



**Texas Residential  
Construction Commission**  
*Quality Construction for Texans*

## FREQUENTLY ASKED QUESTIONS

### **BUILDER/REMODELER REGISTRATION:**

#### **Are residential Builders and Remodelers required to register with the State?**

Yes. The Act provides that a person may not operate as a builder or remodeler in Texas unless the person holds a certificate of registration from the commission. To receive a certificate of registration as a Builder/Remodeler, a person must be at least 18 years of age and a citizen of the United States or a lawfully admitted alien at the time of registration. Additionally, the person must satisfy to the commission that the person is honest, trustworthy and has integrity.

#### **Who is exempt from registration?**

- An individual who builds his/her own home (alone or with the assistance of the individual's employees or independent contractors) and uses that home as his/her primary residence for at least one year after the completion or substantial completion of construction of the home.
- A homeowner or a homeowner's real estate broker, agent or property manager who supervises or arranges for the construction of an improvement to a home owned by the homeowner.
- A business entity or individual who, for a fixed price, commission, fee, wage or other compensation constructs or supervises or manages the construction of an improvement solely to replace or repair a home's component parts (including a roof);
- A person who provides construction services that do not change the square footage of the home's living space or improve the interior of an existing home at a cost of \$20,000 or less.
- Any business entity or individual who has been issued a license by the State or an agency or political subdivision of the State to practice a trade or profession related to or affiliated with residential construction if the work being done by the entity or individual is solely for the purpose for which the license was issued (e.g. plumbers or electricians).

#### **When does a Builder/Remodeler have to start registering?**

The deadline for builder registration was March 1, 2004. Builders and Remodelers who register for the first time after that date are subject to a \$500 late fee. Registration forms are available on the commission website at [www.trcc.state.tx.us](http://www.trcc.state.tx.us) and upon request from the commission by calling toll-free at (877) 651-TRCC.

#### **How does a Builder/Remodeler register?**

Applicants must complete an application form and submit a fee as required by the commission. Applicants also must disclose whether they have ever been convicted or pled no contest to a felony or misdemeanor involving moral turpitude. This, along with a criminal background check conducted by the commission, will help the commission

establish whether an applicant meets the commission standards for honesty, trustworthiness and integrity.

### **What are the fees for Builders/Remodelers to register?**

The fee schedule for fiscal year 2006 sets the initial application fee of \$500, and the renewal fee of \$300. The first designated agent application fee is free. All secondary agent applications are subject to a \$25 fee. The fee schedule is posted on the commission's Web site under "Industry Services" and is available upon request from the commission.

### **What if a Builder/Remodeler chooses to register as a corporation, limited liability company, partnership, or limited liability partnership?**

If registering as a corporation, the designated agent must be an officer of the corporation. If registering a limited liability company, the designated agent must be a manager of that company. If the business organization is a partnership, a limited partnership, or a limited liability partnership, the designated agent must be one of the managing partners.

If all of the managing partners are also business entities, one of the business entities must be registered with an appropriate agent designated from that business entity. The designated agent can be the same for the partnership and the business entity.

### **Does someone registering as the agent for a builder need to also fill out an individual registration form?**

The Builder/Remodeler Registration Form registers the agent and the business entity at the same time. Unless the agent was acting as a Builder/Remodeler outside of the company they are registering as an agent for, they would not need to submit another form and remit another \$500 fee.

### **What is a secondary agent and is it required?**

This is optional. A secondary agent would serve as a "backup" agent to the primary designated agent in case the primary designated agent took a leave of absence or left the company he/she was serving as the primary agent for. This would enable a company to fill the primary designated agent position immediately without having to register them with the commission.

### **What can a Builder/Remodeler do if the commission denies the original or renewal application?**

If the commission denies a builder's registration application, it will provide written notice of its decision including a statement of its reason for the denial. An applicant can appeal the denial by submitting a written request for a hearing to the commission. The commission will set a time and place for the hearing no later than 30 days after receiving the request for the hearing and will provide notice of the hearing no later than 15 days before the hearing is scheduled.

### **After providing a physical address, why can't the builder receive mail at a post office box?**

State lawmakers want to protect home buyers against "fly-by-night" Builders/Remodelers who sell or modify a home and then cannot be found to take responsibility for any discovered post-construction defects. As a result, law requires a registered builder to maintain a fixed, physical office location in Texas. The commission uses that address, which is designated on the Builder/Remodeler certificate of registration, for all commission

correspondence. This helps to prevent unscrupulous Builders/Remodelers from falsely stating a physical address for purposes of registration and abandoning that address as soon as the certificate is received. If you are absolutely unable to receive mail at a physical address, download the Postmaster Form (P.O. Box Waiver) located under "TRCC Forms" from the commission website.

### **What violations might result in disciplinary actions against a home Builder/Remodeler?**

Prohibited activities under the Act might result in sanctions against a builder's certificate of registration and/or monetary penalties. Prohibited activities include the following:

- Fraud or deceit in obtaining a registration
- Misappropriation of trust funds
- Naming false consideration in a home sale contract or construction contract
- Discriminating on the basis of race, color, religion, sex, national origin or ancestry
- Publishing a false or misleading advertisement
- Failing to honor a check issued to the commission subsequent to the commission sending a request by certified mail for payment to the last and best address for the applicant or registrant
- Failing to pay an administrative penalty assessed by the commission
- Failing to pay a final non-appealable judgment arising from a construction defect or other transaction between the builder or subcontractor and the homeowner
- Failing to register a home in accordance with the Act
- Failing to remit the home registration fee
- Failing to reimburse a homeowner the amount ordered by the commission pursuant to Section 428.004(d) of the Act (reimbursement of fees and inspection expenses paid by the homeowner)

### **Is commercial construction included?**

Commercial construction, including apartments, does not fall under the jurisdiction of the commission. A builder that is only involved in commercial construction is not required to register with the commission.

### **What can a Builder/Remodeler do if a bank or city needs the Builder/Remodeler registration number before it will conduct business?**

The commission requires approximately 15 days to process a Builder/Remodeler registration once it is received. To confirm whether a Builder/Remodeler has submitted an application, visit the commission website at [www.trcc.state.tx.us](http://www.trcc.state.tx.us) under "TRCC Public Record Search", the status would appear as "pending" or call toll free at (877) 651-TRCC and commission staff will confirm receipt of the application during this processing period if the bank or city needs proof whether a Builder/Remodeler has submitted their information to the commission. The commission will provide verification over the phone, but cannot provide written verification until the application is processed.

### **Where can I find a list of denied builder or remodeler registrations?**

Visit the commission Web site at [www.trcc.state.tx.us](http://www.trcc.state.tx.us) under "Denied/Withdrawn Builders or Remodeler Registrations."

### **When does a Builder/Remodeler certificate expire?**

All Builder/Remodeler certificates February 28 of each year. The commission does not pro-rate fees.

**How do I notify the commission of information changes to my registration?**

Complete a Builder/Remodeler Information Update Form, which can be downloaded from the commission Web site under "TRCC Forms."

**How long does it take to process my Builder/Remodeler registration?**

It takes a maximum of 15 days. Applications are processed on a "first come, first serve" basis and there are no expedited methods of registration.

**How do I report an unregistered builder or remodeler?**

Contact the commission via e-mail at [info@trcc.state.tx.us](mailto:info@trcc.state.tx.us), via fax at (512) 463-9507 or toll free at (877) 651-TRCC.

**How will a homeowner or a builder get a copy of the performance standards?**

The commission has adopted final building and performance standards, effective June 1, 2005. For more information, visit "Statutes and Rules" on the commission website under Chapter 304.