1-1	By: Eltife S.B. No. 1007
1-2	(In the Senate - Filed March 6, 2015; March 10, 2015, read
1-3	first time and referred to Committee on Business and Commerce;
1-4	April 13, 2015, reported adversely, with favorable Committee
1-5	Substitute by the following vote: Yeas 9, Nays 0; April 13, 2015,
1-6	sent to printer.)
1-7	COMMITTEE VOTE
т <i>(</i>	COMMITTEE VOIE
1-8	Yea Nay Absent PNV
1-9	Eltife X
1-10	Creighton X
1-11	Ellis X
1-12	Huffines X
1-13	Schwertner X
1-14	Seliger X
1 - 15 1 - 16	Taylor of Galveston X Watson X
1-10	Watson X Whitmire X
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1-18	COMMITTEE SUBSTITUTE FOR S.B. No. 1007 By: Ellis
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1-19	A BILL TO BE ENTITLED
1-20	AN ACT
1 0 1	weleting to the greations and greaters regulated by the manage
1-21 1-22	relating to the practices and professions regulated by the Texas Appraiser Licensing and Certification Board.
1-22	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
1-24	SECTION 1. Section 1103.003, Occupations Code, is amended
1-25	by amending Subdivisions (2-a), (6-b), (7), and (8) and adding
1-26	Subdivisions (2-b), (4-a), and (5-a) to read as follows:
1-27	(2-a) "Appraisal review" has the meaning assigned by
1-28	Section 1104.003.
1-29	(2-b) "Appraisal Standards Board" means the Appraisal
1-30	Standards Board of the Appraisal Foundation, or its successor.
1-31	(4-a) "Appraiser trainee" means an appraiser trainee
1-32 1-33	<u>licensed under this chapter.</u> (5-a) "Certified appraiser" means a person who is
1-34	<u>(5-a) "Certified appraiser" means a person who is</u> certified under this chapter to practice as a certified general or
1-35	certified residential appraiser.
1-36	(6-b) "Federal financial institution regulatory
1-37	agency" means:
1-38	(A) the Board of Governors of the Federal Reserve
1-39	System;
1-40	(B) the Federal Deposit Insurance Corporation;
1-41	(C) the Office of the Comptroller of the
1-42 1-43	Currency; (D) the Congumer Financial Protection Bureau
1-43	(D) the <u>Consumer Financial Protection Bureau</u> [Office of Thrift Supervision];
1-45	(E) the National Credit Union Administration; or
1-46	(F) the successors of any of those agencies.
1-47	(7) "Licensed appraiser" ["State-certified real
1-48	estate appraiser or "certified appraiser" means a person who is
1-49	certified under this chapter.
1-50	[(8) "State-licensed real estate appraiser" or
1-51	"licensed appraiser"] means a person who is licensed under this
1-52	chapter to practice as a residential real estate appraiser.
1-53	(8) "Supervisory appraiser" means a supervisory
1-54	appraiser as defined by the Appraiser Qualifications Board.
1 - 55 1 - 56	SECTION 2. Section 1103.004, Occupations Code, is amended to read as follows:
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	Sec. 1103.004. EFFECT OF CHAPTER. [(b)] This chapter does
1-57 1-58 1-59	

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2-1 property to another person; [or] (2) a real estate broker licensed under Chapter 1101 2-2 2-3 or a <u>sales agent</u> [salesperson] acting under the authority of a sponsoring broker from providing to another person a written 2-4 2-5 analysis, opinion, or conclusion relating to the estimated price of 2-6 2-7 is given in the ordinary course of the 2-8 (B) broker's [or salesperson's] business; and 2-9 2-10 (C) is related to the actual or potential 2-11 acquisition, disposition, encumbrance, or management of an interest in real property; or 2-12 an appraiser who is certified by a jurisdiction 2-13 (3) 2-14 other than this state from performing an appraisal review of an 2**-**15 2**-**16 appraisal performed on real property in this state, if appraiser does not offer an opinion of value as part of the the 2-17 appraisal review. 2-18 SECTION 3. Section 1103.006, Occupations Code, is amended 2-19 to read as follows: 2-20 2-21 APPLICATION OF SUNSET ACT. and Certification Board [If Sec. 1103.006. The Tex<u>as</u> the federal Appraiser Licensing government removes the requirements for the preparation or use of 2-22 an appraisal by federally regulated financial institutions, the 2-23 board] is subject to Chapter 325, Government Code (Texas Sunset 2-24 Act)[, and is subject to sunset review in the next regular session of the legislature following the date of the federal government's 2**-**25 2**-**26 action]. Unless continued in existence [by that legislature] as 2-27 provided by that chapter, the board is abolished and this chapter and Chapter 1104 expire September 1, 2019 [expires on the 90th day after the last day of the regular session of that legislature]. SECTION 4. Subchapter B, Chapter 1103, Occupations Code, is 2-28 2-29 2-30 2-31 2-32 amended by adding Section 1103.0545 to read as follows: Sec. 1103.0545. TRAINING. (a) A person who is appointed to and qualifies for office as a member of the board may not vote, deliberate, or be counted as a member in attendance at a meeting of the board until the person completes a training program that 2-33 2-34 2-35 2-36 complies with this section. 2-37 2-38 (b) The training program must provide the person with 2-39 information regarding: this chapter and other laws applicable to the 2-40 (1)2-41 board; 2-42 (2) the programs, functions, rules, and budget of the 2-43 board; 2-44 (3) the results of the most recent formal audit of the 2-45 board; 2-46 (4)requirements of the laws relating to open meetings, 2-47 public information, administrative procedure, and 2-48 conflicts of interest; and (5) any applicable ethics policies adopted by board or the Texas Ethics Commission. (c) A person appointed to the board is entitled 2-49 the 2-50 2-51 is entitled to 2-52 reimbursement for the travel expenses incurred in attending the 2-53 training program regardless of whether the attendance at the program occurs before or after the person qualifies for office. SECTION 5. Section 1103.055, Occupations Code, is ame 2-54 2-55 is amended 2-56 to read as follows: 2-57 Sec. 1103.055. TERMS; VACANCIES. (a) Appointed members of the board serve staggered $\underline{six-year}$ [two-year] terms, with the terms of one or two appraiser members and one or two public members 2-58 2-59 2-60 expiring on January 31 of each odd-numbered year. 2-61 (b) If a vacancy occurs during a member's term, the governor appoint a person to fill the unexpired term [An appointed 2-62 shall 2-63 member may not serve more than three consecutive two-year terms]. 2-64 SECTION 6. Section 1103.056, Occupations Code, is amended 2-65 to read as follows: 2-66 Sec. 1103.056. OFFICERS; EXECUTIVE COMMITTEE. (a) The 2-67 governor shall designate a board member who is an appraiser to serve 2-68 as presiding officer of the board. (b) At a regular meeting in February of each year, the board 2-69

shall elect from its members an [a presiding officer,] assistant 3-1 presiding officer $[-\tau]$ and a secretary. 3-2 (c) [(b)] The <u>presiding officer</u>, 3-3 assistant presiding 3-4 officer, and secretary [officers elected <u>under Subsection (a)</u>] constitute the executive committee. SECTION 7. Section 1103.05 3-5 3-6 1103.057(c), Occupations Code, is 3-7 amended to read as follows: 3-8 If the <u>commissioner</u> [presiding officer of the board] has (c) knowledge that a potential ground for removal of an appointed board 3-9 member exists, the <u>commissioner shall notify the presiding officer</u> of the board of the potential ground. The presiding officer shall immediately notify the governor <u>and the attorney general that a</u> 3-10 3-11 3-12 potential ground for removal exists. 3-13 If the potential ground for removal involves the presiding officer, the commissioner shall 3-14 3**-**15 3**-**16 notify the next highest ranking officer of the board, who sha immediately notify the governor and the attorney general that of the board, who shall а 3-17 potential ground for removal exists. 3-18 SECTION 8. Section 1103.058, Occupations Code, is amended 3-19 to read as follows: 3-20 3-21 PER DIEM; REIMBURSEMENT. Sec. 1103.058. (a) An appointed board member is entitled to receive: 3-22 (1)\$75 for each day the member engages in official 3-23 duties as a board member; and reimbursement for actual and necessary expenses (2) 3-24 3-25 incurred in performing official duties as a board member. 3**-**26 For purposes of this section, the board by rule may (b) determine what constitutes a day or actual and necessary expenses. 3-27 3-28 SECTION 9. Subchapter B, Chapter 1103, Occupations Code, is amended by adding Section 1103.060 to read as follows: 3-29 Sec. 1103.060. EDUCATIONAL PRESENTATIONS. 3-30 (a) A member of 3-31 the board or a board employee may make a presentation to a group of 3-32 certificate or license holders for which the certificate or license 3-33 holders may receive continuing education credit for the renewal of 3-34 a certificate or license under Section 1103.211. The board member or employee may not receive compensation for the presentation. (b) Notwithstanding Subsection (a), the board member 3-35 3-36 оr employee may receive reimbursement for reasonable travel expenses. 3-37 3-38 SECTION 10. Section 1103.101(b), Occupations Code, is 3-39 amended to read as follows: (b) The board may delegate to the commissioner the responsibility for administering this chapter <u>and Chapter 1104</u>, 3-40 3-41 3-42 including the approval of consent orders and agreements. 3-43 SECTION 11. Section 1103.102, Occupations Code, is amended 3-44 to read as follows: 3-45 Sec. 1103.102. OTHER BOARD PERSONNEL. In addition to the 3-46 commissioner, the board may employ other officers and employees as 3-47 necessary to administer this chapter and Chapter 1104. 3-48 SECTION 12. Section 1103.103, Occupations Code, is amended to read as follows: 3-49 3-50 Sec. 1103.103. SALARIES. [(a)] The commissioner 3-51 [administrator of the Texas Real Estate Commission] shall determine the salaries of the officers and employees of the board. 3-52 3-53 SECTION 13. Section 1103.104, Occupations Code, is amended 3-54 to read as follows: Sec. 1103.104. DUTIES OF COMMISSIONER. The commissioner 3-55 3-56 shall: 3-57 (1)disseminate information; 3-58 administer rules adopted by the board under this (2) 3-59 chapter or Chapter 1104; 3-60 (3)review each application for a certificate or 3-61 license and make a recommendation for final action to the board; 3-62 (4) review and make recommendations to the board 3-63 regarding the adoption of rules relating to: 3-64 (A) the examination required by Subchapter F; 3-65 (B) education and experience requirements for 3-66 issuance of certificates and licenses; 3-67 (C) continuing education for a certified or 3-68 licensed appraiser; standards of professional practice 3-69 (D) and

C.S.S.B. No. 1007 ethics for a certified or licensed appraiser; 4-1 4-2 (E) standards for a real estate appraisal 4-3 performed by a certified or licensed appraiser; and 4 - 4(F) the fees established by the board under 4**-**5 4**-**6 Section 1103.156 or Section 1104.052; collect fees established by the board; (5) 4-7 manage the staff and employees of the board; and (6)4-8 (7)perform any other duty prescribed by the board under this chapter or Chapter 1104. 4-9 4-10 4-11 Section 1103.151, Occupations Code, is amended SECTION 14. to read as follows: 4-12 Sec. 1103.151. RULES RELATING TO CERTIFICATES AND LICENSES. 4-13 The board may adopt: 4-14 (1) rules for certifying or licensing an appraiser or 4**-**15 4**-**16 appraiser trainee in this state that are in [approving an] accordance with this chapter and consistent with applicable federal 4-17 law: rules relating to the qualifying education and 4-18 (2) experience required for certifying or licensing an appraiser or 4-19 [approving an] appraiser trainee that are consistent with the 4-20 4-21 guidelines recognized by the Appraiser Qualifications Board; 4-22 (3) rules relating to the examination required by 4-23 Subchapter F; and 4-24 (4) rules relating to procedures for the timely 4**-**25 4**-**26 renewal of a certificate <u>or</u>[₇] license[₇ or trainee approval]. Section 1103.153, Occupations Code, is amended SECTION 15. 4-27 to read as follows: Sec. 1103.153. 4-28 RULES RELATING TO QUALIFYING OR CONTINUING 4-29 EDUCATION. The board may adopt rules relating to: 4-30 (1) continuing education requirements for a certified 4**-**31 or licensed appraiser or an [approved] appraiser trainee; and 4-32 (2) the requirements for approval of a provider, or instructor for qualifying or continuing education. 4-33 course, 4-34 SECTION 16. Section 1103.154, Occupations Code, is amended 4-35 to read as follows: 4-36 Sec. 1103.154. RULES RELATING TO PROFESSIONAL CONDUCT. The 4-37 board may adopt: 4-38 (1)rules as necessary to conform to the minimum 4-39 written standards of the Appraisal Standards Board by incorporating 4-40 the Uniform Standards of Professional Appraisal Practice; 4-41 (2) rules requiring a certified or licensed appraiser 4-42 an appraiser trainee to comply with standards of competency, or professional conduct, and ethics prescribed by the Uniform Standards of Professional Appraisal Practice, as adopted by the 4-43 4-44 Appraisal Standards Board; and 4-45 4-46 relating rules (3) to the standards for the development of an appraisal and the conveyance of an appraisal 4 - 474-48 report by a certified or licensed appraiser or an appraiser trainee that are recognized as substantially equivalent to or consistent with the Uniform Standards of Professional Appraisal Practice. 4-49 4-50 4-51 1103.155(c), SECTION 17. Section Occupations Code, is 4-52 amended to read as follows: 4-53 (c) The board shall send a copy of the roster to the Appraisal Subcommittee at least weekly [annually]. SECTION 18. Section 1103.157, Occupations Code, is amended 4-54 4-55 4-56 to read as follows: GIFTS, GRANTS, AND DONATIONS. The board may 4-57 Sec. 1103.157. 4-58 solicit, accept, and administer gifts, grants, and donations of any 4-59 kind from any public or private source for the purposes of this chapter and Chapter 1104. SECTION 19. Section 1103.159, Occupations Code, is amended by amending Subsections (b) and (d) and adding Subsections (e), 4-60 4-61 4-62 (f), and (g) to read as follows: 4-63 (b) The advisory committee consists of the assistant presiding officer of the board and four [two] persons appointed by 4-64 4-65 4-66 the governor as follows: 4-67 (1)two members who are each designated as the $[\frac{a}{a}]$ 4-68 controlling person of an appraisal management company registered 4-69 under Chapter 1104; and

(2) two [a] public members [member] with recognized business ability. 5-1 5-2 5-3 (d) The members of the advisory committee appointed by the 5-4 governor serve staggered two-year terms, with the terms of one [the] appraisal management company member and <u>one</u> [the] public member expiring on January 31 of <u>each year</u> [alternating years]. (e) An appointed member may not serve more than two 5**-**5 5**-**6 5-7 consecutive two-year terms. 5-8 (f) If a vacancy occurs during a member's term, the governor 5-9 shall appoint a person to fill the unexpired term. (g) The advisory committee may hold a meeting by telephone conference call or other video or broadcast technology. 5-10 5-11 5-12 5-13 SECTION 20. Section 1103.201, Occupations Code, is amended 5-14 to read as follows: 5**-**15 5**-**16 CERTIFICATE OR LICENSE REQUIRED. Sec. 1103.201. (a) A person may not perform an appraisal of real estate unless the person 5-17 is licensed or certified as an appraiser under this chapter, 5-18 registered as a temporary out-of-state appraiser under this chapter, or acting as an appraiser trainee under the supervision 5-19 [sponsorship] of a supervisory [certified] appraiser.
 (b) Unless the person holds the appropriate license or
 certification, a person may not:
 (1) use the title "certified real estate appraiser" 5-20 5-21 5-22 5-23 ["state-certified real estate appraiser"] or "licensed real estate appraiser" ["state-licensed real estate appraiser"]; or 5-24 5-25 (2) refer to an appraisal performed by the person as a "certified appraisal" or "licensed appraisal." 5-26 5-27 5-28 SECTION 21. Section 1103.202, Occupations Code, is amended 5-29 to read as follows: 5-30 Sec. 1103.202. ELIGIBILITY REQUIREMENTS FOR CERTIFICATE OR 5-31 LICENSE. To be eligible for a certificate or license under this 5-32 chapter, an applicant must: applicable examination required 5-33 (1)pass the by 5-34 Subchapter F; (2) 5-35 successfully complete the number and type of 5-36 classroom hours or other educational qualifications required by the 5-37 Appraiser Qualifications Board; 5-38 (3) provide evidence satisfactory to the board that 5-39 the applicant has at least the minimum number of hours of experience 5-40 in performing appraisals over the specified number of calendar 5-41 years as required by the Appraiser Qualifications Board; [and] 5-42 (4) satisfy the board as to the applicant's honesty, 5-43 trustworthiness, and integrity; and 5-44 (5) comply with the requirements of Sections 1103.203 and 1103.2031. 5-45 5-46 SECTION 22. Section 1103.203, Occupations Code, is amended 5-47 to read as follows: 5-48 Sec. 1103.203. CERTIFICATE OR LICENSE APPLICATION [ELIGIBILITY REQUIREMENTS FOR LICENSE]. (a) An applicant for a certificate or license or for renewal of a certificate or license must submit an application to the board on the form prescribed by 5-49 5-50 5-51 the board. 5-52 5-53 The applicant must disclose in the application whether (b) 5-54 the applicant has: 5-55 entered a plea of guilty or nolo contendere to a (1)5-56 felony; or 5-57 been convicted of a felony and the time for appeal (2) has elapsed or the judgment or conviction has been affirmed on 5-58 5-59 appeal. The disclosure under Subsection (b) must be provided 5-60 C) regardless of whether a court order granted community supervision 5-61 5-62 suspending the imposition of the sentence. 5-63 (d) The application must include the applicant's current 5-64 mailing address and telephone number and the applicant's business e-mail address, if available. The applicant shall notify the board of any change in the applicant's mailing or e-mail address or 5-65 5-66 5-67 telephone number while the application is pending. 5-68 (e) The applicant must provide any other information required by the board to comply with the Appraiser Qualifications 5-69

C.S.S.B. No. 1007 Board's criminal history and background check requirements [To be 6-1 a license under this chapter, an applicant must: 6-2 eligible for 6-3 [(1) pass the examination required by Subchapter F; [(2) successfully complete the number and type of 6-4 6**-**5 6**-**6 classroom hours or other educational qualifications required by the guidelines of the Appraiser Qualifications Board; [(3) provide evidence satisfactory to the board that the applicant has at least the minimum number of hours of experience 6-7 6-8 in performing appraisals over the specified number of calendar 6-9 6**-**10 6**-**11 years as required by the guidelines of the Appraiser Qualifications Board; and [(4) satisfy the board as to the applicant's honesty, trustworthiness, and integrity]. 6-12 6-13 SECTION 23. Subchapter E, Chapter 1103, Occupations Code, is amended by adding Section 1103.2031 to read as follows: Sec. 1103.2031. CRIMINAL HISTORY RECORD INFORMATION REQUIREMENT. (a) The board by rule may require that an applicant 6-14 6**-**15 6**-**16 6-17 for a certificate or license or renewal of an unexpired certificate 6-18 or license submit a complete and legible set of fingerprints, on a form prescribed by the board, to the board or to the Department of Public Safety for the purpose of obtaining criminal history record information from the Department of Public Safety or the Federal 6-19 6-20 6-21 6-22 Bureau of Investigation. 6-23 (b) If the board 6-24 implements the requirement under Subsection (a), the board may not issue a certificate or license to or renew the certificate or license on active status of an applicant 6**-**25 6**-**26 who does not comply with that requirement. 6-27 6-28 (c) If the board implements the requirement under Subsection (a), the board shall conduct a criminal history check of an applicant for a certificate or license or renewal of a certificate or license using information: 6-29 6-30 6-31 (1) provided by the applicant under this section and 6-32 6-33 Section 1103.203; and (2) made available to the board by the Department of Public Safety, the Federal Bureau of Investigation, or any other criminal justice agency under Chapter 411, Government Code. 6-34 6-35 6-36 The board may: 6-37 (d) 6-38 (1) enter into an agreement with the Department of 6-39 Public Safety or other federally authorized entity to administer a criminal history check required under this section; and (2) authorize the Department of Public Safety or other federally authorized entity to collect from each applicant the 6-40 6-41 6-42 6-43 costs incurred by the department in conducting the criminal history 6-44 check. 6-45 SECTION 24. Section 1103.204(c), Occupations Code, is amended to read as follows: 6-46 6-47 (c) The board shall give an applicant for a certificate or license credit toward fulfilling the requirements of <u>Section</u> [Sections] 1103.202(2) [and 1103.203(2)] for classroom hours taken in the course of becoming licensed as a real estate broker or <u>sales</u> 6-48 6-49 6-50 6-51 agent [salesperson] or for professional development or continuing 6-52 education courses taken, whether the classroom hours or courses are taken by a person as a real estate broker or <u>sales agent</u> [salesperson] or as an employee of a financial institution engaged in real estate-related financial transactions, if the classroom 6-53 6-54 6-55 6-56 hours or courses satisfy the requirements established by the 6-57 guidelines recognized by the Appraiser Qualifications Board. 6-58 SECTION 25. Sections 1103.205(a) and (c), Occupations Code, 6-59 are amended to read as follows: (a) This [Except as provided by Section 1103.208, this] chapter does not limit the amount of time in which an applicant for 6-60 6-61 6-62 a certificate or license is required to satisfy the experience 6-63 requirements under this subchapter. (c) For the purpose of determining the qualifications of an applicant for a certificate or license under this chapter, acceptable appraisal experience includes: 6-64 6-65 6-66 6-67 (1) any one or any combination of the categories recognized by the Appraiser Qualifications Board; and 6-68 (2) experience as a real estate mortgage lending 6-69

 $$\rm C.S.S.B.$ No. 1007 officer of a financial institution or as a real estate broker that 7-1 includes the actual performance or technical review of real estate 7-2 7-3 appraisals. 7-4 SECTION 26. Section 1103.206(b), Occupations Code, is amended to read as follows: 7-5 (b) The board shall adopt a reliable method to verify the evidence of appraisal experience submitted by an applicant for a 7-6 7-7 7-8 certificate or license. The method must include the review of 7-9 appraisal experience of all applicants for certification [and must rely on appropriate sampling techniques that are applied to not more than five percent of the license applications received by the board]. An applicant [whose application is selected for 7-10 7-11 7-12 verification] has at least 60 days after the date notice is sent [of 7-13 7-14 selection] to submit [prepare] any records requested by the board. 7**-**15 7**-**16 The board may not require the applicant to provide more information than the information the board may obtain under Section 1103.207. SECTION 27. Section 1103.207(a), Occupations Code, 7-17 is 7-18 amended to read as follows: 7-19 the information or documentation ter, the board may obtain other (a) In addition to 7**-**20 7**-**21 this subchapter, specified by information or documentation from an applicant for a certificate or license under this chapter if the board determines that: 7-22 7-23 (1) a formal [consumer complaint or peer] complaint 7-24 against the applicant alleging fraud, incompetency, or malpractice 7**-**25 7**-**26 is reasonable; or (2) other just cause exists for requiring further 7-27 information. 7-28 SECTION 28. Section 1103.209(a), Occupations Code, is amended to read as follows: 7-29 7-30 shall (a) The board issue a reciprocal license or -7**-**31 <u>license</u>] to an applicant from another state if: certificate [or 7-32 (1) the appraiser licensing and certification program 7-33 of the other state is in compliance with 12 U.S.C. Section 3331 et 7-34 seq.; the <u>applicant</u> [appraiser] holds a valid license or 7-35 (2) certificate from a state whose requirements for licensure or certification meet or exceed the licensure or certification 7-36 7-37 7-38 requirements of this state; [and] 7-39 (3) the <u>applicant</u> [appraiser] satisfies the board as to the appraiser's honesty, trustworthiness, and integrity; and (4) the applicant complies with the requirements 7-40 7-41 of Sections 1103.203 and 1103.2031. 7-42 7-43 SECTION 29. Section 1103.2091, Occupations Code, is amended 7-44 to read as follows: 7-45 OR TRAINEE APPROVAL]. 7-46 certificate or license to [or approve] an appraiser or an appraiser 7-47 trainee, as applicable [on a probationary basis]. (b) The board by rule shall adopt reasonable terms for issuing a probationary certificate or license [and for approval of 7-48 7-49 7-50 7-51 an appraiser trainee on a probationary basis]. (c) A person who holds a probationary certificate or license 7-52 7-53 [or who is approved as an appraiser trainee] under this section must 7-54 disclose the probationary status to all clients before accepting an 7-55 assignment. 7-56 SECTION 30. Sections 1103.211(b) and (c), Occupations Code, 7-57 are amended to read as follows: 7-58 A person may renew a certificate or license by: (b) 7-59 paying the renewal fee; [and] (1)(2) providing evidence satisfactory to the board that the person has completed continuing education requirements that 7-60 7-61 7-62 comply with the guidelines recognized by the Appraiser 7-63 Qualifications Board and that are imposed by rule under this 7-64 chapter<u>;</u> (3) satisfying the board as to the person's honesty, trustworthiness, and integrity; and 7-65 7-66 7-67 (4) complying with the requirements of Sections 1103.203 and 1103.2031. 7-68 7-69 (c) For purposes of Subsection (b)(2), the board shall

C.S.S.B. No. 1007 accept as continuing education any educational offering complies with the guidelines recognized by the Appra 8-1 that 8-2 Appraiser Qualifications Board that a certified or licensed appraiser was 8-3 awarded by [a national appraiser organization approved by the board 8-4 8-5 as] a provider of qualifying appraisal education approved by the 8-6 <u>board</u>. 8-7 SECTION 31. Section 1103.2111, Occupations Code, is amended 8-8 to read as follows: Sec. 1103.2111. LATE RENEWAL OF CERTIFICATE OR $[\tau]$ LICENSE $[\tau]$ 8-9 OR TRAINEE APPROVAL]. (a) A person whose certificate $or[\tau]$ license[τ or approval] has been expired for 90 days or less may 8-10 8-11 renew the certificate $or[\tau]$ license $[\tau or approval]$ by paying to the board a fee equal to 1-1/2 times the required renewal fee. If a 8-12 8-13 certificate or [,] license [, or approval] has been expired for more 8-14 than 90 days but less than six months, the person may renew the certificate $or[_{\tau}]$ license[, or approval] by paying to the board a fee equal to two times the required renewal fee. 8-15 8-16 8-17 8-18 A certificate $or[\tau]$ license[τ or approval] that is (b) 8-19 renewed under this section shall expire on the date that would apply 8-20 8-21 had the certificate $or[\tau]$ license[τ or approval] been timely renewed. 8-22 (c) A person may not perform an appraisal in a federally 8-23 related transaction while the person is not actively licensed or 8-24 certified as an appraiser or an appraiser trainee. (d) If a person's certificate $\underline{or}[_{\tau}]$ license[$_{\tau}$ or approval] has been expired six months or longer, the person may not renew the certificate $\underline{or}[_{\tau}]$ license[$_{\tau}$ or approval]. The person may obtain a new certificate $\underline{or}[_{\tau}]$ license[$_{\tau}$ or approval] by complying with the 8**-**25 8**-**26 8-27 8-28 requirements and procedures for an original application. 8-29 SECTION 32. Sections 1103.213(a), (b), (c), (d), and (f), Occupations Code, are amended to read as follows: 8-30 8-31 The board may place on inactive status the certificate 8-32 (a) or license of <u>a person who</u> [an appraiser if the appraiser]: 8-33 8-34 (1)is not acting as an appraiser or an appraiser 8-35 trainee; 8-36 (2) is not <u>acting as a</u> [sponsoring] an appraiser trainee; and supervisory appraiser of а 8-37 8-38 (3) submits a written application to the board before 8-39 the expiration date of the [appraiser's] certificate or license. 8-40 The board may place on inactive status the certificate (b) 8-41 <u>trainee</u> whose license of an appraiser <u>or an appraiser</u> or certificate or license has expired if the person: 8-42 8-43 (1) [appraiser] applies for inactive status on a form prescribed by the board not later than the 180th day after [the 8-44 first anniversary of] the expiration date certificate or license; and 8-45 of the [appraiser's] 8-46 8-47 (2) meets the requirements of Section 1103.2111. (c) <u>A supervisory [An</u>] appraiser applying for inactive status shall terminate the appraiser's association with each appraiser trainee <u>supervised</u> [sponsored] by the appraiser by giving 8-48 8-49 8-50 8-51 written notice to each appraiser trainee before the 30th day preceding the date the appraiser applies for inactive status. 8-52 8-53 (d) An appraiser or an appraiser trainee on inactive status: 8-54 (1)may not perform any activity regulated under this 8-55 chapter; 8-56 (2) must pay annual renewal fees; and 8-57 (3) is not required to pay the annual registry fee described by Section 1103.156(b). 8-58 return 8-59 The shall [remove] (f) board appraiser's an 8-60 certificate or license <u>to active</u> [from inactive] status if the 8-61 appraiser: 8-62 (1)submits an application to the board; 8-63 (2) pays the required fee; [and] (3) submits proof of complying with the <u>cumulative</u> continuing education requirements of Section 1103.211 during the 8-64 8-65 8-66 period the license has been on inactive status; 8-67 (4) satisfies the board as to the person's honesty, trustworthiness, and integrity; and 8-68 complies with the requirements of Sections 8-69 (5)

1103.203 and 1103.2031 [two years preceding the application under Subdivision (1) is filed]. 9-1 date the 9-2 9-3 SECTION 33. Section 1103.252(b), Occupations Code, is 9-4 amended to read as follows: (b) The <u>board or the</u> testing service may collect an examination fee from an applicant for a certificate or license. 9-5 9-6 9-7 SECTION 34. Section 1103.253, Occupations Code, is amended 9-8 to read as follows: 9-9 Sec. 1103.253. TIME AND PLACE OF EXAMINATION; NOTICE. The 9-10 board or the testing service shall offer the examination at least once each month in Austin and at other locations and times as the board may determine or require. The board shall provide public 9-11 9-12 notice of all examinations on the board's Internet website 9-13 [(a) 9-14 The examination must be offered at least twice each year. 9-15 [(b) The board shall determine the time and place of the 9**-**16 examination. 9-17 [(c) The board shall give reasonable public notice of the examination in the manner provided by board rule. 9-18 9-19 [(d) The board may assign an examination date and site to an applicant. The assigned site must be the nearest examination site 9-20 9**-**21 available to the applicant]. 9-22 SECTION 35. Section 1103.255, Occupations Code, is amended 9-23 to read as follows: 9-24 Sec. 1103.255. EXPERIENCE [NOT] REQUIRED BEFORE TAKING An applicant for the examination <u>mus</u>t [is not 9-25 EXAMINATION. 9**-**26 required to] fulfill the applicable experience requirement for a certificate or license before taking the examination. 9-27 9-28 SECTION 36. Sections 1103.257(a) and (b), Occupations Code, 9-29 are amended to read as follows: (a) Not later than the <u>10th</u> [31st] day after the date a person takes an examination, the board <u>or the testing service</u> shall 9-30 9-31 notify the person of the examination results. [If an examination is 9-32 9-33 graded or reviewed by a national testing service, the board shall 9-34 notify the person of the examination results not later than the 31st 9-35 day after the date the board receives the results from the testing 9-36 service. 9-37 (b) If notice of the examination results will be delayed for 9-38 more than 10 [90] days after the examination date, the board shall 9-39 notify each examinee of the reason for the delay not later than the <u>10th</u> [90th] day. 9-40 9-41 SECTION 37. Section 1103.302, Occupations Code, is amended 9-42 to read as follows: 9-43 Sec. 1103.302. REGISTRATION APPLICATION. A person may 9-44 register with the board by: 9-45 (1) completing a registration form prescribed by the 9-46 board; [and] 9-47 (2) meeting the requirements established under this 9-48 chapter; and paying the required fee. Section 1103.303, Occupations Code, is amended 9-49 (3)38. 9-50 SECTION 9-51 to read as follows: 9-52 Sec. 1103.303. ELIGIBILITY REQUIREMENTS FOR REGISTRATION. 9-53 A person is eligible to register with the board if: (1) the certification and licensing program under 9-54 9-55 which the person is certified or licensed by another state has not been disapproved by the Appraisal Subcommittee 9-56 [Appraiser 9-57 Qualifications Board]; and 9-58 (2) the person's appraisal business in this state does 9-59 not exceed six months. 9-60 SECTION 39. Section 1103.351, Occupations Code, is amended 9-61 to read as follows: 9-62 Sec. 1103.351. <u>SUPERVISORY APPRAISER</u> [SPONSOR]. (a) The 9-63 board may authorize a certified appraiser under this chapter to 9-64 supervise [sponsor] an appraiser trainee if the certified appraiser 9-65 requirements of the board consistent with applicable meets the federal law. 9-66 9-67 (b) An appraiser trainee may have more than one supervisory 9-68 <u>appraiser</u> [sponsor]. 9-69 SECTION 40. Section 1103.352, Occupations Code, is amended

C.S.S.B. No. 1007 10-1 to read as follows: Sec. 1103.352. APPLICATION FOR APPRAISER TRAINEE. 10-2 An 10-3 applicant for a license [approval] as an appraiser trainee and each supervisory appraiser [sponsor] of the applicant must apply to the 10-4 board using the online application on the board's Internet website or on a form prescribed by the board. 10-5 10-6 10-7 SECTION 41. Section 1103.353, Occupations Code, is amended 10-8 to read as follows: 10-9 Sec. 1103.353. ELIGIBILITY REQUIREMENTS FOR APPRAISER 10-10 10-11 TRAINEE. To be eligible for <u>a license</u> [approval] as an appraiser trainee, an applicant must: 10-12 (1) be at least 18 years of age; 10-13 (2) be a citizen of the United States or a lawfully 10-14 admitted alien; 10-15 10-16 have been a resident of this state for the 60 days (3) preceding the date the application is filed; 10-17 (4) satisfy the board as to the applicant's honesty, 10-18 trustworthiness, and integrity; [and] 10-19 (5) comply with the requirements of Sections 1103.203 10-20 10-21 and 1103.2031; and (6) meet all other qualifications established by the 10-22 board. 10-23 SECTION 42. Sections 1103.354(a) and (b), Occupations Code, 10-24 are amended to read as follows: 10-25 10-26 (a) An appraiser trainee <u>licensed</u> [approved] by the board may perform an appraisal under the direction of a <u>supervisory</u> appraiser [sponsor or authorized supervisor of the trainee]. 10-27 (b) The supervisory appraiser [sponsor or authorized 10-28 supervisor] shall sign each report prepared by the appraiser trainee performing an appraisal under the direction of the supervisory appraiser [sponsor or authorized supervisor]. The supervisory appraiser [sponsor or authorized supervisor] is 10-29 10-30 10-31 10-32 responsible to the public and to the board for the appraiser trainee's reports and conduct. SECTION 43. Section 1103.355(a), Occupations Code, is 10-33 10-34 10-35 10-36 amended to read as follows: 10-37 (a) The board may reprimand an appraiser trainee or suspend or revoke an appraiser trainee's <u>license</u> [authority] to act as an appraiser trainee for a violation of this chapter or a rule adopted 10-38 10-39 10-40 under this subchapter. 10-41 SECTION 44. Section 1103.356, Occupations Code, is amended 10-42 to read as follows: 10-43 Sec. 1103.356. RENEWAL OF APPRAISER TRAINEE LICENSE 10-44 [APPROVAL]. A person may renew <u>a license</u> [an approval] as an 10-45 appraiser trainee by: (1) paying the renewal fee established by the board;
(2) providing evidence satisfactory to the board of 10-46 10-47 10-48 completion of any required continuing education; and 10 - 49(3) meeting any other renewal requirement established 10-50 by the board. 10-51 SECTION 45. Section 1103.405, Occupations Code, is amended 10-52 to read as follows: 10-53 Sec. 1103.405. PROFESSIONAL STANDARDS. A person who holds a [license,] certificate, license, or registration [approval] issued under this chapter shall comply with: 10-54 10-55 10-56 (1) the most current edition of the Uniform Standards 10-57 of Professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation; or 10-58 10-59 (2) other standards provided by board rule that are at 10-60 least as stringent as the Uniform Standards of Professional 10-61 Appraisal Practice. SECTION 46. Section 1103.451, Occupations Code, is amended 10-62 10-63 to read as follows: 10-64 Sec. 1103.451. INITIATION OF COMPLAINT PROCESS. (a) Anv person, including a member of the board, may initiate the complaint process under this subchapter by <u>submitting to</u> [filing with] the board a written <u>allegation of a violation of this chapter</u> 10-65 10-66 10-67 [complaint] on a form prescribed by the board. 10-68 10-69 (b) The board, on its own motion, may file a formal

11-1 complaint against: (1) a certified or licensed appraiser<u>, an appraiser</u> 11-2 11-3 trainee, or a registrant under Subchapter G; or is approved by the board 11-4 (2) [an appraiser trainee who 11-5 under Subchapter H. $[(c) \land complaint alleging that a certified or licensed appraiser or an approved appraiser trainee has violated a rule of professional conduct adopted by the board must be filed with the$ 11-6 11-7 11-8 11-9 hoard. 11-10 11-11 [(d) The board, on its own motion, may file a formal complaint against] a person who engages in an activity for which a 11-12 certificate or license is required under this chapter without holding a certificate or license. 11-13 (c) This subchapter and Subchapter K apply to a complaint filed under <u>Subsection (b)(2)</u> [this subsection] in the same manner as they apply to a complaint filed under Subsection (b)(1) [(b)]. 11-14 11**-**15 11**-**16 11**-**17 (d) An investigation of an alleged [(e) A complaint alleging a] violation by a person licensed $or[\tau]$ certified[τ or 11-18 approved] under this chapter may not be terminated solely on the 11-19 11-20 11-21 basis that the person fails to renew the certificate $\underline{or}[\tau]$ license [, or approval]. 11-22 (e) The board may not conduct an investigation of a person 11-23 certified, licensed, or registered under this chapter or Chapter 1104 for an allegation of a violation submitted to the board later 11-24 11-25 11-26 11-27 than the fourth anniversary of the date the alleged violation <u>occurred</u>. SECTION 47. Section 1103.452, Occupations Code, is amended 11-28 to read as follows: Sec. 1103.452. REVIEW AND INVESTIGATION. 11-29 The [On (a) 11-30 11-31 receipt of a complaint or on its own motion, the] board shall review and investigate an alleged act or omission that is the subject of an allegation submitted or a formal complaint filed under Section 11-32 11-33 <u>1103.451</u> [the board believes is a ground for disciplinary action]. An investigator designated by the <u>commissioner</u> 11-34 (b) 11**-**35 11**-**36 [presiding officer of the board] shall investigate each allegation or formal [in a] complaint [to determine whether probable cause exists for a hearing on the complaint]. 11-37 11-38 (c) If the board determines at any time that an allegation or formal [a] complaint is inappropriate or without merit [does not present facts that are grounds for disciplinary action], the board or the commissioner shall dismiss the complaint and may not take 11-39 11-40 11-41 11-42 further action. 11-43 (d) For purposes of Subsection (c), a determination that the allegation or complaint is inappropriate or without merit includes a determination that the allegation or complaint: (1) is not within the board's jurisdiction; (2) was made in bad faith or filed for the purpose of 11-44 11-45 11-46 11-47 11-48 harassment or to gain a competitive or economic advantage; or (3) lacks sufficient basis in fact or evidence. SECTION 48. Section 1103.453(b), Occupations Co 11 - 4911-50 Code. is 11-51 amended to read as follows: (b) A peer investigative committee consists of \underline{two} or more $[\underline{three}]$ certified or licensed appraisers. The presiding officer of 11-52 11-53 the committee must be an appraiser member of the board. Each 11-54 remaining committee member shall certify to the board that the member is familiar with the appraisal process in the appraisal that 11-55 11-56 11-57 is the subject of the complaint. SECTION 49. 11-58 Section 1103.455(a), Occupations Code, is 11-59 amended to read as follows: At the conclusion of the investigation of a complaint, 11-60 (a) the investigator shall <u>prepare</u> [submit to the board] a written report to enable the board to determine what further action is 11-61 11-62 necessary. 11-63 11-64 SECTION 50. Section 1103.456, Occupations Code, is amended 11-65 to read as follows: 11-66 Sec. 1103.456. ACTION BASED ON REPORT. Based on the report prepared [submitted] under Section 1103.455, the board may: 11-67 11-68 order further investigation of the complaint; 11-69 (2) permit the appraiser or appraiser trainee who is

C.S.S.B. No. 1007 the subject of the complaint to <u>participate in a voluntary</u> [attend an informal] discussion of the facts and circumstances of the 12 - 112-2 12-3 alleged violation [as provided by Section 1103.457]; (3) determine that there is not probable cause to 12-4 believe that a violation occurred and dismiss the case; or 12-5 12-6 (4) determine that there is probable cause to believe 12-7 that a violation occurred and proceed as the complainant with a 12-8 contested case hearing under Subchapter K. SECTION 51. Section 1103.458, Occupations Code, is amended by amending Subsection (d) and adding Subsection (g) to read as 12-9 12-10 12-11 follows: 12-12 (d) A board member who participates in negotiating a consent 12-13 order under this section is [not] disqualified from participating 12-14 in the adjudication of a contested case that results from the 12**-**15 12**-**16 negotiation. (g) An appraiser or appraiser trainee may be disciplined for 12-17 failure to comply with a consent order. 12-18 SECTION 52. Section 1103.459(d), Occupations Code, is amended to read as follows: 12-19 12-20 12-21 (d) An appraiser or appraiser trainee may be <u>disciplined</u> [prosecuted] for failure to comply with a consent agreement. SECTION 53. Section 1103.460, Occupations Code, is amended 12-22 12-23 to read as follows: Sec. 1103.460. <u>CONFIDENTIALITY OF INVESTIGATION MATERIAL</u> [<u>PUBLIC AVAILABILITY OF FINAL DECISION</u>]. (a) Information or material, including any investigation file, is confidential and not 12-24 12**-**25 12**-**26 12-27 subject to disclosure under Chapter 552, Government Code, or any other means of legal compulsion for release, including disclosure, 12-28 discovery, or subpoena, if the information or material is prepared or compiled by the board in connection with a complaint, investigation, or audit of any person subject to the jurisdiction 12-29 12-30 12-31 of the board. 12-32 12-33 (b) Notwithstanding Subsection (a), information or material prepared or compiled by the board in connection with a complaint, investigation, or audit may be disclosed: (1) to the respondent; 12-34 12-35 12-36 12-37 (2) to a person providing a service to the board, 12-38 including a peer investigative committee appointed under Section 1103.453, an expert or other witness, or an investigator, if the information is necessary for preparation for, or a presentation in, a disciplinary proceeding against an applicant or license holder, 12-39 12-40 12-41 subsequent trial or appeal taken from a disciplinary 12-42 or а proceeding; 12-43 (3) to an entity in another licenses, registers, credentials, or disc subject to the jurisdiction of the board; 12-44 <u>jurisdi</u>ction that 12-45 disciplines any person 12-46 (4) to a law enforcement agency; 12-47 (5) to the State Office of Administrative Hearings; or 12-48 (6) to the board, or a panel of the board, for use during any proceeding conducted by the State Office of Administrative Hearings or in a subsequent trial or appeal of a 12 - 4912-50 12-51 12-52 board action or order. 12-53 The release of information under Subsection (b) is not a (c) voluntary disclosure for purposes of Section 552.007, Government 12-54 12-55 Code. 12-56 The board may require a confidentiality agreement be (d) 12-57 signed by a person entitled to receive information under Subsection 12-58 (b) before releasing the information. (e) Notwithstanding Subsection (a), on the dismissal 12-59 or final resolution of a complaint, investigation, or audit, information or material prepared or compiled by the board in 12-60 12-61 connection with the complaint, investigation, or audit, including a 12-62 completed audit report or a final order of the board, is subject to disclosure under Chapter 321 or 552, Government Code [A final decision of the board relating to a disciplinary action, including 12-63 12-64 12-65 12-66 a consent order or consent agreement, may be provided to another state or made available to the public]. 12-67 12-68 SECTION 54. Section 1103.519, Occupations Code, is amended 12-69 to read as follows:

Sec. 1103.519. MOTION [APPLICATION] FOR REHEARING. (a) A [Not later than the 20th day after the date a final decision is 13-1 13-2 issued in a contested case, a] party may file a motion for rehearing 13-3 [an application] with the board [for a rehearing]. 13-4 The motion 13-5 [application] must state: 13-6

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(1)the specific grounds for rehearing; and (2) the relief sought.

(b) <u>A motion for rehearing filed under this section is</u> governed by Chapter 2001, Government Code [The application is 13-9 13-10 13-11 denied if the board does not grant it before the 20th day after the date the commissioner is served with the application].

SECTION 55. Section 1103.522, Occupations Code, is amended 13-12 13-13 to read as follows: 13-14

Sec. 1103.522. <u>WAITING</u> PERIOD [REINSTATEMENT -OF CERTIFICATE OR LICENSE]. A person whose certificate or license has been revoked, [or] a person who has surrendered a certificate or license issued by the board, or a person whose application for a certificate or license has been denied after a hearing under Section 1103.508 may not apply to the board for a certificate or 13-18 13-20 13-21 license [reinstatement] until the second anniversary of the date of revocation, [or] surrender, or denial.

13-22 SECTION 56. Subchapter K, Chapter 1103, Occupations Code, is amended by adding Section 1103.523 to read as follows: 13-23

13-24 Sec. 1103.523. COST RECOVERY. The administrative law judge 13-25 13-26 may award reasonable costs to the board on a request for and proof of the costs if the respondent fails to appear for the hearing under 13-27 Section 1103.510, including any costs:

13-28 (1) charged by the State Office of Administrative 13-29 Hearings; and

(2) related to the preparation for the hearing, including costs of discovery, depositions, subpoenas, service of 13-30 13-31 13-32 process, witness expenses, travel expenses, and investigation 13-33 expenses

SECTION 57. Section 1103.552, Occupations Code, is amended by adding Subsection (c) to read as follows: 13-34 13-35 13-36

(c) Notwithstanding any other law, an administrative penalty collected under this section shall be deposited in a 13-37 restricted fund maintained and operated by the board to develop 13-38 13-39 educational programs for appraisers or conduct studies that enhance 13-40

<u>consumer protection.</u> SECTION 58. Subchapter L, Chapter 1103, Occupations Code, 13-41 is amended by adding Section 1103.5525 to read as follows: 13-42

Sec. 1103.5525. CEASE AND DESIST ORDER. (a) If it appears 13-43 to the board that a person is violating this chapter, Chapter 1104, or a rule adopted under this chapter or Chapter 1104, the board, after notice and opportunity for a hearing, may issue a cease and 13-44 13-45 13-46 13-47 desist order prohibiting the person from engaging in the activity.

13-48 (b) A violation of an order under this section constitutes grounds for imposing an administrative penalty under this chapter or Chapter 1104. SECTION 59. The following provisions of the Occupations 13-49 13-50

13-51 The following provisions of the Occupations 13-52 Code are repealed:

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(1) Section 1103.005;

Section 1103.2015; and (2)

(3) Section 1103.457.

SECTION 60. (a) Section 1103.055, Occupations Code, as amended by this Act, does not affect the terms of the members of the 13-56 13-57 Texas Appraiser Licensing and Certification Board who are serving on the effective date of this Act. Members appointed to fill 13-58 13-59 vacancies occurring on or after the effective date of this Act shall 13-60 13-61 be appointed to serve staggered terms in accordance with that 13-62 section.

13-63 (b) Section 1103.159, Occupations Code, as amended by this Act, does not affect the terms of the members of the advisory committee who are serving on the effective date of this Act. Not later than the 60th day after the effective date of this Act, the governor shall appoint the two new members of the advisory 13-64 13-65 13-66 13-67 committee to serve staggered terms in accordance with that section. 13-68 (c) The changes in law made by this Act apply only to an 13-69

C.S.S.B. No. 1007 application for a license or certificate submitted to the Texas Appraiser Licensing and Certification Board on or after the 14-1 14-2 effective date of this Act. An application for a license or certificate submitted before that date is governed by the law in 14-3 14-4 14**-**5 14**-**6

effect on the date the application was submitted, and the former law is continued in effect for that purpose. (d) The changes in law made by this Act apply only to a disciplinary proceeding or a contested case hearing under Chapter 14-7 14-8 1103, Occupations Code, for conduct that occurs on or after the effective date of this Act. Conduct that occurs before the effective date of this Act is governed by the law in effect on the date the conduct occurred, and the former law is continued in effect 14-9 14-10 14-11 14-12 14-13 for that purpose. SECTION 61.

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This Act takes effect January 1, 2016.