



GOVERNOR GREG ABBOTT

To: Mark Woodroof, Chair
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Texas Real Estate Commission

From: Caleb Gunnels, Assistant General Counsel
Office of the Governor

Date: October 31, 2025

Subject: Proposed Title 22 Texas Administrative Code Section 535.56 (RCD Rule Review #2025-005)

I. Syllabus

On August 29, 2025, the Texas Real Estate Commission (“Commission”) proposed amended 22 TAC § 535.56, which generally modifies education and experience requirements for applicants for a broker license issued by the Commission.¹ On the same date, the Commission submitted proposed amended § 535.56 to the Regulatory Compliance Division (“Division”) for review.²

The Division invited public comments on the proposed rule for a 30-day period ending on October 8, 2025, and received no comments. Based on the following analysis, the Division has determined that the proposed amended rule is consistent with state policy, and thus, proposed amended § 535.56 is approved by the Division and may be finally adopted and implemented.

II. Analysis

Current 22 TAC § 535.56(a) generally requires applicants for a broker license to complete 270 hours of qualifying real estate courses and 630 hours of real estate-related education—the latter of which may be satisfied by receiving a bachelor’s degree or higher pursuant to current § 535.56(a)(2). Current § 535.56(b) requires license applicants to also have at least four years of active experience during the five years preceding the filing of an application, totaling a minimum of 360 experience points. And current § 535.56(c) details which activities may qualify to be counted towards experience points.

¹ 50 Tex. Reg. 5576 (2025) (to be codified at 22 TAC § 535.56) (proposed Aug. 29, 2025).

² Rule Submission Memorandum from the Texas Real Estate Commission (Aug. 29, 2025) (on file with the Regulatory Compliance Division of the Office of the Governor).

In April 2024, the Commission’s Broker Responsibility Advisory Committee (“BRAC”), which is responsible for examining broker licensing requirements, held a public meeting to discuss § 535.56, and examined altering the education and experience requirements for licensure and the methodology by which each are calculated by the Commission.³ The BRAC publicly met on five additional occasions to discuss proposed amended § 535.56, and expressly invited public comments at three of its meetings.⁴ The Commission also had three open meetings, where it heard and discussed the BRAC’s recommendations before ultimately publishing proposed amended § 535.56 for public comment in the *Texas Register* on August 29, 2025.⁵

Given that updated education and experience requirements for licensure can create barriers to ongoing market participation in the State, the proposed amended rule was submitted to the Division because it may affect competition pursuant to § 57.105(d)(1), Occupations Code.

To begin, Senate Bill 1968, as passed by the 89th Legislature, Regular Session, in part, requires applicants for a broker license to attend a broker responsibility course approved by the Commission.⁶ Effective on January 1, 2026, § 1101.356(a)(3), Occupations Code, requires applicants for a broker license to provide evidence of attendance at the broker responsibility course approved by the Commission under § 1101.458. Also effective on January 1, 2026, § 1101.458(b), authorizes the Commission to prescribe the title, content, and duration of the broker responsibility education course, except that the course may not exceed six classroom hours. Proposed amended § 535.56(a)(1)(B)(ii) and (a)(1)(C) follow this statutory requirement by requiring applicants for a broker license to provide the Commission with satisfactory evidence of completion of a six-hour broker responsibility course. Given that the proposed amended requirement generally mirrors statute, it is a reasonable exercise of the Commission’s statutory authority and is consistent with state policy.

Next, and as noted, current § 535.56(a) and (b), generally require applicants for a broker license to complete 270 hours of qualifying real estate courses, 630 classroom hours of related education which may be satisfied by completing a bachelor’s degree or higher education, and 360 experience points from obtaining qualifying practical experience. Proposed amended § 535.56(a)(2), now authorizes the completion of a bachelor’s degree or higher to satisfy 300 classroom hours of the current 630 hours of related education required under current rule, rather than satisfying the total 630 hours. Both the BRAC and the Commission considered that the current rule contains no limitation on the subject matter of courses required for a bachelor’s degree—whether or not they relate to real estate—which would result in awarding a broker license to individuals who have not truly completed the necessary real estate-related education requirement.⁷

³ Rule Submission Memorandum from the Texas Real Estate Commission (Aug. 29, 2025), at 3.

⁴ *Id.*

⁵ *Id.*

⁶ Acts 2025, 89th Leg., R.S., ch. 1172 (S.B. 1968), Sec. 5, eff. January 1, 2026.

⁷ Rule Submission Memorandum from the Texas Real Estate Commission (Aug. 29, 2025), at 2 and 4.

The Commission has also considered that practical experience is often more instructive than completing classroom hours.⁸ Therefore, proposed new § 535.56(a)(3), generally authorizes applicants to receive up to 300 classroom hours of the current 630 hours of related education by obtaining qualifying practical experience points above the new minimum 720 points required in proposed amended § 535.56(b)(2).⁹ Under the proposed provision, for every two experience points above the minimum 720 experience points required, credit for one classroom hour of related education will be awarded. The Commission noted that applicants without college degrees have difficulty satisfying the requirement to obtain 630 real estate-related education hours.¹⁰ The proposed amended rule is intended to help “even the playing field” between broker applicants with and without a degree by allowing individuals without a degree to trade in acquired experience to satisfy real estate education requirements.¹¹ The Commission also reported that consumers are being harmed under the current rule, which awards full credit to satisfy the related education requirement for a bachelor’s degree that may not be related to real estate at all, and which requires a low practical experience point threshold.¹²

Likewise, to better reflect property management practices, and with regard to experience point calculations, proposed amended § 535.56(c)(1)(C) and (c)(2)(C) authorize the accrual of 2.5 experience points for residential and commercial management rent collection per property per year, as opposed to the current rule which authorizes the accrual of 2.5 points per property for such transactions. And proposed amended § 535.56(c)(4), modifies the award of 12 experience points per month for delegated supervision, which generally means an individual is serving in a supervisory or managerial role, to 3 experience points per transaction.¹³ The Commission asserts that this change will enable applicants to accrue more experience points for management activities, which it considers as valuable experience in obtaining a broker license.¹⁴

Section 1101.356(a)(2), Occupations Code, requires applicants for a broker license to have completed the number of hours of qualifying real estate and related courses required by Commission rule, not to exceed 60 semester hours or equivalent classroom hours. And § 1101.356(a)(1) and (b-1), require applicants for a broker license to have at least four years of active experience as a license holder during the 60 months preceding the date the application for a broker license is filed, and authorizes the Commission to establish what constitutes active experience for the purpose of awarding a license. The Commission, therefore, has broad statutory authority to determine the hours and the content of education and experience that qualify an individual for licensure.

⁸ *Id.*

⁹ Proposed amended § 535.56(b), increases the minimum 360 points of qualifying practical experience to 720 points of qualifying practical experience required to be obtained by applicants for a broker license.

¹⁰ Rule Submission Memorandum from the Texas Real Estate Commission (Aug. 29, 2025), at 4.

¹¹ *Id.*

¹² *Id.*

¹³ *Id.* at 2.

¹⁴ *Id.*

Here, it has not increased the number of real estate-related education hours required of applicants, but it has enhanced the opportunity for individuals without a college degree to satisfy that requirement. It is a reasonable exercise of the Commission's authority to cap the number of real estate-related education hours a bachelor's degree or higher may satisfy, given that any number of college courses, including elective courses, may not be related to real estate at all. It is also a rational exercise of the Commission's statutory authority to place heightened importance on industry-specific experience by increasing the experience points required of applicants while allowing the trade of excess experience points to satisfy some related education requirements. These proposed changes may ensure licensees are equipped with an appropriate level of education and experience to better protect consumers from harm. And while the number of experience points required for licensure is proposed to increase, the Commission has altered its calculation methodology to award more points for certain activities. Ultimately, the proposed amendments in § 535.56(a)-(c) are a reasonable exercise of the Commission's statutory authority to promulgate education and experience requirements for broker licensure, which in turn may further competency in the industry. As such, the amended language is also consistent with state policy.

Finally, proposed amended § 535.56(e), removes the Commission's physical address from a provision that generally states the location where experience forms and affidavits are published and made available. The proposed amended provision leaves the Commission's website in place as the location by which such documents are available. This change is reflective of the Commission's license management project, and poses little, if any, impact on market competition.¹⁵ Section 1101.151, Occupations Code, grants the Commission broad authority to adopt rules to administer Chapter 1101. Proposed amended § 535.56(e), poses a minor change that directs individuals to the Commission's website for certain documents. This too is a reasonable exercise of the Commission's statutory authority, and thus, is consistent with state policy.

III. Determination

Based on the above analysis, the proposed amended rule is approved by the Division and may proceed to final adoption and implementation.

¹⁵ *Id.*