committee is composed of a chair and two other Commissioners. By interpreting and detailing the Commission's policies, the Budget Committee provides direction to agency staff.

Section 1.04 Annual Budget.

(a) Content: The budget shall provide a complete financial plan of the TREC Operating Fund-3055, and activities and, except as required by law, shall be in a form that the Director of Finance deems desirable or that the Commission may require. An Executive Summary explaining the budget both in fiscal terms and in terms of agency programming shall be submitted with the budget. The summary shall (1) outline the proposed financial policies of the agency for the coming fiscal year, (2) describe the important features of the budget, (3) indicate any major changes from the current year in financial policies, expenditures, and revenues, with reasons for such changes, (4) include other material as the director deems necessary or desirable.

The budget shall begin with a clear general summary of its contents and shall show in detail all estimated income, based on the proposed fees and all proposed expenditures for the coming fiscal year. The proposed budget expenditures shall not exceed the total of estimated income and any fund balances available from prior years. The adopted budget must include an unencumbered general fund balance in reserves that is at least sufficient to cover three months of the agency's budgeted general fund operation and maintenance expenses. The budget shall be arranged to show five-year comparative figures for the current fiscal year's actual and estimated income and expenditures, the two immediately preceding fiscal year's actual income and expenditures, the estimate of income and expenditures for the budgeted year, and the fiscal year to follow. It shall include in separate sections:

1. An itemized estimate of the expenses.

2. Reasons for proposed increases or decreases in specific expenditures, compared with the current fiscal year.

3. A statement of the total probable income of the agency from fees for the period covered by the estimate.

4. Fee collections for the preceding five years.

5. All anticipated revenue from other sources; anticipated net surplus or deficit for the coming fiscal year.

6. Other information required by the Commission.

(b) Submission: Not later than April 15th, staff provides the Budget Committee with a first draft budget. The Budget Committee then provides recommendations for staff. At the May Commission meeting, the Budget Committee Chair presents the Committee's report on its activities. Staff prepares a second budget draft with updated revenue and expenditure for presentation at the August meeting, incorporating recommendations and guidance from the Budget Committee. The Budget Committee will meet as needed and will approve the final budget draft to be

presented at the August meeting. The Budget Chair presents the Committee's report and proposed budget to the Commission at the August Commission meeting before review and possible approval of the budget by the full Commission.

(c) Adoption: Adoption of the budget requires an affirmative vote from at least a majority of all members of the Commission. Adoption of the budget shall constitute appropriations of the amounts specified as expenditure from the funds indicated. The budget shall be adopted not later than August 31 of each year; but in the event the budget is not adopted, the budget for personnel and essential operating supplies and services made in the previous fiscal year shall be extended until the new budget is adopted. The Executive Director, along with agency staff, implements the directives and policies of the Commission outlined in the approved budget. The Commission may direct specific actions, amendments, or variances to the budget at any time by majority vote.

Section 1.05 Amendments After Adoption.

(a) Supplemental appropriations: If, during the fiscal year, the director certifies that there are revenues available for appropriation in excess of those estimated in the budget, the Commission may make supplemental appropriations for the year up to the amount of the excess.

(b) Reduction of appropriations: If at any time during the fiscal year it appears probable to the director that the revenues available will be insufficient to meet the amount appropriated, the director shall report to the commission without delay, indicating the estimated amount of the deficit, any remedial action taken, and recommendations for any other steps to be taken. The commission shall take further action as it deems necessary to prevent or minimize any deficit and, for that purpose, it may reduce one or more appropriations.

(c) Transfer of appropriations: At any time during the fiscal year the director may recommend to the commission to transfer part or all of any unencumbered appropriation balance among current expense categories as long as there is a bona-fide need and the overall appropriated budget is not exceeded. The commission shall review the recommendation and approve/reject the recommendation by majority vote.

(d) Effective date: Supplemental appropriations and reduction or transfer of appropriations authorized by this section may be made effective immediately upon adoption of the commission by vote.

(e) Budget Revision: A revised budget shall be presented to the commission for approval after the adoption of any amendments.

Section 1.06 Administration of Budget.

(a) Payments and obligations prohibited: No payment shall be made, or obligation incurred against any allotment or appropriation unless the director or her designee certifies there is a sufficient unencumbered balance in the allotment or appropriation and that sufficient funds are or will be available to cover the claim or meet the obligation when it becomes due and payable. Making unauthorized payments or obligations may be cause for removal of any employee who knowingly authorized or made such a payment or incurred such an obligation. Furthermore, the person making the payment shall also be liable to the agency for any amount illegally paid.

(b) Financial reports: The director of finance shall submit a status report each month that describes the financial condition of the agency by budget item and shows budgeted and actual income and expenditures for the preceding month and the fiscal year to date. The staff also provides a status report to the Commission at its regular quarterly meetings. The status reports include aggregate expenses and revenue within budget categories with explanations noted for variances between actual and budgeted greater than 10 percent over targeted expenditure in any category. The financial records of the agency will be maintained on a basis consistent with generally accepted accounting procedures.

(c) Budget Variances: As noted above, budget variances up to 10 percent in any category are noted in status reports. Any expenditure that would create a variance greater than 10 percent in a budget category must be approved by the Commission before the variance amount is expended. Such approval, however, is not required in instances in which the 10 percent variance is less than $20,000. Additionally, where a variance greater than 10 percent is necessary to address an agency need in which approval by the full Commission is not practical, approval may be sought in writing by the Budget Committee chair.

(d) Budget Control: The Commission shall develop appropriate controls and procedures and ensure that established control limits are not exceeded.

(e) Revenue: Generally, projected revenues available to balance a fiscal year budget will be determined solely from the operating fees generated as stated in the agency fee scheduled as outlined by Texas Occupation Code Sections 1101 and 1102.

(f) Revenue Estimates: The Agency will submit revenue estimates annually to the Commission. Revenues should be estimated using a conservative approach to avoid any budget shortfalls during the fiscal year.

(g) Fees: The Agency is self-supporting; therefore, fees must be established at a level ensuring, at a minimum, the recovery of the full cost of operating the agency. The agency will review all fees and recommend changes based on factors such as the impact of inflation, indirect cost adjustments, and any other related expenses that impact on the cost of providing services.

(h) Collections: The agency will monitor revenue collection throughout the fiscal year. When revenue is less than estimated, the Director of Finance shall initiate action consistent with prudent financial management and notify the Executive Director and Commission of such action.

(i) Unexpended Funds/Excess Revenue: Unobligated and unexpended funds in the budget and any revenue collected in excess of budgeted expenditures will be retained in the interest-bearing deposit account in the Texas Treasury Safekeeping Trust Company (TTSTC) for future use as determined by the Commission.

(j) Limitation on Use of Funds: The agency may only expend funds for items set out in the expenditure classifications of the Comptroller's Manual of Accounts.

(k) Reimbursements: Any reimbursement or refund of expenditure received by the agency for an authorized program or service will be credited back to the budget items or accounts from which the expenditures were originally made.

(l) Position Classification Plan: Chapter 654, Government Code, Chapter 659, Government Code and Article IX, Section 2.01 of the Appropriations Act will serve as a guide for the salaries of staff for the current biennium. The agency has moved to unclassified positions, effective July 1, 2023.

(m) Salary Limits: Staff will be paid salaries at rates that are commensurate with experience, using the applicable salary schedules provided in Article IX of the Appropriations Act for the current biennium as a guide.

(n) Travel Expenses: All requests for payment or reimbursement of travel-related expenses will comply with the agency's internal policy, which uses Chapter 660, Government Code, Article IX of the Appropriations Act for the current biennium, and the Comptroller's Rules as its guidelines.

(o) Reimbursement Rate: Commission Members and staff traveling on official state business will be reimbursed at rates that will not exceed the rates announced by the Comptroller for other State employees.

(p) Retired Employees: The Commission's annual budget shall provide sufficient funding to pay the Commission's share of retired employee health care costs.

(q) Gifts or Grants: Any gifts or grants approved by the Commission will be separate authority to expend funds for the purpose indicated and will be accounted for separately from the budget.

Section 1.07 Reserves.

(a) Objective. The Commission recognizes that maintaining sufficient reserves will ensure adequate funding for the needs and obligations of the agency including:

1. Sustaining the agency through an unexpected financial crisis.

2. Financing contingencies or emergencies as defined by the Commission.

3. Purchasing equipment and repairing and maintaining facilities to assist staff in meeting the mission of the agency.

4. Funding required lump sum payments of accrued vacation and sick leave.

(b) Operations and Contingencies Reserve. The Commission will accumulate and maintain an Operations and Contingencies Reserve totaling not less than three months of current budget's estimated operating expenses, excluding all "pass through" expense items. Once the target Operations & Contingencies Reserve is achieved, any other specifically approved reserves are funded at specific levels approved by the Commission, as needed to provide for planned projects. Staff must provide a three-year expenditure plan for large projects to better estimate total project expenses.

(c) Adjustment to Reserve Level. The Operations and Contingency reserve account level will be set each year in conjunction with the preparation of the Commission's annual budget. The dollar amount required to meet this reserve target is recalculated annually based on the current budget's estimated operating expenses and will therefore vary from year to year. If available funding in a given year is insufficient to reach the target, the shortfall shall be addressed under the replenishment procedures described below. The remaining funds are considered unreserved funds and can be used for current or future operations. This is shown as an available fund balance.

The Commission must minimize excess fund balances. When year-end fund balances exceed the total of the Operations & Contingencies Reserve by more than 20 percent for two consecutive years, staff must offer recommendations, subject to Commission approval, to reduce the excess fund balance in a responsible and sustainable manner over a two-year period beginning at the close of the second consecutive year in which the 20 percent threshold was exceeded. If the reserve account falls below the prescribed level, the Commission will propose strategies, approved by majority vote, to replenish the account balance over a period not to exceed two years. The strategies for replenishing the account may include reducing expenses, increasing fees, or any combination of those strategies.

(d) Statutory General Revenue Payment Reserve. The Commission will maintain a reserve to ensure that adequate funding is available to pay for the Commission's share of the statutory General Revenue payment as identified in Occupations Code 1105.003(f). The total amount due by August 31st of each fiscal year is $750,000 and is split proportionately between the Commission and the Texas Appraiser Licensing and Certification Board. The funding will be secured via existing US Treasury Notes and liquidated prior to the due date of the required payment.

FY 2027 INVESTMENT POLICY

Texas Real Estate Commission

Texas Real Estate Commission
Investment Policy

Section 2.00 Policy Statement.

It is the policy of the Texas Real Estate Commission that the administration of its funds and the investment of those funds shall be handled in a manner which will provide the maximum security of principal invested through limitations and diversification while meeting the daily cash flow needs of the Commission and conforming to all applicable state statutes governing the investment of public funds. The receipt of a market rate of return will be secondary to the requirements for safety and liquidity. It is the intent of the Commission to be in complete compliance with the Texas Public Funds Investment Act, Chapter 2256 of the Texas Government Code, as amended.

Section 2.01 Scope.

The Commission will endeavor to earn a return on funds invested at the optimum investment return after taking into account the primary goals of preservation of principal and liquidity of funds invested. A separate portfolio of investments may be created for each investment strategy and each portfolio will be managed in a manner consistent with the policy and applicable strategy objectives described below. This investment policy applies to all financial assets and funds held by the Commission and include:

Real Estate Recovery Trust Account,

Real Estate Inspection Recovery Fund,

Current Operations and Contingencies Reserve; and

Statutory General Revenue Payment Reserve.

Section 2.02 Prudence.

Investments shall be made with judgment and care under circumstances then prevailing that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived. The standard of prudence to be used by Investment Officers shall be the "prudent person" standard and shall be applied in the context of managing an overall portfolio. Investment Officers acting in accordance with written procedures, this Investment Policy, any applicable investment strategies, and exercising due diligence, shall be relieved of personal responsibility for an individual instrument's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments. In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the investment of all funds over which the Officer had responsibility rather than consideration as to the prudence of a single investment and whether the investment decision was consistent with this Investment Policy, the applicable Investment Strategy and written investment procedures.

Section 2.03 Objectives.

The Real Estate Recovery Trust Account, Real Estate Inspection Recovery Fund, and Reserve funds shall be managed and invested with three primary objectives, listed in order of their priority: safety, liquidity, and yield. These objectives encompass:

Preservation and Safety of Principal

Safety of principal is the foremost objective of the Commission. Investments of the Commission shall be undertaken in a manner that seeks to insure the preservation of capital in the overall portfolio. To obtain this goal, diversification is required in the portfolio's composition in order to minimize potential losses on the portfolio.

Liquidity

The Commission's investment portfolio will remain sufficiently liquid to enable it to meet all operating requirements, which might be reasonably anticipated.

Yield

The Commission's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, commensurate with the Commission's investment risk constraints and the cash flow characteristics of the portfolio. It is recognized that in diversifying the portfolio, occasional measured losses due to market volatility are inevitable and must be considered within the context of the overall portfolio's investment return, provided that adequate diversification has been implemented.

Section 2.04 Delegation of Authority.

Authority to manage the investment program is derived from the Act, specifically, Section 2256.005(f)-(h). Management responsibility for the investment program is hereby delegated to the Director of Finance, Accounting Manager, and Senior Budget Analyst of the Texas Real Estate Commission, or their successor positions, who for purposes of this Investment Policy, shall be referred to herein as the Investment Officers. The Investment Officers will be responsible for all transactions undertaken under this Investment Policy.

Section 2.05 Public Funds Investment Act Training.

In order to ensure qualified and capable investment management, each member of the Commission and the Investment Officers shall attend at least one training session relating to the person's responsibilities under the Act within six months after taking office or assuming duties. The Investment Officers shall attend an investment training session not less than once each state fiscal biennium and may receive training from any independent source approved by the Commission. Training to be received by the Investment Officers must include education in investment controls, security risks, strategy risks, market risks, diversification of investment portfolio assets, and compliance with the Act.

Section 2.06 Public Funds Investment Act Reporting.

The Investment Officers shall prepare and submit to each member of the Commission and the Executive Director an investment report no less frequently than quarterly. In addition to the information required by the Act, the report shall contain sufficient information to provide for a comprehensive review of investment activity, current investment instruments and performance for that period, and shall include, at a minimum:

(For each individual investment)

a. the book value at the end of the reporting period,

b. the market value at the end of the reporting period,

c. the maturity date of each investment,

d. a statement of intent if some or all securities are intended to be held to maturity,

e. any variations from the Texas PFIA, this investment policy or the investment strategy of the Commission; and

f. any recommended amendments to current specific investment strategies.

The investment report shall be prepared jointly and signed by all Investment Officers.

At least once every two years, the Commission shall perform a compliance audit of management controls on investments and adherence to the established investment policies as set forth in this document.

For any rated investment authorized under Section 2.09, including commercial paper, the Investment Officers shall monitor the credit rating of the issuer on an ongoing basis. If an issuer's rating falls below the minimum rating required by this Policy and the Act, the Investment Officers shall promptly evaluate the holding and take appropriate action consistent with Section 2256.021 of the Act, which may include liquidation of the investment.

Section 2.07 Safekeeping.

All securities purchased by the Commission under this Investment Policy shall be designated as assets of the Commission, shall be conducted on a delivery-versus-payment (DVP) basis, and shall be protected through the use of a third-party custodian/safekeeping agent. As required by law, cash is held in the Texas Treasury Safekeeping Trust Company (Trust Company).

Section 2.08 Investment Strategy.

The investment strategy for the funds is to maintain a laddered approach to portfolio management. Having a relatively even distribution of securities maturing each year helps eliminate extreme interest rate exposure. Investments will be set to mature on a quarterly basis when possible. The maximum allowable stated maturity of investments is 10 years.

Notwithstanding the 10-year maximum stated maturity above, commercial paper authorized under Section 2.09 is subject to its own maximum stated maturity of 365 days from the date of issuance, as required by the Act.

As required by law, cash is held in the Texas Treasury Safekeeping Trust Company (Trust Company). Cash is fully invested at all times and reinvested by the Trust Company in those investments authorized for state funds. Interest is compounded daily with earnings credited daily.

Section 2.09 Authorized Investments.

Authorized investments include primarily Direct Obligations of the United States Treasury (i.e., Treasury Bills, Notes, and bonds). Occasionally, Indirect Obligations of the Treasury or Agency Securities may be considered to be an appropriate investment (example, Federal National Mortgage Association - FNMA). This is considered on a case-by-case basis.

Commercial paper is an authorized investment provided it: (a) has a stated maturity of 365 days or fewer from the date of issuance; and (b) is rated not less than A-1 or P-1, or an equivalent rating, by at least (i) two nationally recognized credit rating agencies, or (ii) one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state, consistent with Section 2256.013 of the Act.

Commercial paper holdings, in the aggregate, may not exceed 15% of the total portfolio at the time of purchase, and holdings of a single issuer may not exceed 5% of the total portfolio at the time of purchase, in order to maintain diversification consistent with Section 2.03.

A fully collateralized repurchase agreement is an authorized investment provided it meets the requirements of Section 2256.011 of the Act, including a defined termination date, security of the funds disbursed by pledged obligations described in Section 2256.009(a)(1) or Section 2256.013, placement through a primary government securities dealer or a financial institution doing business in this state, and delivery of the pledged securities to the Commission or a third-party custodian selected and approved by the Commission. This authorization includes the overnight repurchase agreement described in Section 2.10(b) below.

All investment transactions must be settled on a delivery versus payment basis. The securities are held by the Trust Company as trustee. The Trust Company monitors the market price of investments and updates them daily. The Trust Company invests cash as described by Sections 404.024 and 404.106, Texas Government Code using prudent investment standards.

Section 2.10 Account Balances and Expenses.

a. Recovery Fund Account Balances

The minimum and maximum balances required for each Recovery Fund Account, as well as the sources and methods for adding funds to, and the procedures for any remittance of funds from, each Account are established by law in Chapters 1101 and 1102 of the Occupations Code.

b. Current Operations and Contingency Reserves Account Balances

The Commission will accumulate and maintain an Operations and Contingencies Reserve totaling not less than three months of current budget’s estimated operating expenses, excluding all “pass through” expense items. These

Reserves will be held in a highly liquid overnight repurchase agreement (Repo), as authorized in Section 2.09. This type of repurchase agreement matures nightly, and the instrument turns back into cash the very next day.

Once the target Operations & Contingencies Reserve is achieved, any other specifically approved reserves are funded at specific levels approved by the Commission, as needed to provide for planned expenditures or contingencies.

c. Statutory General Revenue Payment Reserve

The Commission will maintain a reserve to ensure that adequate funding is available to pay for the Commission's share of the statutory General Revenue payment as identified in Occupations Code 1105.003(f). The total amount due by August 31st of each fiscal year is $750,000 and is split proportionately between the Commission and the Texas Appraiser Licensing and Certification Board. The funding will be secured via existing US Treasury Notes and liquidated prior to the due date of the required payment.

Section 2.11 Annual Review.

As required by Section 2256.005(e) of the Act, the Commission shall review this Investment Policy and the investment strategies applicable to each fund not less than annually. The Commission shall adopt a written instrument by rule, order, or resolution stating that it has reviewed the Investment Policy and investment strategies, and that written instrument shall record any changes made to either the Investment Policy or the investment strategies.

TREC

TEXAS REAL ESTATE COMMISSION

POLICY REGARDING AUDIT COMMITTEE

The Audit Committee consists of a member of the TREC Executive Committee, a member of the TREC Budget Committee, and a member of the Texas Appraiser Licensing and Certification Board (TALCB). The Chair of the Commission shall appoint the two Commission members and the Chair of TALCB shall appoint the TALCB member. The Audit Committee will work with both staff and the agency's outside audit services provider to make recommendations to the full Commission regarding the agency's annual audit plan and any other audits the Audit Committee may recommend. The Audit Committee shall have a direct line of communication to the agency's outside audit services provider to monitor agency actions and to oversee the policymaking function of the agency.

Adopted at the 11/8/2021 Commission Meeting

Policy Regarding the Executive Committee
of the Texas Real Estate Commission (the "Commission")

I. **Purpose.** The Commission's Executive Committee (the "Committee") is formed pursuant section 1101.056(c), Occupations Code. Its purpose is to advise and make recommendations to the Commission and take other action as further outlined in this policy.

II. **Composition.** The Committee is composed of three Commission members: Chair, Vice Chair, and Secretary. The Chair may appoint an ex-officio public member in the event one is not elected to the Committee.

III. **Meetings.**

a. **Regular meetings**. The Committee meets regularly during the months in which no full Commission meeting takes place.
b. **Special meetings.** Special meetings may be called by the Chair.
c. **Format.** Meetings may take place in person or via teleconference, videoconference, or other electronic means.

IV. **Duties.** The responsibilities and authority of the Committee shall include the duties and powers described below and other responsibilities and charges as needed by the Commission:

a. Receive information from the Executive Director and other agency staff related to agency operations;
b. Review draft rules not within the subject matter jurisdiction of another committee of the Commission;
c. Monitor the Commission's current goals and objectives related to agency operations, and make recommendations to the Commission concerning future goals and objectives and the establishment of priorities;
d. Assist in the preparation and presentation of information concerning the Commission to the Legislature and other state officials;
e. Advise the Executive Director on urgent matters that may arise between Commission meetings as appropriate;
f. Make recommendations to the Commission regarding ways to improve the efficiency and effectiveness of the administration of the Commission;
g. Conduct an annual performance evaluation of the Executive Director, report findings, and make employment recommendations to the Commission; and
h. In the event of a vacancy in the Executive Director position, and in the absence of an alternative plan as established by the full Commission, oversee the hiring process, conduct interviews, and make employment recommendations to the Commission.

Adopted at 11/8/2021 Commission Meeting

TREC Commissioners

R. Scott Kesner
Chair

Jan Fite Miller
Vice Chair

Jason Hartgraves
Secretary

Leslie Lerner

Ben Peña

Barbara Russell

DeLora Wilkinson

Micheal Williams

Mark Woodroof

Chelsea Buchholtz
Executive Director

ADVISORY COMMITTEE SELECTION PROCESS

Members of advisory committees are appointed by the Texas Real Estate Commission (the Commission). The Commission welcomes and encourages a diverse applicant pool.

Based on the below requirements, the following timeline is implemented for purposes of making committee member appointments:

1. Staff announces open membership positions for applicable advisory committees and accepts applications before the relevant Commission meeting at which a selection committee is established.

2. The Chair of the Commission requests volunteers for a selection committee of Commissioners for each committee at the Commission meeting prior to the need for official nomination of new members.

3. Each selection committee must consist of at least one public Commissioner and at least one broker Commissioner. The selection committee consists of three Commissioners or two Commissioners and one current member of the subject advisory committee.

4. Staff will coordinate an initial selection committee meeting if necessary or desired by the selection committee and Chair.

5. Staff will send all applications and materials to the selection committee members for their review.

6. Selection committee members will give consideration as to whether an applicant currently serves on a different advisory committee and endeavor not to have individuals serve on multiple advisory committees at the same time.

7. After the review period, the selection committee meets, either by email or in a meeting (virtual or in person) to decide who to recommend for appointment to the full Commission.

8. An alternate appointment is included when appropriate in the selection process in the event that an unexpected appointment needs to be made. One alternate shall be selected for each member type and each alternate member will serve a two-year term.

9. Appointments are made at the following Commission meeting.

Adopted at 11/8/2021 Commission Meeting

TEXAS REAL ESTATE COMMISSION

APPRAISER LICENSING & CERTIFICATION BOARD

MEMORANDUM

TO: TREC/TALCB Staff

FROM: Douglas E. Oldmixon

RE: Confidentiality of Social Security Number (SSN)

DATE: July 7, 1999 – reviewed and endorsed 11/2/09

The 76th Legislature passed HB 692, effective May 29, 1999. This bill makes SSN for license applicants or holders confidential. Thus, all SSN for current and past license holders, registrants and pending applicants may not be released to the public except as provided below:

If the agency is sending out a copy of a public record which has the SSN on it, the number must be marked through on the copy so that it is not legible.

If a member of the public calls to confirm a particular license holder's SSN, it is acceptable to confirm the number as recited by the caller, but staff may not provide the number itself or correct a mistake made by the caller.

If a license holder or applicant desires the agency to send a document containing that person's SSN to someone else, staff may do so only if written, signed consent from the license holder or applicant is received. For this purposed, a faxed consent is acceptable.

TEXAS REAL ESTATE COMMISSION

APPRAISER LICENSING & CERTIFICATION BOARD

MEMORANDUM

TO: TREC/TALCB Staff

FROM: Douglas E. Oldmixon

RE: State Bar CE Courses for which Real Estate MCE Elective Credit is Given

DATE: March 1, 2010

Section 7A(a) of the Texas Real Estate License Act states that "Real estate related courses approved by the State Bar of Texas for minimum continuing legal education participatory credit … shall automatically be approved as mandatory continuing education courses under this Act."

The Ethics Commission decision prohibiting Commissioners from teaching core and continuing education courses focused on the Commission's approval process- namely that providers and courses must be approved by the Commission. No such approval is needed or given for State Bar courses- they are "automatically" approved for licensee MCE. Therefore, neither Commissioners nor TREC staff shall be prohibited from teaching or otherwise taking part in State Bar-approved real estate related courses for which continuing education credit is available to real estate licenses.

PER DIEM & TRAVEL REIMBURSEMENT ELECTION

For Commissioners and Board Members

Commission/Board Member Printed Name:		
Regular Commission/Board Meetings		
Per Diem Election (Commission/Board Meetings)	☐ **YES**, I would like to receive $75 per diem for attendance at full Commission/Board meetings. *(automatically paid by agency)*	☐ **NO**, I would not like to receive $75 per diem for attendance at full Commission/Board meetings.
Travel Expense Election (Commission/Board Meetings)	☐ **YES,** I would like to be reimbursed for travel expenses incurred at full Commission/Board meetings. *(Commission/Board Member must submit documentation each time.)* [1]	☐ **NO,** I would not like to be reimbursed for travel expenses incurred at full Commission/ Board meetings.
Qualifying Committee Meetings		
Per Diem Election (Qualifying Committee Meetings)	☐ **YES**, I would like to receive $75 per diem for attendance at qualifying Committee meetings. *(automatically paid by agency)*	☐ **NO**, I would not like to receive $75 per diem for attendance at qualifying Committee meetings.
Travel Expense Election (Qualifying Committee Meetings)	☐ **YES,** I would like to be reimbursed for travel expenses incurred at qualifying Committee meetings. *(Commission/Board Member must submit documentation each time.)* [1]	☐ **NO**, I would not like to receive $75 per diem for attendance at qualifying Committee meetings.
Elections may be updated at any time by simply executing a new form to replace the one on file.		
Signature:		Date:
Commissioner / Board Member		

[1] All travel expenses are reimbursed only as allowed under state and Comptroller rules. Travel reimbursement forms and supporting documentation (receipts) must be submitted before reimbursement can be made.

Texas Real Estate Commission

Internal Audit Charter

Purpose

The purpose of the internal audit function is to strengthen the Texas Real Estate Commission's (TREC) ability to create, protect, and sustain value by providing the Commissioners and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function enhances TREC's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

TREC's internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with The IIA's Global Internal Audit Standards™, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the Commissioners.
- Internal auditors are free from undue influence and committed to making objective assessments.

Mission

Internal Audit's mission is to support TREC's achievement of its objectives through a strategic approach designed to assess the effectiveness of risk management, controls, and compliance processes to accomplish:

- Effectiveness and efficiency of operations.
- Reliability of financial and operational reporting.
- Compliance with all applicable laws and regulations.
- Compliance with TREC's policies.

Internal audit will provide independent, objective assurance and consulting services designed to add value and improve TREC's operations and system of internal control on behalf of the Commissioners, the Executive Director, and management.

TREC's Internal Audit Function

TREC's internal audit function is outsourced to a third-party Certified Public Accounting firm, hereinafter referred to as "Internal Auditor". The internal audit function reports to TREC's Commissioners. The internal audit service provider is responsible for administering the internal audit function in accordance with all applicable statutes, regulations, standards, policies, and Commissioner's directives. This includes, but is not limited to, internal audit activities, investigations, certain compliance activities, and activities discussed in this document.

Internal Auditors are required to conform with the principles and standards of ethics and professionalism contained in the IIA standards. The fact that a particular behavior is not mentioned in the IIA principles and standards does not preclude it from being considered unacceptable or discreditable.

Audit Committee

TREC established an audit committee comprised of two TREC Commissioners and one representative of The Texas Appraiser Licensing and Certification Board, an independent subdivision of TREC. Internal Auditors will work closely with the audit committee to execute the agency's internal audit program.

Commitment to Adhering to the Global Internal Audit Standards

TREC's internal audit function will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. The Internal Auditor will report annually to the Commissioners and senior management regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

Mandate

TREC's internal audit function is mandated by Texas Government Code Chapter 2102. Internal Audit. Chapter 2102 Section 2102.005 defines the requirements for the internal audit program. These requirements include:

1. An annual audit plan that is prepared using risk assessment techniques and that identifies the individual audits to be conducted during the year.
2. Periodic audits of the agency's major systems and controls, including:
    a. Accounting systems and controls.
    b. Administrative systems and controls.
    c. Electronic data processing systems and controls.

Chapter 2102 Section 2102.006 requires the board of a state agency, or the administrator of a state agency if the state agency does not have a governing board, to periodically review the resources dedicated to the internal audit program and determine if adequate resources exist to ensure that risks identified in the annual risk assessment are adequately covered within a reasonable time frame.

Chapter 2102 Section 2102.007 defines the duties of the internal auditor which includes reporting directly to the board or administrator, developing annual audit plans, conducting audits specified in the audit plan and documenting deviations, preparing audit reports, conducting quality assurance reviews in accordance with professional standards, and periodically taking part in a comprehensive external peer review. The program of internal auditing conducted by a state agency must provide for the auditor to have access to the administrator and be free of all operational and management responsibilities that would impair the auditor 's ability to review independently all aspects of the state agency 's operation.

Chapter 2102 Section 2102.008 requires the annual audit plan developed by the internal auditor to be approved by the board of a state agency, or the administrator of a state agency if the state agency does not have a governing board. Annual reports must be reviewed by the state agency's governing board and the administrator.

Authority

TREC's internal audit function mandate is found in Texas Government Code Chapter 2102 Section 2102.004, which states Sections 2102.005-2102.012 apply only to a state agency that:

1) Has an annual operating budget that exceeds $10 million.
2) Has more than 100 full-time equivalent employees as authorized by the General Appropriations Act; or
3) Receives and processes more than $10 million in cash in a fiscal year.

Sections 2102.013 and 2102.014 apply to each state agency that receives an appropriation and that is not described above.

The internal audit function's authority is created by its direct reporting relationship to the Commissioners. Such authority allows for unrestricted access to the Commissioners.

The TREC Commissioners authorizes the internal audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of TREC and other specialized services from within or outside TREC to complete internal audit services.

Independence, Organizational Position, and Reporting Relationships

The Internal Auditor will be positioned at a level in the organization that enables internal audit services and responsibilities to be performed without interference from management, thereby establishing the independence of the internal audit function. (See "Mandate" section.) The Internal Auditor will report functionally to the Commissioners or Audit Committee and administratively (for example, day-to-day operations) to the Executive Director. This positioning provides the organizational authority and status to bring matters directly to senior management and escalate matters to the Commissioners and Audit Committee, when necessary, without interference and supports the Internal Auditors' ability to maintain objectivity.

The Internal Auditor will confirm to the Commissioners at least annually, the organizational independence of the internal audit function. If the governance structure does not support organizational independence, the Internal Auditor will document the characteristics of the governance structure limiting independence and any safeguards employed to achieve the principle of independence. The Internal Auditor will disclose to the Commissioners any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfill its mandate.

Changes to the Mandate and Charter

Circumstances may justify a follow-up discussion between the Internal Auditor, Commissioners, and senior management on the internal audit mandate or other aspects of the internal audit charter. Such circumstances may include but are not limited to:

- A significant change in the Global Internal Audit Standards.
- A significant reorganization within the organization.
- Significant changes in the Internal Auditor, Commissioners, and/or senior management.
- Significant changes to the organization's strategies, objectives, risk profile, or the environment in which the organization operates.
- New laws or regulations that may affect the nature and/or scope of internal audit services.

Texas Real Estate Commissioner's Oversight

To establish, maintain, and ensure that TREC's internal audit function has sufficient authority to fulfill its duties, the Commissioners will:

- Discuss with the Internal Auditor and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.
- Ensure the Internal Auditor has unrestricted access to and communicates and interacts directly with the Commissioners including in private meetings without senior management present.
- Discuss with the Internal Auditor and senior management other topics that should be included in the internal audit charter.
- Participate in discussions with the Internal Auditor and senior management about the "essential conditions," described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
- Approve the internal audit function's charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Review the internal audit charter annually with the Internal Auditor to consider changes affecting the organization, such as the employment of a new chief audit executive or

changes in the type, severity, and interdependencies of risks to the organization; and approve the internal audit charter annually.

- Approve the risk-based internal audit plan.

TREC's Audit Committee Shall:

- Provide input to the internal audit function's annual budget.
- Review the internal audit function's expenses each year to determine budget adequacy.
- Provide input to senior management on the appointment and removal of the 3rd party internal audit function provider or chief audit executive, ensuring adequate competencies and qualifications and conformance with the Global Internal Audit Standards.
- Review the Internal Auditor's performance.
- Receive communications from the Internal Auditor about the internal audit function including its performance relative to its plan.
- Ensure a quality assurance and improvement program has been established and review the results annually.
- Make appropriate inquiries of senior management and the chief audit executive to determine whether scope or resource limitations are inappropriate.

Chief Audit Executive Roles and Responsibilities

Ethics and Professionalism

The Internal Auditor will ensure that internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organization and be able to recognize conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organization.
- Report organizational behavior that is inconsistent with the organization's ethical expectations, as described in applicable policies and procedures.

Objectivity

The Internal Auditor will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the Internal Auditor determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise

quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal Auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Assessing specific operations for which they had responsibility within the previous year.
- Performing operational duties for TREC or its affiliates.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any TREC employee that is not employed by the internal audit function, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as the chief audit executive, Commissioners, management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

Managing the Internal Audit Function

The Internal Auditor has the responsibility to:

- At least annually, develop a risk-based internal audit plan that considers the input of the Commissioners and senior management. Discuss the plan with the TREC Audit Committee members and senior management and submit the plan to the Commissioners for review and approval.
- Communicate the impact of resource limitations on the internal audit plan to the TREC Audit Committee members, Commissioners, and senior management.
- Review and adjust the internal audit plan, as necessary, in response to changes in TREC's business, risks, operations, programs, systems, and controls.
- Communicate with the TREC Audit Committee members and senior management if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards and Texas Internal Audit Act
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the TREC Audit

Committee members, Commissioners, and senior management periodically and for each engagement as appropriate.

- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfill the internal audit mandate.
- Identify and consider trends and emerging issues that could impact TREC and communicate to the TREC Audit Committee members, Commissioners, and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure adherence to TREC's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to TREC Audit Committee members, Commissioners, and senior management.
- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If the chief audit executive cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the TREC Audit Committee members and Commissioners.

Communication with the TREC Audit Committee members, Commissioners*, *and Senior Management

The Internal Auditor will report periodically to the TREC Audit Committee members, Commissioners, and senior management regarding:

- The internal audit function's mandate.
- The internal audit plan and performance relative to its plan.
- Internal audit budget.
- Significant revisions to the internal audit plan and budget.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the internal audit function's conformance with The IIA's Global Internal Audit Standards and action plans to address the internal audit function's deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the Commissioners, that could interfere with the achievement of TREC's strategic objectives.
- Results of assurance and advisory services.

- Resource requirements.
- Management's responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond TREC's risk appetite.

Quality Assurance and Improvement Program

The Internal Auditor will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of the internal audit function's conformance with the Global Internal Audit Standards, as well as performance measurement to assess the internal audit function's progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function's deficiencies and opportunities for improvement.

Annually, the Internal Auditor will communicate with the TREC Audit Committee members, Commissioners, and senior management about the internal audit function's quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside TREC; qualifications must include at least one assessor holding an active Certified Internal Auditor® credential.

Scope and Types of Internal Audit Services

The scope of internal audit services covers the entire breadth of the organization, including all of TREC's activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the Commissioners and management on the adequacy and effectiveness of governance, risk management, and control processes for TREC.

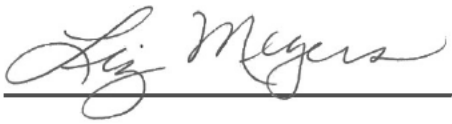
The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include evaluating whether:

- Risks relating to the achievement of TREC's strategic objectives are appropriately identified and managed.
- The actions of TREC's officers, directors, management, employees, and contractors or other relevant parties comply with the Texas Real Estate Commission's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.

- Operations and programs are being carried out effectively, efficiently, ethically, and equitably.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact TREC .
- The integrity of information and the means used to identify, measure, analyze, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

Acknowledgments/Signatures



July 23, 2026

Liz Meyers, CPA, CFE, CSM, Acting Chief Audit Executive — Date

Benjamin Pena

Digitally signed by Benjamin Pena
Date: 2026.10.05 09:26:33 -05'00'

Ben Peña, Audit Committee Chair — Date