Texas Regulatory Efficiency Office Review

I. Recommendations from TREC

Assessment 1: 22 TAC § 535.5(h) — License Not Required

Recommended Changes:

Subsection (h) is a recitation of Tex. Occ. Code § 1101.355(d). Could consolidate this language with § 535.35, Registration of Certain Business Entities

Assessment 2: 22 TAC § 535.42 — Jurisdiction and Authority

Recommended Changes:

Unnecessary to have a regulation outlining what is outside Commission's authority.

Assessment 3: 22 TAC § 535.45 — Certain Uses of Seal, Logo, or Name Prohibited

Recommended Changes:

Could combine and simplify with § 535.44, Commission Seal

Assessment 4: 22 TAC § 535.77 — CE Providers: Compliance and Enforcement

Recommended Changes:

Could combine with § 535.75, Responsibilities and Operations of Continuing Education Providers

Assessment 5: 22 TAC § 535.148(f) and (g) — Receiving an Undisclosed Commission or Rebate

Recommended Changes:

Eliminating this form and moving towards a more simple written disclosure/consent (which arguably is already contemplated under subsection (a)) could reduce confusion surrounding this form. Currently, license holders are unclear as to when and how to provide this form.

Assessment 6: 22 TAC § 535.181 — Investigation and Actions

Recommended Changes:

This rule language consolidates remedies regarding unlicensed activity in other statutes. Could be repealed.

Assessment 7: 22 TAC § 535.210 — Fees

Recommended Changes:

Could combine this rule with §535.101, Fees, so that there is one fee rule.

Assessment 8: 22 TAC § 535.240 — Proration of Payments from the Real Estate Inspection Recovery Fund

Recommended Changes:

H.B. 1363, 88th Leg., R.S. (2023) repealed the inspector recovery fund, but the transition provisions of that bill provided a runway for winding up the fund, the last piece of which ends August 31, 2026. This provision will be obsolete after that point.

Assessment 9: 22 TAC § 535.404 — Fees

Recommended Changes:

Could combine this rule with §535.101, Fees, so that there is one fee rule.

Assessment 10: 22 TAC § 535.406 — Continuing Education Requirements

Recommended Changes:

Could rework § 535.403, Renewal of Registration, to include this language.

Assessment 11: 22 TAC §§537.20 - .69 (approximately 40 rules)

Recommended Changes:

Currently, contract forms are tied to one discrete rule, with much of the language being repetitive. Could combine to have one or two form rules.

Assessment 12: 22 TAC § 541.1(c), (d), (e), and (f) — Criminal Offense Guidelines

Recommended Changes:

These subsections are a recitation of §§ 53.022, 53.023, and 53.0232. Could incorporate those provisions by reference.

Assessment 13: 22 TAC §543.4 — Fees

Recommended Changes:

Could combine this rule with § 535.101, Fees, so that there is one fee rule.

II. Recommendations from TREO

Assessment 14: 22 TAC §535.65 — Responsibilities and Operations of Providers of Qualifying Courses

Recommended Changes:

14.1. The Commission could streamline subsection (a)(1) by consolidating the nine enumerated provider responsibilities into a shorter, outcome-based statement requiring providers to administer each course in compliance with the Act, Chapter 1102, and Commission rules and to maintain the records necessary to document student attendance, instructor qualifications, examination administration, identity verification, and course completion. The current paragraph-by-paragraph enumeration duplicates requirements expressly set out elsewhere in §535.62, §535.63, and subsections (b)-(l) of this same section, producing redundant exposure points for technical, non-substantive violations.

14.2. The advertising restrictions in subsection (c)(1)(C) and (c)(3) could be streamlined by relying on the general misleading-advertising prohibition in (c)(1)(E), which already captures any statement that conveys a false impression of the provider's size, superiority, location, or facilities or that misrepresents course credit hours. The detailed hyperlink/URL formatting rule for pass-rate disclosures could be converted to a simple requirement that the provider link or refer to the Commission's Education Provider Exam Passage Rate page, without prescribing the exact label text, so that the rule does not need to be amended each time the Commission renames or restructures its website.

14.3. Subsection (d)(2) could be modernized to expressly authorize electronic signatures and electronic delivery of the pre-enrollment agreement in conformity with the Texas Uniform Electronic Transactions Act (Tex. Bus. & Com. Code Ch. 322). Although electronic signatures are almost certainly already permitted as a legal matter, confirming this on the face of the rule would eliminate a recurring compliance question from providers and remove an implicit bias toward paper workflows that is inconsistent with how distance-education providers actually enroll students today.

14.4. The in-person monitor requirement in subsection (g)(1)(C) for synchronous classroom-delivery courses with more than 20 students could be replaced with a technology-agnostic requirement that the provider use reasonable means (which may include automated attendance and engagement analytics, proctoring software, or a human monitor) to verify identification, confirm active participation, and route questions to the instructor. The current rule presumes a pre-pandemic classroom model and imposes a disproportionate staffing cost on small providers offering mid-size virtual cohorts, without evidence that a dedicated human monitor produces better outcomes than currently available proctoring technology.

14.5. Subsections (h) through (i) contain a highly prescriptive examination and re-examination regime (manner of administration, 70% unweighted passing score, version rotation, 90-day retake window, automatic drop) that could be streamlined into a single performance standard: the provider shall administer a secure, proctored final examination that tests the student's mastery of the approved course learning objectives, and the Commission shall set the passing score and retake parameters by non-rule guidance or course-approval conditions. Pushing operational test-administration detail out of the TAC would let the Commission adjust as testing technology evolves without triggering a full rulemaking, while preserving the substantive integrity standards already required by §1101.301.

14.6. The course-completion certificate elements enumerated in subsection (j)(1)(A)-(H) could be consolidated into a single requirement that the certificate contain the information the Commission specifies by form or published guidance, which is already how the Commission communicates the operational details of provider-facing documents. The current approach hard-codes eight specific data fields (including 'course numbers' and 'course delivery method') into rule text, so every operational change to the certificate requires a notice-and-comment rulemaking under Tex. Gov't Code Ch. 2001.

14.7. The Commission could expressly confirm that cloud-based electronic storage in any commercially reasonable format (not only formats 'legible and easily printed or viewed without additional manipulation or special software') satisfies the retention obligation.

14.8. The 30-day advance approval requirement in subsection (m)(1) for 'any material change' in a provider's operations or records management could be narrowed to changes in ownership, surety-bond status, or course-delivery method, with routine operational changes (such as changes in internal records management software or the opening of an additional office) reportable to the Commission via a post-change notice within 30 days. The current ex ante approval gate adds delay to ordinary business decisions without a clear public-protection payoff, particularly for records-management changes that do not affect the educational content or integrity of any approved course.

14.9. The $20,000 surety bond required of a proposed new owner under subsection (m)(2)(C) could be replaced (or allowed to be replaced at the provider's election) with an equivalent irrevocable letter of credit, cash deposit, or errors-and-omissions coverage rider. Surety-bond underwriting for small education providers can require personal guarantees and collateral that disproportionately constrain ownership transfers in a sector that is dominated by small and closely held businesses, and providing equivalent financial-assurance alternatives would preserve consumer protection while reducing friction in provider-level ownership changes.

Assessment 15: 22 TAC §535.227 — Standards of Practice: General Provisions

Recommended Changes:

15.1. The Commission could streamline the scope provision in subsection (a)(3)(C) by replacing the enumerated lists of excluded equipment (eight specified categories from thermal imaging through drones) and excluded procedures (four categories) with a single functional standard — that an inspection does not require specialized equipment or procedures beyond what is reasonably necessary to complete the items listed in §§535.228-535.233. The current prescriptive enumeration adds length without clear regulatory benefit, because the list is already qualified by 'including but not limited to' and must be updated each time a new tool becomes commercially available. A principles-based statement would preserve the intended limitation while reducing word count and future amendment cycles.

15.2. The definitions in subsection (b) could be consolidated with the master definitions section at §535.201 rather than repeated in this rule. Definitions for 'Component,' 'Cosmetic,' 'Deficient,' 'Inspect,' 'Performance,' and 'Report' are generic inspection terms that are referenced throughout §§535.227-535.233, and placing them in a single definitions rule would eliminate duplication across the standards of practice chapter. The cross-reference to 'Chapter 1102' as a defined term (b)(2) is purely navigational and could be removed without substantive change.

15.3. Subsection (d)(1)(F) excludes 'automated or programmable control systems, automatic shutoff, photoelectric sensors, timers, clocks, metering devices, signal lights, lightning arrestor system, remote controls, security or data distribution systems, solar panels or smart home automation components.' This enumeration appears to reflect a pre-2015 housing technology stock and could be modernized to reflect that smart-home components are now standard in a meaningful share of Texas homes. The Commission could replace the list with a functional exclusion for 'low-voltage control, automation, security, or distributed-generation systems not constituting a primary building system listed in §§535.228-535.233,' which would be technology-neutral and would not require future amendment as additional smart devices enter the market.

15.4. The general limitations in subsection (d) could be reorganized into a simpler tabular or bulleted structure.

15.5. Subsection (f)(3) requires that, if an inspector 'routinely' departs from inspection of a component and has reason to believe the property contains that component, the inspector must stop inspection 'until' the inspector notifies the client. This requirement could be streamlined by merging it with the general departure notice requirement in (f)(2)(A), which already obligates the inspector to notify the client 'at the earliest practical opportunity.' The 'routinely' trigger is difficult to enforce and creates interpretive ambiguity without a clear consumer-protection benefit beyond the general notice rule.

15.6. The phrase 'in the reasonable judgment of the inspector' appears separately in the definitions of 'Accessible' (b)(1) and 'Deficiency' (b)(5). This standard could be moved to a single overarching provision in subsection (c) stating that all judgments required by the standards of practice are made in the reasonable professional judgment of the inspector, eliminating repetition and clarifying that the same standard governs all inspector determinations throughout §§535.227-535.233.

Assessment 16: 22 TAC §535.62 — Approval of Qualifying Courses

Recommended Changes:

16.1. Consolidate subsection (b)(3)'s three parallel content-verification methods into a single performance-based attestation backed by the examination-passage benchmark.

16.2. Eliminate the 50% classroom-delivery minimum for combination courses in subsection (b)(6)(C) to enable fully online qualifying courses.

16.3. Streamline subsection (b)(7)'s prescriptive assessment architecture into outcome-based comprehension-assessment standards.

16.4. Simplify subsection (b)(8) by reducing required examination versions from four to two and question-bank ratio from 4:1 to 2:1.

16.5. Replace 'written notice' to students in subsections (e)(8) and (f)(5) with an electronic-notice standard.

16.6. Exempt non-material voluntary updates from pre-implementation filing and fees in subsection (f)(1).

Assessment 17: 22 TAC §535.61 — Approval of Providers of Qualifying Courses

Recommended Changes:

17.1. The ten enumerated prima facie indicators of insufficient financial condition in subsection (e), including the current ratio of 1.75, quick ratio of 1.60, cash ratio of 1.40, debt ratio of 0.40, and debt-to-equity of 0.60, could be consolidated into a principles-based financial-adequacy standard. The current ratios are more stringent than what most accredited higher-education institutions are held to and penalize growing or lightly capitalized providers. A shorter standard keyed to nonpayment of final judgments and garnishments would retain the protective function without the ratio-by-ratio compliance burden.

17.2. The facilities adequacy and safety review in subsection (c)(3) could be removed or made conditional on the provider offering in-person instruction. The provision reflects a pre-digital era when qualifying courses were delivered in physical classrooms; it is largely inoperative for online providers and duplicates local fire-marshal, building-code, and ADA requirements that already govern any in-person classroom. Scoping the requirement to in-person courses only would eliminate unnecessary review for the majority of modern providers.

17.3. The reciprocity framework in subsection (b) could be expanded and simplified by adopting a uniform "substantially equivalent" standard for any state real estate or inspector regulator and any course approved by an ARELLO- or IDECC-accredited provider, without requiring each such provider to separately re-submit the course for Commission credit under §535.62(i). The current fragmented list produces duplicative review of courses already vetted by peer regulators and nationally recognized accrediting bodies. A single national-reciprocity pathway would reduce review workload for the Commission and speed course availability for Texas licensees.

17.4. The 60-day permissive termination rule in subsection (a)(2)(B) could be replaced with a notice-and-cure process. Terminating an application "without further notice" penalizes applicants for routine administrative delays and forces them to refile and repay the application fee. A single written reminder before termination, with a short extension available on request, would reduce re-application friction without weakening the Commission's ability to close stale files.

17.5. The 60-day pre-expiration enrollment freeze for late renewals in subsection (k)(1) could be shortened to 30 days or eliminated for providers in good standing. The current rule causes providers who file a renewal 45 days before expiration to lose more than a month of enrollment revenue even when the Commission ultimately renews the approval. Tying the freeze to documented deficiencies rather than calendar timing would preserve the Commission's leverage while avoiding avoidable revenue loss for compliant providers.

Assessment 18: 22 TAC §535.228 — Standards of Practice: Minimum Inspection Requirements for Structural Systems

Recommended Changes:

18.1. The Commission could consolidate the repeated 'not required to' disclaimers that appear in each of the ten subsections (a)-(j) into a single general limitations provision at the beginning of §535.228. The current structure repeats similar exclusion language (exhaustive lists of water penetration, cosmetic conditions, areas with insufficient headroom) across subsections, creating

approximately 15-20% redundant text. Consolidation would improve readability for licensees without changing substantive obligations.

18.2. The Commission could eliminate the separate subsection (g) for 'Exterior and interior glazing' by folding its few substantive requirements (safety glass in hazardous locations, fall protection at low windows, broken-seal reporting) into subsection (f) 'Exterior walls, doors, and windows.' A standalone glazing subsection with only four deficiency items and three disclaimers adds structure without content value.

18.3. The Commission could remove prescriptive carve-outs for 'porches, balconies, decks, and carports' at subsection (j) that simply restate baluster-spacing requirements already covered under stairways at subsection (h). Combining these into a unified guard/railing/baluster provision would eliminate approximately 100 words of duplicative text.

18.4. The Commission could clarify that the chimney and fireplace subsection (i) applies only to solid-fuel burning appliances and their associated chimneys and could remove the requirement at (i)(1)(D)(iii) relating to 'gas fixture installed in the fireplace not associated with the gas distribution system,' which overlaps with TREC's separate mechanical-systems standards. Clear scope reduces inspector confusion about which rule governs gas-log installation.

Assessment 19: 22 TAC §535.91 — Renewal of a Real Estate License

Recommended Changes:

19.1. The Commission could mandate a fully electronic renewal submission system and retire the statutory 'postmark' mailing pathway in subsection (c) for ordinary renewals. The statute in OC § 1101.451 is silent on the delivery mechanism and permits a 'process acceptable to the Commission,' giving TREC full discretion to sunset paper filings for the roughly 250,000 annual renewals. An all-digital system would cut mailing costs, eliminate postmark disputes, and align with the Commission's existing Online Services portal. Paper intake costs TREC staff time to key-enter, scan, and reconcile payments against license records.

19.2. The duplicative notice architecture in subsection (b) could be consolidated into a single automated electronic notification workflow. The statute does not prescribe the 90-day window or the delivery channel, so the Commission could shift to a tiered email/SMS reminder cadence (120, 60, 30, and 7 days) with an opt-in text channel that mirrors how licensees already receive other TREC communications. Eliminating the physical mailed notice (which the rule already disclaims liability for) would reduce print/postage expenses while improving on-time renewal rates.

19.3. The 10-business-day early filing requirement for business entity broker renewals in subsection (c)(2) could be aligned with the individual broker deadline (on or before expiration). The statute sets a uniform 24-month license term and does not require business entities to file early, so this 10-day penalty window is a purely permissive choice that may create a compliance trap for brokerages.

19.4. The 30-day response deadline for supplemental information requests in subsection (a)(4) could be replaced with a tiered, risk-based response window that gives licensees 45 days for routine documentation and a shorter window only for fitness-related follow-ups. The statute does not specify any deadline, so the Commission has full discretion to calibrate this. A 30-day

blanket rule triggers unnecessary disciplinary exposure when a licensee is simply tracking down an old CE transcript or insurance certificate, and a more proportional rule would reduce disciplinary caseload without weakening oversight.

Assessment 20: 22 TAC §535.231 — Standards of Practice: Minimum Inspection Requirements for Plumbing Systems

Recommended Changes:

20.1. The highly granular deficiency checklist in subsection (a)(1)(B) (including items (vi)(I)-(IX)) could be consolidated into a performance-based standard requiring the inspector to report observable deficiencies in water supply, waste, vent, and fixture systems. The current 9-subclause enumeration of fixture-level deficiencies duplicates what a competent inspector already covers under the general negligence/competence standard in Tex. Occ. Code § 1102.301.

20.2. Subsection (a)(1)(A)(iv) requiring the inspector to 'report visible material used for water supply lines and drain lines' is a reporting duty that is already implicit in any competent inspection report and is also captured in the TREC-promulgated inspection report form (REI 7-6). The stand-alone reporting bullet could be removed in favor of referencing the inspection report form directly, eliminating duplication between the rule and the form. This simplifies compliance without reducing the information provided to the consumer.

20.3. Subsection (b)(3)(B) requires reporting of 'flame impingement, uplifting flame, improper flame color, or excessive scale build-up' on gas water heaters - highly technical combustion diagnostics that are arguably outside the visual/non-invasive scope of a standard real estate inspection and more appropriate to a licensed plumber or HVAC technician. The Commission could replace this with a simpler requirement to report 'visible combustion anomalies or flame irregularities,' which captures the same consumer-protection concern without prescribing diagnostic terminology drawn from combustion-engineering texts. This better matches the actual competence profile defined in Tex. Occ. Code § 1102.001(9).

20.4. The hydro-massage therapy equipment subsection (c) is essentially duplicative of the general plumbing and electrical deficiency standards elsewhere in this section and in 22 TAC § 535.230 (electrical). Because hydromassage tubs present primarily the same failure modes as any other plumbing fixture (leaks, inoperative units, GFCI protection), the Commission could delete subsection (c) in its entirety and rely on the general plumbing and electrical reporting obligations. This would remove a stand-alone subsection without any loss of consumer protection.

20.5. The eight 'inspector is not required to' provisions in subsection (a)(2) total more than 140 words that restate in the negative what is already bounded by the positive scope definitions. The Commission could consolidate these limitations into a single sentence stating that the inspector is not required to perform any inspection or testing that requires invasive access, specialized equipment, or disassembly, and provide one consolidated list of excluded systems. That structural simplification could reduce the section by 80-100 words while preserving the inspector's liability protections.

20.6. The Commission could adopt a sunset-and-refresh mechanism committing TREC to realign § 535.231 with the latest published versions of the International Residential Code, Uniform Plumbing Code, and Fuel Gas Code on a fixed cycle (e.g., every six years), rather than

maintaining dozens of static prescriptive requirements that gradually diverge from modern construction practice. Pairing this with a companion guidance bulletin (not rule language) would let TREC keep the formal rule lean while still providing detailed practitioner guidance. This is the kind of structural modernization that reduces regulatory drag without compromising consumer protection.

Assessment 21: 22 TAC §535.230 — Standards of Practice: Minimum Inspection Requirements for Heating, Ventilation, and Air Conditioning Systems

Recommended Changes:

21.1. The enumerated list of excluded equipment in subsection (d)(2)(C) — including wood-burning stoves, boilers, oil-fired units, heat reclaimers, sequencers, multi-stage controllers, de-icing provisions, and reversing valves — reads as a 1990s equipment inventory. The list could be replaced with a concise principle-based exclusion ('components beyond a visual, non-operational inspection or requiring specialized licensed trades'), shortening the subsection substantially and future-proofing the rule against further equipment obsolescence.

21.2. The separate treatment of evaporative coolers in subsection (b)(2) could be folded into the general cooling equipment requirements with a single note that system-specific items (water supply line, backflow prevention) apply only to evaporative units. Evaporative coolers are used by a small and declining share of Texas homes, and a dedicated subsection adds length without proportional informational value for inspectors or consumers.

21.3. Subsections (d)(4)(A)-(D) and (d)(5)(A)-(C) enumerate specific items the inspector is NOT required to verify or determine (component compatibility, tonnage match, thermostat accuracy, heat exchanger integrity, sizing, efficiency, balanced air flow, insulation materials). These negative specifications could be consolidated into a single plain-language scope statement ('This inspection is visual and non-invasive; the inspector does not perform load calculations, efficiency testing, or internal component verification'), reducing word count while communicating the scope more clearly to consumers.

21.4. The rule could add a brief provision expressly recognizing modern equipment categories — ductless mini-splits, variable refrigerant flow (VRF) systems, and heat-pump water heaters integrated with HVAC — so that inspectors have clear guidance when encountering increasingly common installations. Rather than adding length, this addition could replace the obsolete equipment list referenced in 8.2, keeping the word-count delta negative while modernizing coverage.

21.5. The 'report the type of heating systems' and 'report the type of systems' requirements in subsections (a)(1)(A) and (b)(1)(A) could be satisfied by a single standardized dropdown in the Commission's inspection report form (authorized by Tex. Occ. Code § 1102.003), rather than a free-text narrative requirement embedded in the standards of practice. Moving type identification to the form itself streamlines inspector workflow and improves cross-inspection data consistency.

Assessment 22: 22 TAC §535.214 — Education and Experience Requirements for a Real Estate Inspector License

Recommended Changes:

22.1. The specific course-module breakdown in (a)(1), (b)(1), (d)(1), and (e)(1) could be consolidated and modernized under the Commission's express rulemaking authority in OC § 1102.108(b). Today's five or six named modules with rigid hour allocations (e.g., 40/40/10/20/24) prevent providers from delivering integrated, outcome-based curricula and updating content as inspection technology evolves. The Commission could replace prescriptive module lists with a competency-based content outline tied to exam blueprint topics, preserving the statutory 90-hour (RE inspector) and 130-hour (professional) floors while allowing delivery innovation and a modest overall hour reduction to the statutory minimums.

22.2. The 134-hour Professional Inspector requirement in (b)(1) could be lowered to the 130-hour statutory floor of OC § 1102.109(2). The four hours above the statutory minimum represent pure agency add-on with no statutory basis and no demonstrated consumer-protection benefit. Aligning to the floor saves each prospective professional inspector approximately four classroom hours and the associated tuition (typically $50-$100), with no loss of statutory compliance.

22.3. The substitute-pathway hour totals in (d)(1) (114 hours) and (e)(1) (154 hours) could be reduced toward the lower end of what OC § 1102.111(b) permits. The statute caps the substitute pathway at 320 additional hours but does not require the agency to set it anywhere near that ceiling. A right-sized substitute pathway — for example, reducing the RE-inspector alternate to approximately 90-100 hours and the professional alternate to roughly 130 hours — would unlock a viable non-apprentice on-ramp for experienced trades workers while still satisfying the statutory mandate that a substitute pathway exist.

22.4. The lookback windows in (a)(2) ("within the 12 month period") and (b)(2) ("within the 24 month period") could be removed or significantly lengthened. Tex. Occ. Code §§ 1102.108(a)(1)(A) and 1102.109(1)(A) require only that the applicant "have held" the prerequisite license for the minimum tenure — the statute says nothing about recency. The recency overlay creates needless re-work for applicants whose life circumstances (family leave, military service, rural practice gaps) interrupt continuous activity, and its removal would not diminish consumer protection because the exam and sponsorship requirements remain.

22.5. The sponsorship documentation and tracking framework could be modernized to a fully electronic, real-time system. Although the sponsorship relationship is statutorily required, the current paper-anchored workflow of affidavits, sponsor forms, and change-of-sponsor filings is not. A TREC applicant portal with e-signature sponsor confirmation, automatic inspection-count ingestion from a standardized electronic log, and API access for approved inspection-management software vendors could replace multiple manual filings with a single digital workflow. This would reduce processing time, eliminate mail-in delays, and lower the compliance cost per applicant by an estimated $150-$300 in time and fees.

22.6. The Texas Practicum supervisor-eligibility rules in (h)(1)(A) could be loosened to expand rural applicant access. The current rule requires supervisors to have been licensed as professional inspectors for at least five years AND either three years of supervisory experience OR 200 career inspections. In rural counties where few professional inspectors practice, this combination effectively forecloses the substitute pathway. The Commission could reduce the tenure requirement to three years or allow either the 3-years-supervisory OR 5-years-licensed criterion to stand alone, making the practicum practically available statewide.

22.7. An industry-certification credit pathway could be added, consistent with OC § 1102.111(a)'s mandate that rules "shall provide for substitution of relevant experience and additional education." Applicants holding InterNACHI Certified Professional Inspector (CPI), ASHI Certified Inspector, or ICC residential building inspector credentials could receive pre-specified hour credit against the substitute-pathway coursework. Recognizing nationally validated certifications reduces duplicative training cost, accelerates licensure for experienced out-of-state inspectors moving to Texas, and is well within the statutory experience-substitution authority.

22.8. A military-and-veteran experience-credit pathway tailored to this chapter could be added. Military service members and veterans with construction, facilities-engineering, Seabee, combat-engineer, or military-housing-inspection backgrounds routinely perform work closely analogous to real estate inspection, yet the current affidavit-based experience-credit pathway in (g) requires civilian-style affidavits from "persons who have personal knowledge of the applicant's work" — a poor fit for service records. An explicit MOS/rating-based crosswalk with credit for documented service experience would broaden access while staying within OC § 1102.111(a).

22.9. The experience-credit documentation burden in (g) could be streamlined by allowing employer letters on business letterhead, verified electronic W-2/1099 histories, or licensed-trade credentials (e.g., master electrician, licensed plumber) to substitute for the two affidavits. The two-affidavit requirement is not in statute; it is an agency-chosen evidentiary standard that creates notarization, witness-location, and recordkeeping friction that falls hardest on applicants with informal employment histories or whose former supervisors are deceased or unreachable. Allowing equivalent documentary evidence preserves verification integrity while removing an unnecessary paperwork bottleneck.

Assessment 23: 22 TAC §535.229 — Standards of Practice: Minimum Inspection Requirements for Electrical Systems

Recommended Changes:

23.1. The regulation could be modernized to address solar photovoltaic (PV) systems, battery energy storage systems (BESS), and electric vehicle (EV) supply equipment (EVSE), which are present in a rapidly growing share of Texas homes. Currently inspectors operate in a gray zone because §535.229 predates the widespread adoption of residential solar and EV charging, and a buyer cannot rely on the standard inspection to cover these high-value systems.

23.2. Subsection (b)(2)(H) limits AFCI testing 'when the property is occupied or damage to personal property may result.' This limitation, while sensible, could be expanded and clarified to a general 'the inspector may decline any test that in the inspector's reasonable judgment poses a risk of equipment damage, data loss, or interruption of critical home systems (medical equipment, aquariums, computers, home automation).' This modernization reflects today's technology-dense homes where a single tripped breaker can disable security systems, smart thermostats, and networked equipment.

23.3. The smoke alarm requirements in subsection (b)(1)(C)(xii) and carbon monoxide alarm requirements in (xiii) could be consolidated with the general reference to manually testing 'installed and accessible smoke and carbon monoxide alarms' in subsection (b)(1)(A). The current structure lists the same alarm categories in multiple places.

23.4. The 'inspector is not required to' lists in subsections (a)(2) and (b)(2) could be combined into a single scope-limitation subsection at the end of the rule. The current structure creates two parallel lists of exclusions that inspectors must cross-reference, and consolidating these limitations improves readability and reduces the likelihood of scope-creep disputes. A single consolidated exclusion list would reduce the rule by approximately 50-75 words while preserving every substantive exclusion.

23.5. The Commission could add an explicit cross-reference stating that nothing in §535.229 requires an inspector to perform work reserved to a licensed electrician under Tex. Occ. Code Chapter 1305 (Electricians). This addresses a recurring professional-boundary question and modernization opportunity: inspectors currently face complaint risk when consumers expect full electrical-contractor-level diagnostics. A clean boundary statement reduces duplicative work expectations, protects the licensed-electrician market, and clarifies for consumers that the inspection is a visual condition report, not a code-compliance certification.

Assessment 24: 22 TAC §535.56 — Education and Experience Requirements for a Broker License

Recommended Changes:

24.1. The rule could expressly authorize online, asynchronous, and hybrid delivery of the 270 qualifying hours, the 630 related hours, and the Broker Responsibility Course, with the same credit as classroom hours. The current text repeatedly uses the term 'classroom hours,' which creates ambiguity for modern delivery formats; a clean definitional fix (for example, 'classroom hour means 50 minutes of qualifying instruction, whether delivered in person, online synchronously, online asynchronously, or in a hybrid format') would align TREC with how education is actually delivered in 2026 and reduce scheduling and travel costs for applicants statewide.

24.2. Documentation of experience could migrate to fully electronic verification through a TREC applicant portal.

24.3. The two-affidavit AFF-B requirement in subsection (d)(2) could be streamlined to a single sworn affidavit plus any corroborating electronic evidence (closing statements, MLS records, lease agreements, tax records). Requiring two separate witness affidavits on top of AFF-A imposes a disproportionate documentation step on applicants whose sponsoring broker is unavailable, deceased, or uncooperative, and a single credible sworn statement supported by documentary evidence is sufficient for TREC to make a reliable determination.

24.4. The language in subsections (a)(1)(B)(ii) and (a)(1)(C) — both of which reference the six-hour Broker Responsibility Course — could be consolidated into a single clean provision. The overlap dates to SB 1968's implementation and can now be tightened without losing any statutory compliance, simplifying the rule for applicants, providers, and reviewers.

Assessment 25: 22 TAC §535.72 — Approval of Non-Elective Continuing Education Courses

Recommended Changes:

25.1. The Commission could eliminate or substantially reduce the 50% classroom minimum in subsection (e)(3) for hybrid delivery. Nothing in Occupations Code Chapters 1101 or 1102 requires a classroom floor, and modern adult-learning research shows equivalent outcomes from well-designed distance and asynchronous modalities. Relaxing this ceiling would expand access for rural licensees and working professionals who cannot easily attend classroom sessions, without compromising the Commission's examination and content controls.

Assessment 26: 22 TAC §535.218 — Continuing Education Required for Renewal (Inspectors)

Recommended Changes:

26.1. The 16-hour single-subject cap in subsection (a)(3) could be eliminated or raised to 20-24 hours so inspectors specializing in a practice area (for example, foundation or roof-system inspections in hurricane- or expansive-soil regions) can deepen expertise within the existing 24-hour technical block. This cap forces breadth over depth without a statutory basis and adds tracking complexity for course providers. Removing it would preserve total hours and core-subject coverage while letting the market respond to inspector specialization. The change is purely within TREC's discretion under Tex. Occ. Code § 1101.151(b)(1).

26.2. The in-person final-examination trigger in subsection (c)(2) for 'alternative delivery methods' courses could be removed or narrowed to courses over 8 hours. Online and self-paced CE is now the dominant delivery channel nationally, and vendor learning-management systems already authenticate identity, track seat time, and prevent skipping. Keeping a separate exam requirement for online courses discourages modern delivery, raises course fees, and creates an unnecessary distinction from the classroom format where no final exam is required.

26.3. The enumerated technical subject list in subsection (a)(1)(A) could be consolidated from ten named categories to a single principles-based category - 'real estate inspection technical content aligned with the Texas Standards of Practice' - with the Commission publishing a non-binding course topic guide outside the rule. This would let TREC refresh topics as building science evolves (for example, photovoltaic systems, heat pumps, or smart-home components) without opening a rulemaking each time. The Texas Standard Report Form Writing topic could be retained since it is Texas-specific.

26.4. The carryover and reinstatement framework in subsection (a)(2) could be modernized by allowing up to 16 excess CE hours earned in the final six months of a license period to roll forward to the next period (common in other state inspector programs). Today, any surplus hours are lost, which discourages inspectors from completing timely CE and penalizes high performers. Carryover reduces last-minute compliance cramming without lowering total hours across renewal cycles.

26.5. The ride-along inspection course in subsection (b) could be simplified by removing the 2-student-per-session limit and raising the per-period cap from 8 to 16 hours when the course is taught by a qualifying instructor. Field experience is among the most valuable inspector training, and the current student cap artificially limits supply and raises cost per student. TREC retains quality control through provider approval and instructor qualification.

26.6. The cross-occupational CE credit provision in subsection (g) could be expanded to automatically accept CE already approved for Texas-licensed plumbers, electricians, HVAC

technicians, architects, engineers, and pest control applicators by reciprocity rather than case-by-case form submission. The current process requires an inspector to file a form and wait for approval even when another Texas occupational board has already vetted the course. Auto-acceptance with audit-based spot-checks would cut paperwork for roughly 4,000 renewing inspectors and reduce duplication across Texas licensing boards.

26.7. The out-of-state CE credit request in subsection (d) could be streamlined by replacing the separate 'CE Credit Request for an Out of State Course' form with a single declaration checkbox on the renewal application and an option to upload the course certificate as a PDF. The five-condition gate in subsection (d)(1)-(5) could be collapsed into a provider attestation. This modernizes a paper-era process and removes an avoidable friction point for inspectors who hold licenses in multiple states.

26.8. The instructor CE credit rules in subsection (e) could be simplified by combining subsections (e)(1), (e)(2), and (e)(3) into a single sentence allowing instructors to receive CE credit for teaching approved real estate inspection courses, capped at the same hour limits as students in the course. The current structure repeats concepts (attendance, certification, ride-along-specific instructor rules) that could be stated once.

26.9. The partial-credit prohibition in subsection (c)(3) could be softened to permit partial credit in pre-approved increments (for example, half-credit for documented completion of the first half of a course followed by a qualifying make-up segment). The current all-or-nothing rule forces inspectors who miss a portion due to illness or work emergencies to retake the entire course at full cost.

Assessment 27: 22 TAC §535.233 — Standards of Practice: Minimum Inspection Requirements for Optional Systems

Recommended Changes:

27.1. The Commission could consolidate the redundant exclusion lists in subsections (c)(2), (d)(2), (f)(2), and (g)(2) into a single cross-cutting 'optional systems exclusions' provision at the beginning of §535.233, reducing word count by roughly 30% without changing substantive inspection scope.

27.2. Subsection (d)(1)(B)(vi)'s line-item list of pool components could be replaced with a general duty to report material deficiencies under a recognized professional standard, avoiding future rule amendments every time equipment evolves.

27.3. Subsection (e) on outbuildings could be repealed and replaced with a single cross-reference in §535.227 since it largely duplicates the principal-building SOPs.

27.4. The coliform testing recommendation in subsection (f) could be replaced with a disclosure directing buyers to a licensed well professional.

27.5. Subsection (g) on private sewage disposal could be reduced to a short provision recommending TCEQ-licensed OSSF inspection, eliminating duplication with 30 TAC Ch. 285.

27.6. The deeply nested (a)-(h)/(1)-(2)/(A)-(B)/(i)-(viii)/(I)-(VII) structure could be replaced with a plain-language tabular format.

Assessment 28: 22 TAC §535.141 — Initiation of Investigation; Order Requirements

Recommended Changes:

28.1. Replace the §535.141(d) Level 1/2/3 schema and $10,000 cutoff with a reference to the six statutory risk factors in §1101.204(h) and a published staff triage matrix.

28.2. Consolidate subsections (a) and (b) broker-imputation language into a single streamlined paragraph.

28.3. Amend subsection (c) to make electronic delivery via the licensee portal the default method of complaint-notice delivery.

28.4. Replace the seven-subpart pre-suspension notice list in subsection (h) with a single rule plus a Commission-published notice template.

28.5. Publish a companion plain-language flowchart of the complaint process

Assessment 29: 22 TAC §534.7 — Vendor Protest Procedures

Recommended Changes:

29.1. The Commission could modernize subsection (b) to expressly authorize electronic filing of protests (email to a designated procurement mailbox or a secure web portal) and electronic service on interested parties, replacing the current implied paper-and-mail default. Today's text only says a protest must be "in writing" and "received in the office of the Chief Financial Officer," which vendors often interpret as requiring hand delivery or postal mail.

29.2. The swearing requirement in subsection (c) could be removed or softened to a signed certification under penalty of perjury. A sworn/notarized protest adds cost (notary fees, logistics) and discourages small vendors from filing legitimate protests, yet adds little evidentiary value because the Chief Financial Officer still conducts an independent review.

29.3. The Commission could consolidate the two-step internal review (CFO determination, then appeal to Executive Director) into a single-step review by a designated procurement officer with direct appeal to the Commission, or alternatively adopt the Comptroller's single-tier SOAH model by reference. Given TREC's small procurement footprint (roughly $20-30M in annual purchases and historically only 1-5 protests per year), maintaining two layers of internal administrative review before Commission consideration generates process cost disproportionate to the volume of disputes.

29.4. The ten-working-day filing window in subsection (b) and the ten-working-day appeal window in subsection (f) could be expressly stated as calendar days with a clear start-date rule, or aligned with the Comptroller's standardized timeline in 34 TAC §20.535. The current "working days" drafting combined with a "knew or should have known" trigger creates timeline ambiguity that invites jurisdictional disputes and untimely-protest litigation.

29.5. The requirement in subsection (b) that the protesting party serve copies on "all vendors who have submitted bids or proposals," and the affidavit-of-service requirement on appeal in subsection (f), could be shifted to the agency. TREC already possesses the full vendor list and can distribute the protest electronically at near-zero marginal cost; placing the notice burden on

the protester effectively requires the vendor to obtain a bidders list and mail multiple copies, duplicating work the agency performs anyway.

29.6. Subsection (h)(2)'s requirement that interested parties notify general counsel "at least two working days in advance" of the open meeting to make an oral presentation could be reduced or eliminated in favor of a standing sign-up at the meeting itself. The two-working-day advance notice adds a procedural trap for out-of-state vendors and pro se protesters, while providing minimal scheduling benefit for a Commission that already posts agendas under the Open Meetings Act.

29.7. The explicit stay procedure in subsection (j) could be clarified to track the incorporate an automatic short stay on timely protest unless the agency makes a written best-interest finding to proceed. The current "request in writing," "show why a stay is necessary," and "harm to the Agency will not result" standard is both vague and places the burden on the vendor, which can result in contract awards being completed before the protest is resolved, undermining the remedy.

29.8. The Commission could adopt by reference the Comptroller's Statewide Procurement Division protest rules (34 TAC Chapter 20, Subchapter F, Division 3) for any agency-administered purchase, retaining only the TREC-specific deviations (points of contact, Commission referral mechanism). This would cut the rule to a short adoption-by-reference provision, eliminate duplication, and ensure TREC's procedures automatically update as the statewide model evolves, satisfying the Tex. Gov't Code §2155.076(a) requirement that agency rules be "consistent with the comptroller's rules."

29.9. References to "mailed or delivered" and "letter" in subsections (b), (e), and (f) could be updated to technology-neutral language ("transmitted" or "served") to authorize modern delivery methods including email and secure web portals. Paper-and-mail assumptions embedded in the text discourage electronic communication even where both parties would prefer it and slow resolution of routine protests.

Assessment 30: 22 TAC §535.220 — Professional Conduct and Ethics

Recommended Changes:

30.1. The hortatory passages in subsections (a), (b), (c), (d), and (f) — which use 'should' language about professionalism, client loyalty, public education, and cooperation with tradespersons — could be consolidated into a single concise statement of professional duty. These aspirational paragraphs repeat concepts already captured in the Standards of Practice (§§535.227-535.233) and the enforceable conflict-of-interest provisions in subsection (e), and the current layered structure increases the rule's length without adding enforceable content. A single sentence invoking the national inspector codes of ethics (such as ASHI or InterNACHI) would provide the same professional-conduct framing that subsection (a) aims for while reducing duplication.

30.2. The 14-item enumerated definition of 'settlement service provider' in subsection (e)(2)(A)-(N) could be replaced with a short cross-reference to the federal RESPA definition at 12 U.S.C. § 2602(3) and 12 C.F.R. § 1024.2(b). The current list freezes a moment-in-time enumeration, risks becoming outdated as settlement-service markets evolve (for example, with the rise of iBuyer platforms and automated title services), and duplicates federal law that already governs most

Texas inspectors' referral relationships. Cross-referencing RESPA would retain the substantive anti-kickback policy while cutting roughly 150 words.

30.3. The anti-kickback provisions in subsection (e)(3)(A)-(C) largely duplicate federal RESPA § 8 (12 U.S.C. § 2607) and Tex. Occ. Code § 1102.302's prohibition on dishonest practice. The Commission could either repeal these provisions as duplicative of federal law or streamline them to a single sentence prohibiting compensation for referrals that is not a market-rate payment for services actually rendered. This would reduce compliance-interpretation costs for the state's approximately 4,000 licensed inspectors while preserving the underlying consumer-protection policy.

30.4. The written-consent requirement in subsection (e)(4) could be modernized to expressly permit electronic consent obtained through e-signature, email, text message, or a client portal. The current 'written consent' language, read against §535.5's paper-era assumptions, creates uncertainty about whether a digital acknowledgment in a client-engagement app satisfies the rule. Aligning the text with the Uniform Electronic Transactions Act (Tex. Bus. & Com. Code Ch. 322) would reduce friction for digital-first inspection businesses and lower onboarding costs per client engagement.

30.5. The peer-reporting duty in subsection (d)(3) — requiring any inspector with knowledge of a possible rule violation to report it to the Commission — is broader than statute and broader than national inspector codes. The Commission could narrow this to known, material violations involving consumer harm, which would reduce defensive over-reporting, focus Commission enforcement resources on higher-severity matters, and better align with peer-review standards used by other Texas professional boards.

30.6. Subsection (e)(7) the 'when feasible' carve-out for safety-hazard disclosure is ambiguous and could be clarified to expressly authorize disclosure to occupants, first responders, or utility providers when there is imminent risk to life or property. Clarifying this reduces liability exposure for inspectors who act in good faith to warn occupants.

30.7. The Commission could consolidate §531.18 and §535.220(g) into a single consumer-notice requirement to reduce rule sprawl and give inspectors one clear delivery obligation.

Assessment 31: 22 TAC §535.66 — Credit for Courses Offered by Accredited Colleges or Universities

Recommended Changes:

31.1. Modernize the definition of "accredited college or university" to recognize programmatic accreditors. Subsection (a) currently privileges regional accreditors (e.g., SACSCOC) as the default, with a narrow opening for "recognized national or international" bodies. The Commission could modernize this definition to expressly recognize institutional accreditors recognized by the Council for Higher Education Accreditation (CHEA), including programmatic accreditors such as ACBSP and IACBE for business programs. This would broaden the pool of acceptable coursework without compromising quality, benefitting applicants educated at innovative institutions outside the traditional regional-accreditation model.

31.2. Streamline the course-evaluation workflow through automatic transcript credit for named core courses. Subsection (f)(2) currently requires the Commission to evaluate non-preapproved

courses individually at the time a student submits a transcript, creating manual friction for staff and applicants alike. The Commission could adopt a published crosswalk of commonly offered college courses (real estate principles, law of contracts, real estate finance, etc.) that are automatically credited when the course title and syllabus match the crosswalk entry. This would reduce per-application processing time and eliminate avoidable back-and-forth with applicants.

31.3. Modernize by requiring electronic transcript acceptance. The rule is silent on acceptable transcript formats, defaulting the Commission to paper or PDF uploads that applicants must obtain and upload individually. The Commission could explicitly authorize and prioritize acceptance of secure electronic transcripts delivered directly from the institution through National Student Clearinghouse, Parchment, or equivalent verification services. Digital-first transcript intake could reduce processing time from days to hours and eliminate mailed-document costs for thousands of applicants annually.

31.4. Subsection (f) treats each course submission as a standalone preapproval request, even when multiple Commission-compliant courses come from the same institution semester after semester. The Commission could establish an institutional-level preapproval track: once an accredited college or university has demonstrated two or three compliant course submissions, subsequent qualifying courses from that institution could be accepted on a notice-and-attestation basis rather than a full resubmission. This could meaningfully reduce paperwork for repeat-institution providers without eroding the Commission's audit authority under subsection (h).

31.5. Broaden acceptance of related-industry and law-school credit. The current rule implicitly funnels all college credit through courses that specifically satisfy §1101.003 or §535.64 topic lists, without clearly addressing how accredited law-school real-property, contracts, or agency courses translate into credit. The Commission could adopt an express policy recognizing specified ABA-accredited law-school courses as satisfying corresponding qualifying-course categories, eliminating duplicative coursework for attorneys and paralegal graduates entering the real estate workforce.

31.6. Consider acceptance of military-service education credit. The current rule does not address military occupational specialties, service-school coursework, or Joint Services Transcripts as pathways for meeting qualifying-course requirements, despite Texas's large veteran population and existing state policy favoring military credit recognition. The Commission could add a subsection recognizing ACE-evaluated military education that maps to §1101.003 subject areas, consistent with Tex. Occ. Code Ch. 55 policy favoring licensure pathways for veterans. This could meaningfully lower the barrier to real-estate licensure for thousands of separating service members annually.

31.7. Consolidate subsections (c), (d), and (e) into a single framework. Subsections (c), (d), and (e) are structurally near-identical, each repeating the same two-part test (subject coverage plus accreditation-standard compliance) for three license categories. The Commission could consolidate these into a single subsection with a table referencing the relevant subject statute for each category. This could reduce rule length by roughly 35% and simplify navigation without changing substantive requirements.

31.8. Modernize the complaints-and-audits process to rely on accreditor findings. Subsection (h) authorizes the Commission to independently investigate and audit courses that accreditors themselves already oversee. The Commission could modernize this process by first relying on the institution's accreditor findings (which are publicly available for regional accreditors) and

reserving independent audits for cases where the accreditor has not acted or Commission-specific requirements are at issue. This could reduce duplicative oversight while preserving the Commission's authority to act when needed.

Assessment 32: 22 TAC §533.11 — Temporary Suspensions

Recommended Changes:

32.1. The 24-hour advance electronic submission deadline for documentary evidence in subsection (c)(5) could be made the default for ALL proceedings (not just teleconference) and paired with a modern secure upload portal. Because modern e-filing systems routinely accept materials up to the hearing start time, the Commission could also permit late-breaking rebuttal exhibits when the chair finds good cause. This would eliminate the two-track (teleconference vs. in-person) procedural distinction and reduce compliance confusion for license holders and counsel responding to urgent suspension motions.

32.2. The oral-argument procedural template in subsection (c)(6)(A)-(F) could be consolidated into a single sentence stating that 'the Panel chair shall set the order of argument, allocation of time, and rules for witness questioning, consistent with due process; however, Commission staff shall open and close and carry the burden of proof.' This would reduce rule text and empower the chair to run efficient proceedings.

32.3. Subsection (f) (motion for rehearing on temporary suspension) could be substantially streamlined. The current seven-paragraph framework largely duplicates the initial proceeding procedures in subsection (c). The Commission could replace it with a concise rule: 'A license holder may move for rehearing within 10 days by submitting credible new information not previously available; the Panel chair shall decide whether to grant rehearing and, if granted, shall conduct a limited proceeding on the new evidence in accordance with subsection (c).' This could reduce rehearing text by approximately 200 words without changing substantive rights.

32.4. The 'imminent peril' recital requirement in subsection (e)(2) could be conformed to the statutory standard ('continuing threat to the public welfare') rather than importing a separate 'imminent peril' concept. Using one consistent standard across the rule and the statute would eliminate litigation risk over whether the agency has adopted a higher or different standard than the Legislature specified. Panel orders would still need to recite the factual and legal basis, but under the statutory formulation.

32.5. Subsections (c)(3) and (b)(2) could be consolidated and simplified. The current rule separately describes (i) filing the motion with general counsel, (ii) the same-day Notice of Alleged Violation to the respondent and SOAH, and (iii) the statutory satisfaction rule. These could be combined into a single subsection that specifies the filing package and states that the simultaneous-initiation requirement of §1101.662(c)(1) is satisfied by contemporaneous service of the Notice of Alleged Violation. This reduces cross-reference complexity without changing any substantive requirement.

32.6. Subsection (d)(1) restates APA evidentiary principles (Texas Rules of Evidence plus reasonable-prudent-person standard). Because Tex. Gov't Code § 2001.081 already governs admissibility in contested cases, subsection (d)(1) could be replaced with a single cross-reference to the APA. The current restatement adds approximately 70 words of duplicative text and risks diverging from future APA amendments.

32.7. The Commission could publish a single consolidated 'Disciplinary Proceedings' chapter or subchapter that combines §533.11 with related enforcement and hearing rules in Chapter 533 (investigations, informal conferences, SOAH referrals, final orders). Scattered procedural rules increase compliance costs for respondents and their counsel, who must cross-reference multiple sections to understand how a single case moves from complaint to final order. Consolidation would reduce overall word count, improve navigability, and make TREC enforcement procedures more predictable.