

TEXAS



# REAL ESTATE COMMISSION

## APPRAISER LICENSING & CERTIFICATION BOARD

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To: Senate Committee on Business & Commerce

From: Douglas E. Oldmixon, Administrator & Commissioner

Date: Effective April 21, 2014

RE: **Quarterly Agency Update**

The following is a quarterly update regarding issues impacting the Texas Real Estate Commission (TREC) and its independent subdivision, the Texas Appraiser Licensing & Certification Board (TALCB), together (the "agency").

### **Implementation Status of Key Legislation from the 83<sup>rd</sup> Legislature**

#### **House Bill 2911**

HB 2911 amended Chapter 1102 of the Occupations Code to the real estate inspectors to upgrade the caliber of real estate inspections in Texas and conform agency practices related to inspectors to match those used by TREC for its other licensees. Various administrative aspects of the bill have already been implemented by the agency, such as the fingerprinting and background check requirement and late renewal period provisions. New inspector licensing and education requirements addressed in the bill were adopted by rule and were effective as of January 1, 2014. Staff is continuing to work with the Texas Real Estate Inspector Committee and various stakeholders through the rulemaking process to ensure that all aspects of the legislation are implemented in a way that is fair to license holders and provides the highest level of protection to Texas consumers. With that in mind, proposed revisions to the recently adopted licensing and education requirements are being considered by the Commission at its April meeting. Other items that require additional implementation beyond the rulemaking process, such as updating forms and online information, are also being addressed by staff.

#### **Senate Bill 984 and House Bill 2414**

These bills expand the use of videoconferencing of the meeting of governmental bodies, provided certain conditions are met. The Department of Information Resources (DIR) has adopted rules specifying the minimum standards for audio and video signals at a meeting held by videoconference call. Our agency has spearheaded the effort to create a task force made up of several agencies in the Stephen F. Austin Building to explore the best technical solution to implement these standards in the common meeting areas utilized by the governing bodies of those agencies and DIR is part of this group. The group will continue to meet to ensure that the conditions set out in the bills are met in the most efficient and cost effective manner and that any processes put in place comply with the Open Meetings Act.

### **Senate Bill 162**

This bill required occupational licensing agencies to provide an expedited licensure process for military spouses. The bill also requires agencies to issue a license to a qualified applicants who are active service members or military veterans who hold a current license issued by another jurisdiction. The agency has adopted the necessary rules, forms, and procedures to ensure compliance with these new requirements.

### **House Bill 2532**

This bill amended the Utilities Code to establish standards for propane gas distribution system retailers. The bill also requires someone who wishes to sell or convey real property located in a propane gas system service area owned by a distribution system retailer to give to the purchaser statutory written notice that the property may be located in a propane gas system service area and that there may be additional costs to the purchaser of the property. To address the statutory notice requirement, the Commission adopted a new form recommended by the Broker-Lawyer Committee at the Commission's February 10<sup>th</sup> meeting.

### **House Bill 2781**

This bill amends the Government Code, the Health and Safety Code, the Local Government Code, and the Property Code regarding the harvesting of rainwater. The bill amends the sellers disclosure notice required by the Property Code for use in residential real estate transactions to include notice of any rainwater harvesting system located on a property that is larger than 500 gallons and that uses a public water supply as an auxiliary water source. TREC approves a statutory version of the seller's disclosure notice. A revision to that disclosure with the new required rainwater harvesting was adopted by TREC in October 2013.

### **Senate Bill 1372**

This bill established the Timeshare Owners Association Act. Timeshare owners associations are exempt from the provisions mandated by the Homeowners Association Act found in Chapter 209 of the Texas Property Code that govern the operation of homeowners associations, and this bill provided a parallel set of applicable to the governance of timeshare owners associations. While timeshare companies are regulated by the agency, nothing in the bill requires any direct implementation or action by the agency.

### **Quadrennial Rule Review**

Finally, the agency is in the midst of its quadrennial rule review in accordance with the Texas Government Code, §2001.039. Several amendments to remove outdated and redundant language from the agency's rules have already been adopted. The agency is continuing this process, with the goal of completing the review by November of this year. As a result of this process, the agency may become aware of issues arising out of changes in the real estate and appraisal industry in Texas that the agency currently has limited statutory authority to address. Consequently, there may be a need to amend the sections of Texas Occupations Code that governs real estate and appraiser licensees to better equip the agency to carry out its regulatory functions.

Additional explanatory information can be provided at the Committee's request.