

# Establishing and Governing the Real Estate Center

By Judon Fambrough

*NOTE: This publication is designed to acquaint the general public with the creation, organization and purposes of the Real Estate Center as established by law. The sections printed here are not verbatim.*

The original legislation creating the Texas Real Estate Research Center (now known as the Real Estate Center) was Senate Bill 338 passed in 1971 by the 62nd Texas Legislature. This act created the Real Estate Center, increased the fees for certain real estate license renewals and provided for their disposition. It also amended Sections 22 and 24 of the Real Estate License Act located in Article 6573a of the Texas Civil Statutes. Presently, the Real Estate License Act is found in Chapter 1101 of the Texas Occupations Code. The original bill has been amended six times: in 1975 by S.B. 344 during the 64th Legislature; in 1981 by S.B. 383 during the 67th Legislature; in 1987 by S.B. 756 during the 70th Legislature; in 1991 by S.B. 432 during the 72th Legislature; in 1995 by H.B. 1205 during the 74th Legislature; and in 2009 by S.B. 862 during the 81st Legislature.

S.B. 309 passed by the 77th Texas Legislature in 2001 repealed Section 86.511 of the Education Code thereby removing the Real Estate Center from Sunset Review.

The following statutes reflect the current law (as amended) effective May 12, 2009.

## Establishing the Real Estate Center

### Texas Education Code

#### **Section 86.51—Real Estate Center**

There is established at Texas A&M University a Real Estate Center. The Center's operating budget, staffing

and activities shall be approved by the Board of Regents of The Texas A&M University System.

#### **Section 86.52—Real Estate Center Advisory Committee**

The Real Estate Center Advisory Committee is created. The advisory committee is composed of nine members appointed by the governor, without regard to race, creed, sex, religion or national origin, and with the advice and consent of the senate, with the following representation:

- Six members shall be real estate brokers, licensed as such for at least five years preceding the date of their appointment, who are representative of each of the following real estate specialities:
  - real estate brokerage;
  - real estate financing;
  - ownership or construction of real estate improvements;
  - ownership, development or management of residential properties;
  - ownership, development or management of commercial properties; and
  - ownership, development or management of industrial properties.
- Three members shall represent the general public.
  - Members representing the general public who are appointed after this act's effective date shall not be licensed real estate brokers or salespersons and shall not have, other than as consumers, a financial interest in the practice of a licensed real estate broker or salesperson.
- It is grounds for removal from the advisory committee, if:
  - a broker member of the committee ceases to be a licensed real estate broker; or

- a public member of the committee appointed after the effective date of this act or a person related to the member within the second degree by consanguinity or within the second degree by affinity acquires a real estate license or a financial interest in the practice of a licensed real estate broker or salesperson.

Except for the initial appointees, members of the advisory committee hold office for staggered terms of six years, with terms of three members expiring on January 31 of each odd-numbered year.

Any vacancy shall be filled by appointment for the unexpired portion of the term. Each member shall serve until a successor is qualified.

The chairperson of the Texas Real Estate Commission or a member of the commission designated by the chairperson shall serve as an ex officio, nonvoting member of the advisory committee.

The committee shall elect a chairperson from its membership to serve for an annual term.

The committee shall meet not less than semiannually, and in addition on call of its chairperson, or on petition of any six of its members, or on call of the president of Texas A&M University or a designated representative.

The advisory committee shall review and approve proposals to be submitted to the board of regents of The Texas A&M University System relating to staffing and general policies including priority ranking of research studies and educational and other studies.

The president of Texas A&M University or a designated representative shall submit to the advisory committee in advance of each fiscal year a budget for expenditures of all funds provided for the Center in

a form that is related to the proposed schedule of activities for the review and approval of the advisory committee.

The proposed budget approved by the advisory committee shall be forwarded with comments of the committee to the board of regents of The Texas A&M University System prior to its action on the proposed budget, and the board of regents of The Texas A&M University System shall not authorize any expenditure that has not had prior advisory committee approval.

The president of Texas A&M University or a designated representative shall submit to the advisory committee for its review and approval a research agenda at the beginning of each fiscal year and shall continuously inform the advisory committee of changes in its substance and scheduling.

Each member of the committee is entitled to per diem as set by legislative appropriation for each day that the member engages in the business of the committee. A member may not receive any compensation for travel expenses, including expenses for meals and lodging, other than for transportation expenses as prescribed by the General Appropriation Act.

The advisory committee is subject to Chapter 551 of the Texas Government Code better known as the Open Meetings Law; Chapter 2001 of the Government Code that deals with Administrative Procedures; and Chapter 572 of the Government Code that deals with Open Government and Ethics.

The Center's financial transactions are subject to audit by the state auditor in accordance with Chapter 321, Government Code.

On or before January 1 of each year, the Center shall file with the governor and the presiding officer of each house of the legislature a complete and detailed written report accounting for all funds received and disbursed by the Center during the preceding year.

### **Section 86.53—The Center's Purposes, Objectives and Duties**

The Center's purposes, objectives and duties follow.

- Conduct studies in all areas directly or indirectly related to real estate, or urban or rural economics or both and to publish and disseminate the findings and results.
- Assist the real estate teaching programs offered by Texas colleges and universities as requested and to award scholarships and establish real estate chairs when funds are available.
- Supply material to the Texas Real Estate Commission for preparation of examinations for real estate salespersons and brokers, as requested by the commission.
- Develop and from time to time revise and update materials for extension courses in real estate offered by Texas universities and colleges when requested.
- Assist the Texas Real Estate Commission in developing accreditation standards for vocational schools and other teaching agencies giving real estate courses, and standards for the approval of real estate courses, as and when so requested by the commission.
- Study and recommend changes in state statutes and municipal ordinances, providing, however, that no Center staff member shall contact legislators or locally elected officials directly concerning the recommendations except to provide a factual response to an inquiry about research methods or the nature of the findings. Those conducting such research and studies shall periodically review their progress with the advisory committee or its designated representative, and the results of any research project or study shall not be published or disseminated until it has been reviewed and approved in writing by the advisory committee or its designated representative.
- To prepare information of consumer interest describing Center functions and to make the information available to the general public and appropriate state agencies.

### **Section 86.54—Publication Charges, Gifts and Grants**

The Center may charge for its publications and may receive gifts and grants from foundations, individuals and other sources for its benefit.

### **Section 86.55—Annual Report**

A report of the Center's activities and accomplishments shall be published annually.

### **Texas Occupations Code 11.01**

Two sections in the Texas Occupations Code deal directly with the funding for the Texas Real Estate Research Center. Here is a summary of the two sections.

Section 1101.152 provides that the commission shall adopt rules to charge and collect fees in amounts reasonable and necessary to cover the costs of administering the chapter including but, not limited to, fees for the following:

- filing an original application for a broker license,
- renewal of a broker license,
- filing an original application for a sales agent license,
- renewal of a sales agent license and
- registration as an easement or right-of-way agent.

Section 1101.154 provides that the commission shall charge and collect the following fees in addition to those specified in Section 1101.152 for the benefit of the Texas Real Estate Research Center;

- \$70 for the issuance or renewal of a broker license,
- \$20 for the issuance or renewal of a sales agent license and
- \$20 for the certification of registration of an easement or right-of-way agent.

The additional fees collected under Section 1101.154 shall be transmitted not less than quarterly to Texas A&M for deposit in a separate banking account that may be appropriated only to support, maintain and carry out the purposes, objectives and duties of the Texas Real Estate Research Center.

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# REAL ESTATE CENTER

TEXAS A & M UNIVERSITY

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