



STATE OF WISCONSIN

Department of Safety and Professional Services
1400 E Washington Ave.
Madison WI 53703

Mail to:
PO Box 8935
Madison WI 53708-8935

Email: dsps@wisconsin.gov
Web: <http://dsps.wi.gov>
Phone: 608-266-2112

Governor Scott Walker Secretary Dave Ross

REAL ESTATE EXAMINING BOARD
Room 121A, 1400 E. Washington Avenue, Madison
Contact: Angela Hellenbrand (608) 261-5406
October 31, 2013

The following agenda describes the issues that the Board plans to consider at the meeting. At the time of the meeting, items may be removed from the agenda. Please consult the meeting minutes for a record of the actions of the Board.

AGENDA

10:00 A.M.

OPEN SESSION – CALL TO ORDER – ROLL CALL

- A. Adoption of Agenda (1-4)**
- B. Approval of Minutes – August 22, 2013 (5-8)**
- C. PUBLIC HEARINGS**
 - 1) Public Hearing – 10:00 a.m. – REEB 16 Approved Forms (CR 13-072) & REEB 18 Trust Accounts (CR 13-073) (9-32)**
- D. Administrative Matters – Discussion and Consideration**
 - 1) Staff Updates
 - 2) **Appearance – Katie Koschnick, Division Administrator - Economic Footprint Report (33-34)**
- E. Training**
 - 1) Board Member Training
 - 2) Case Advisor Training
- F. Education and Examination Matters – Discussion and Consideration**
 - 1) **AD HOC Committee on Real Estate Education 2010 Recommendations (35-38)**

G. Legislative/Administrative Rule Matters – Discussion and Consideration

- 1) Public Hearing Comments, Clearinghouse Comments and Legislative Report – REEB 16 Forms (CR 13-072) & REEB 18 Trust Accounts (CR 13-073) **(39-52)**
- 2) Hearing Draft for REEB 22 & 26 Apprentices & Inactive Licenses **(53-58)**
- 3) Rules Update
 - a. Rule Drafting chs. REEB 12 & 25 Application & Education
 - b. Scope chs. REEB 15 & 18 Records & Technology

H. Practice Matters – Discussion and Consideration

- 1) Real Estate forms “Approved By” information
- 2) Business Entities
 - a. Proposed Changes to Business Entities Form 815 **(59-62)**

I. Items Added After Preparation of Agenda:

- 1) Introductions, Announcements and Recognition
- 2) Presentations of Petition(s) for Summary Suspension
- 3) Presentation of Proposed Stipulation(s), Final Decision(s) and Order(s)
- 4) Presentation of Final Decisions
- 5) Disciplinary Matters
- 6) Executive Director Matters
- 7) Education and Examination Matters
- 8) Credentialing Matters
- 9) Class 1 Hearing(s)
- 10) Practice Matters
- 11) Legislation/Administrative Rule Matters
- 12) Liaison Report(s)
- 13) Informational Item(s)
- 14) Speaking Engagement(s), Travel, or Public Relation Request(s)

J. Public Comments

CONVENE TO CLOSED SESSION to deliberate on cases following hearing (s. 19.85(1)(a), Stats.); to consider licensure or certification of individuals (s. 19.85(1)(b), Stats.); to consider closing disciplinary investigations with administrative warnings (ss. 19.85 (1)(b), and 440.205, Stats.); to consider individual histories or disciplinary data (s. 19.85 (1)(f), Stats.); and to confer with legal counsel (s. 19.85(1)(g), Stats.).

K. Monitoring – Discussion and Consideration

- 1) Corey Tielens **(63-72)**
- 2) Carol Wright **(73-80)**

L. Presentation and Deliberation on Proposed Stipulations, Final Decisions and Orders by the Division of Legal Services and Compliance (DLSC)

- 1) 12 REB 121 Jeffery A. Theisen **(81-86)**
- 2) 12 REB 134 Ben Stoveken **(87-92)**
- 3) 13 REB 001 Helen B. Wanca, Advantage Realty, LLC **(93-102)**
- 4) 13 REB 040 Matthew J. DeCola **(103-110)**

M. DLSC Matters – Discussion and Consideration

- 1) Case Status Report **(111-114)**
- 2) Case Closings
 - a. 12 REB 053 **(115-118)**
 - b. 13 REB 003 **(119-124)**
 - c. 13 REB 013 **(125-130)**

N. Deliberation of Items Received After Printing of the Agenda

- 1) Disciplinary Matters
- 2) Education and Examination Matters
- 3) Credentialing Matters
- 4) Class 1 Hearings
- 5) Monitoring Matters
- 6) Professional Assistance Procedure (PAP) Matters
- 7) Petition(s) for Summary Suspensions
- 8) Petition(s) for Extension of Time
- 9) Proposed Stipulations, Final Decisions and Orders
- 10) Administrative Warnings
- 11) Proposed Decisions
- 12) Matters Relating to Costs
- 13) Motions
- 14) Petitions for Rehearing
- 15) Formal Complaints
- 16) Case Closings
- 17) Appearances from Requests Received or Renewed

O. Consulting with Legal Counsel

RECONVENE TO OPEN SESSION IMMEDIATELY FOLLOWING CLOSED SESSION

P. Vote on Items Considered or Deliberated Upon in Closed Session, if Voting is Appropriate

ADJOURNMENT

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**REAL ESTATE EXAMINING BOARD
MEETING MINUTES
AUGUST 22, 2013**

Present: Stephen Beers; Marie Hetzer; Dennis Pierce; Randal Savaglio; Charles Szafir; Tammy Wagner

Excused: Michael Mulleady

Staff: Dan Williams, Executive Director; Joshua Archiquette, Bureau Assistant; and other Department Staff

Stephen Beers, Board Chair, called the meeting to order at 10:00. A quorum of six (6) members was confirmed.

ADOPTION OF AGENDA

➤ **Add Item 12 REB 091(D.C.W & R.O.R.,LLC) to L.2 Case Closings in closed session**

MOTION: Randy Savaglio moved, seconded by Marie Hetzer, to adopt the agenda as amended. Motion carried unanimously.

APPROVAL OF MINUTES

MOTION: Tammy Wagner moved, seconded by Dennis Pierce, to approve the minutes of June 27, 2013 as published. Motion carried unanimously.

ADMINISTRATIVE MATTERS

MOTION: Randy Savaglio moved, seconded by Dennis Pierce, to have DSPS Staff provide the Board with pass/fail numbers from the Sales and Brokers Exams in a biannual report on the first meeting of the year and the meeting nearest the middle of the year. The report should consist of yearly and six month figures. Motion carried unanimously.

MOTION: Randy Savaglio moved, seconded by Marie Hetzer, to have DSPS Staff provide the Board total number of current licensees compared to the previous 12 month period for Sales and Brokers license holders in a biannual report on the first meeting of the year and the meeting nearest the middle of the year. The report should consist of yearly and six month figures. Motion carried unanimously.

MOTION: Randy Savaglio moved, seconded by Dennis Pierce, to have DSPS Staff provide the Board with a report providing a disciplinary summary provided at the first meeting of the year for the preceding year which will include a breakdown of complaints received by category and results of discipline by category. Motion carried unanimously.

EDUCATION AND EXAMINATION MATTERS

MOTION: Randy Savaglio moved, seconded by Dennis Pierce, to retain Item D. AD HOC Committee on Education Recommendations Related to Salespersons and Broker Licensure and add the Real Estate Board's recommendation to the Secretary regarding Education Recommendations Related to Salespersons and Broker Licensure for the next Board meeting. Motion carried unanimously.

MOTION: Tammy Wagner moved, seconded by Randy Savaglio, to have the record reflect that Legal Counsel will work with the Executive Director to provide the Board with all relevant documents related to the AD HOC committee's recommendation and to provide an opinion as to whether rule writing will be required to implement any of the recommendations, or whether changes will be required as a result of the passage of AB240 and SB208. Motion carried unanimously.

LEGISLATIVE/ADMINISTRATIVE RULE MATTERS

MOTION: Tammy Wagner moved, seconded by Charles Szafir, to have the Executive Director add discussion of changes to REEB 12 and 25 to the Real Estate Curriculum Council's next meeting agenda. Motion carried unanimously.

MOTION: Randy Savaglio moved, seconded by Marie Hetzer, to approve the text with suggested changes to the hearing draft for REEB 16 regarding Forms and Legal Advice, publish notice of a public hearing and designate the Board Chair as the Board's representative to authorize submission to Clearinghouse. Motion carried unanimously.

MOTION: Marie Hetzer moved, seconded by Tammy Wagner, to approve the text with suggested changes to the hearing draft for REEB 18 regarding Trust Accounts, publish notice of a public hearing and designate the Board Chair as the Board's representative to authorize submission to Clearinghouse. Motion carried unanimously.

MOTION: Marie Hetzer moved, seconded by Charles Szafir, to designate Tammy Wagner as the Board's liaison to work with the Board's Rules Administrator to revise language in REEB 12.025 (1) to allow for exam review where permitted by the exam vendor. Motion carried unanimously.

MOTION: Randy Savaglio moved, seconded by Charles Szafir, to designate Tammy Wagner as the Board's liaison to work with the Office of Education and Exam to explore obtaining reports from the exam vendor. Motion carried unanimously.

PRACTICE MATTERS

MOTION: Randy Savaglio moved, seconded by Marie Hetzer, to request the WRA to submit to the Executive Director recommendations to Business Entities Form 815 before the next Board meeting. Motion carried unanimously.

CLOSED SESSION

MOTION: Randy Savaglio moved, seconded by Marie Hetzer, to convene to closed session to deliberate on cases following hearing § 19.85 (1) (a), Stats.; consider closing disciplinary investigations with administrative warning § 19.85 (1)(b), Stats., and 440.205, Stats., to consider individual histories or disciplinary data § 19.85(1) (f), Stats.,; and, to confer with legal counsel § 19.85 (1) (g), Stats.). Randy Savaglio read the language of the motion. The vote of each member was ascertained by voice vote. Roll Call Vote: Randal Savaglio – yes; Stephan Beers – yes; Marie Hetzer – yes; Dennis Pierce – yes; Charles Szafir – yes; and Tammy Wagner – yes. Motion carried unanimously.

The Board convened into Closed Session at 1:24 p.m.

RECONVENE TO OPEN SESSION

MOTION: Randy Savaglio moved, seconded by Dennis Pierce, to reconvene into open session. Motion carried unanimously.

The Board reconvened into Open Session at 1:58 p.m.

MOTION: Randy Savaglio moved, seconded by Charles Szafir, to table Items P. and Q. in today's agenda until the next meeting and that the training be held at 9:00 a.m. Motion carried unanimously.

MONITORING

MOTION: Tammy Wagner moved, seconded by Randy Savaglio, to grant the request of Bobby Anthony for removal of limitations and request for full licensure. Motion carried unanimously.

MOTION: Randy Savaglio moved, seconded by Dennis Pierce, to grant the request of Lori R. Love for removal of limitations and request for full licensure. Motion carried unanimously.

DELIBERATION ON PROPOSED STIPULATION, FINAL DECISIONS AND ORDERS

MOTION: Marie Hetzer moved, seconded by Dennis Pierce, to adopt the Finding of Fact, Conclusions of Law, and Proposed Decision and Order in the matter of disciplinary proceedings against Leo C. Fronk, Respondent - DLSC Case # 12 REB 031 and Bluegreen Vacations Unlimited, Inc., Respondent – DLSC case # 12 REB 056. Motion carried unanimously.

MOTION: Marie Hetzer moved, seconded by Dennis Pierce, to adopt the Finding of Fact, Conclusions of Law, and Proposed Decision and Order in the matter of disciplinary proceedings against Tara L. McDonald, Respondent – DLSC case # 12 REB 056. Motion carried unanimously.

MOTION: Marie Hetzer moved, seconded by Dennis Pierce, to adopt the Finding of Fact, Conclusions of Law, and Proposed Decision and Order in the matter of disciplinary proceedings against Dean J. Dvorak, Respondent – DLSC case # 12 REB 125. Motion carried unanimously.

CASE CLOSINGS

MOTION: Randy Savaglio moved, seconded by Marie Hetzer, to close case # 12 REB 026 (J.L.H.) for Prosecutorial Discretion with a flag (P5). Motion carried unanimously.

MOTION: Randy Savaglio moved, seconded by Marie Hetzer, to close case # 12 REB 031 (M.G.M.) for Prosecutorial Discretion (P1). Motion carried unanimously.

MOTION: Randy Savaglio moved, seconded by Marie Hetzer, to close case # 12 REB 072 (L.E.A.N. & A.R.C.) for Prosecutorial Discretion with a flag (P5). Motion carried unanimously.

MOTION: Randy Savaglio moved, seconded by Marie Hetzer, to close case # 12 REB 111 (E.R.) for No Violation (NV). Motion carried unanimously.

MOTION: Randy Savaglio moved, seconded by Marie Hetzer, to close case # 12 REB 111 (R.S.P) for Administrative Closure (AC). Motion carried unanimously.

MOTION: Randy Savaglio moved, seconded by Marie Hetzer, to close case # 12 REB 111 (H.B.) for Prosecutorial Discretion with a flag (P5). Motion carried unanimously.

MOTION: Randy Savaglio moved, seconded by Marie Hetzer, to close case # 12 REB 127 (T.L.H.) for Prosecutorial Discretion (P1). Motion carried unanimously.

MOTION: Randy Savaglio moved, seconded by Marie Hetzer, to close case # 12 REB 091(D.C.W. & R.O.R., LLC) for Prosecutorial Discretion (P1). Motion carried unanimously.

ADJOURNMENT

MOTION: Randy Savaglio moved, seconded by Dennis Pierce, to adjourn the meeting. Motion carried unanimously.

The meeting adjourned at 2:04 p.m.

**State of Wisconsin
Department of Safety & Professional Services**

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request: Jean MacCubbin, Program Manager		2) Date When Request Submitted: 10162013	
		Items will be considered late if submitted after 4:30 p.m. and less than: ▪ 10 work days before the meeting for Medical Board ▪ 14 work days before the meeting for all others	
3) Name of Board, Committee, Council, Sections: Real Estate Examining Board			
4) Meeting Date: 20131031	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page? PUBLIC HEARINGS Public Hearings--chs. REEB 16 Approved Forms and REEB 18 Trust Accounts (CR 13-072, 13-073)	
7) Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session <input type="checkbox"/> Both	8) Is an appearance before the Board being scheduled? <input type="checkbox"/> Yes (Fill out Board Appearance Request) <input type="checkbox"/> No	9) Name of Case Advisor(s), if required:	
10) Describe the issue and action that should be addressed: Hold Public Hearings (2): Chapters REEB 16, approved forms; REEB 18, trust accounts			
11) Jean MacCubbin Signature of person making this request		Authorization 10/14/2013 Date	
Supervisor (if required)		Date	
Executive Director signature (indicates approval to add post agenda deadline item to agenda) Date			

STATE OF WISCONSIN
REAL ESTATE EXAMINING BOARD

IN THE MATTER OF RULE-MAKING :
PROCEEDINGS BEFORE THE :
REAL ESTATE EXAMINING BOARD : NOTICE OF PUBLIC HEARING
:
:
:
: (CR-13-073)

NOTICE IS HEREBY GIVEN that pursuant to authority vested in the Real Estate Examining Board in ss. 15.405 (11), 227.11 (2), 452.07 (1m), 452.05 (1) (b) and 452.07 (1m), Stats., and interpreting ss. 452.07 (1m), 452.05 (1) (b) and 452.07, Stats., the Real Estate Examining Board will hold a public hearing at the time and place indicated below to consider an order of the Real Estate Examining Board to repeal REEB 16.03 (2) Note; to renumber REEB 16.02 (1) to REEB 16.02 (1e); to amend REEB 16.03 (2), REEB 16.03 (1) (intro.), (a), (b) and (e), REEB 16.05 (1) and (2), REEB 16.06 (1) (intro.), (a), (b), (e) and (f), REEB 16.03 (2) REEB 16.06 (4) (intro.) and (a) to (b), REEB 16.06 (5) (intro.) and (a) to (c); and REEB 16.06 (6) and (7); to repeal and recreate REEB 16.03 (2) Note, and to create REEB 16.02 (intro.), (1) and Note, (1m), (2e), (2m), (2r), (3m) and (4m), REEB 16.03 (2) Note, relating to use of approved forms and legal advice.

Hearing Date, Time and Location

Date: October 31, 2013
Time: 10:00 a.m.
Location: 1400 East Washington Avenue*
Room 121A
Madison, Wisconsin

* Enter through 55 North Dickenson Street

APPEARANCES AT THE HEARING:

Interested persons are invited to present information at the hearing. Persons appearing may make an oral presentation but are urged to submit facts, opinions and argument in writing as well. Facts, opinions and argument may also be submitted in writing without a personal appearance by mail addressed to the Department of Safety and Professional Services, Division of Policy Development, P.O. Box 8935, Madison, Wisconsin 53708-8935. Written comments must be received at or before the public hearing to be included in the record of rule-making proceedings.

Analysis prepared by the Department of Safety and Professional Services.

ANALYSIS

Statutes interpreted: ss. 452.07 (1m), 452.05 (1) (b) and 452.07, Stats.

Statutory authority: ss. 15.405 (11), 227.11 (2), 452.07 (1m), 452.05 (1) (b) and 452.07 (1m), Stats.

Explanation of agency authority:

Examining boards are generally authorized by ss. 15.08 (5) (b) and 227.11 (2) (a), Stats., to promulgate rules for its own guidance and for guidance within the profession and to promulgate rules interpreting any statute enforced or administered by it. Under s. 452.05 (1) (b) the board shall approve forms for real estate practice. Under s. 452.07 (1m), Stats., the board shall promulgate rules for the guidance of the real estate profession and define professional conduct and unethical practice.

Related statute or rule:

There are no other statutes or rules other than those listed above.

Plain language analysis:

With the exception of renumbering to reflect the Real Estate Examining Board, this rule has not been updated since 1986. The Board's intent is to update the rule to reflect current practice, update references to approved forms and define terms. Specifically, this proposed rule-making order clarifies the rules relating to the use of approved forms and legal advice.

SECTIONS 1 to 4: These proposed changes clarify and create various terms used in the industry not previously defined in this rule or in chs. REEB 11 to 26. The terms relate primarily to types of agreements, contracts and listings.

SECTIONS 5 to 7 and 9: These proposed changes relate to board-approved forms for use by licensees. The listing previously was in a Note; the listing will now be maintained on-line for downloading and will reflect the most current titles, numbering and forms. A Note is created to provide information on how to obtain board-approved forms.

SECTION 8. This section merely substitutes the term "provides" for "gives" when referring to legal advice.

SECTIONS 10 to 13: These proposed changes relate to the authority provided to the board in s. 452.05 (1) (b), Stats., regarding approving forms as well as the conditions of

use and amending such forms. In addition, rule format changes enacted since the last revision are proposed.

SECTION 14. An effective date is stated as the July 1, 2014 date will be timely for training and examination purposes.

Summary of, and comparison with, existing or proposed federal regulation:

Under the Real Estate Settlement Procedures Act (RESPA) various federally-created forms are required for use in all states, particularly for settlement transactions and closings. An example is a form FmHA, or its successor agency, requires under Public Law 103-354 1940-59, Settlement Statement.

[<http://www.law.cornell.edu/cfr/text/7/1940.406>] There is no indication that current Federal laws dictate the use of approved forms for state use other than those related to federally-backed mortgages, HUD property transactions and radon disclosure.

Comparison with rules in adjacent states: An Internet-based search revealed the following:

Illinois: In Illinois, the Bureau of Real Estate Professions administers and enforces the Illinois Real Estate License Act of 2000, the Real Estate Timeshare Act, the Land Sales Registration Act, the Real Estate Appraiser Licensing Act of 2002, Provisions and Rules of the Uniform Standards of Professional Appraisal Practice, the Auction License Act, and the Home Inspector License Act. The Bureau has responsibility for the licensing and regulating real estate brokers, managing brokers, leasing agents, real estate firms, real estate appraisers, auctioneers, auction firms, home inspectors, and home inspector entities. In Illinois there are 'standard' forms for various real estate transactions; these forms were not found to be state-approved forms, but available from various sources such as legal firms and professional groups. The Internet-based search did not reveal any details relating to Illinois codes and statues pertaining to state- or board- approved forms or any provisions for relating to legal advice provided by licensees.

Iowa: In Iowa, the Professional Licensing Division (IPLD) oversees the real estate industry through the following rules: Iowa Code ch. 543B, Real Estate Brokers and Salespersons; ch. 543C, Sales of Subdivided Land Outside of Iowa; and ch. 557A, Iowa Time-Share Act. These rules are published in the Iowa Administrative Code ch. 193E. Under the jurisdiction of the IPLD, the Iowa Real Estate Commission regulates and administers the real estate laws in Iowa. An index of state-approved forms used in the real estate industry is found at:

http://www.state.ia.us/government/com/prof/sales/forms_indexNew.html. Other than recommending buyers to obtain the advice of an attorney prior to signing contracts or offers, the rules were silent regarding allowing or prohibiting licensees providing legal advice.

Michigan: In Michigan, Article 25 of Public Act 299 of 1980, licenses and regulates the real estate industry. The Board of Real Estate Brokers and Salespersons approves forms, which are listed on:

<http://www.dleg.state.mi.us/dms/results.asp?docowner=BCSC&docat=Real+Estate&doccata=LicDiv&Search=Search>. No information was found to determine if the Michigan Board of Real Estate Brokers and Salespersons limits or allows licensees to provide legal advice.

Minnesota: The Minnesota statutes licensing and regulating the real estate industry is Article 25 of Public Act 299 of 1980, published in ch. 384. The Board of Real Estate Brokers and Salespersons, part of the Department of Commerce, approves forms; these are listed on:

<http://www.dleg.state.mi.us/dms/results.asp?docowner=BCSC&docat=Real+Estate&doccata=LicDiv&Search=Search>. No information was found regarding licensees providing legal advice.

Summary of factual data and analytical methodologies:

The primary purpose of the proposed rule is to update and clarify rule provisions to reflect current practice. Other than the Board undertaking a review of their rules, no specific data or analytical methodology was used.

Analysis and supporting documents used to determine effect on small business or in preparation of economic impact analysis:

Data was obtained from the Division of Professional Credential Processing regarding the number of licensees that would be affected by this regulatory change. As of 4/15/2013, there were 6,139 active licensed real estate salespersons and 10,373 active licensed real estate brokers. There were 1,051 licensed real estate business entities. The majority of real estate licensees work in small business environments; however, the proposed rules do not include any policy changes which would impact licensees or small business.

Fiscal Estimate and Economic Impact Analysis:

The Fiscal Estimate and Economic Impact Analysis is attached.

Initial Regulatory Flexibility Analysis or Summary:

This rule will not have a significant adverse effect on small business.

Environmental Assessment/Statement: [if required]

N/A

Effect on small business:

These proposed rules do not have an economic impact on small businesses, as defined in s. 227.114 (1), Stats. The Department's Regulatory Review Coordinator may be contacted by email at Greg.Gasper@wisconsin.gov, or by calling (608) 266-8608.

Agency contact person:

Jean MacCubbin, Program Manager, Department of Safety and Professional Services, Division of Policy Development, 1400 East Washington Avenue, Room 151, P.O. Box 8935, Madison, Wisconsin 53708-8935; telephone (608) 266-0955; email at Jean.MacCubbin@wisconsin.gov; or by telecommunications relay services at 711.

Place where comments are to be submitted and deadline for submission:

Comments may be submitted to Jean MacCubbin, Program Manager, Department of Safety and Professional Services, Department of Safety and Professional Services, Division of Policy Development, 1400 East Washington Avenue, Room 151, P.O. Box 8935, Madison, WI 53708-8935, or by email to Jean.MacCubbin@wisconsin.gov. Comments must be received on or before the public hearing to be held October 31, 2013 to be included in the record of rule-making proceedings.

TEXT OF RULE

SECTION 1. REEB 16.02 (intro.) is created to read:

REEB 16.02 Definitions. Definitions contained in s. REEB 11.02 shall also apply to this chapter. In this chapter:

SECTION 2. REEB 16.02 (1) is renumbered REEB 16.02 (1e).

SECTION 3. REEB 16.02 (1) and Note, (1m), (2e), (2m), (2r), (3m) and (4m) are created to read:

REEB 16.02 (1) "Agency agreement" has the meaning given in s. 452.01 (1m), Stats.

Note: Section 452.01 (1m) reads: "Agency agreement" means a written agreement between a broker and a client under s. 452.135 (1).

(1m) “Buyer agency/tenant representation agreements” means a written agency agreement authorizing a broker to provide brokerage services to the client for the procurement of an interest in property and providing the terms whereby the broker may earn a commission.

(2e) “Exclusive right to locate buyer agency/tenant representation agreement” means a written buyer agency/tenant representation agreement giving the broker the exclusive right to locate an interest in property for the client.

(2g) “Exclusive right to locate and negotiate buyer agency/tenant representation agreement” means a written buyer agency/tenant representation agreement giving the broker the exclusive right to locate an interest in property and to negotiate the procurement of an interest in property for the client.

(2m) “Exclusive right to negotiate buyer agency/tenant representation agreement” means a written buyer agency/tenant representation agreement giving broker the exclusive right to negotiate the procurement of an interest in a property for the client.

(3m) “Listing contract” means a written agency agreement authorizing a broker to provide brokerage services to the client for the sale or rental of property and providing the terms whereby the broker may earn a commission.

(4m) “One-party listing” means a written listing contract containing all of the elements of an exclusive right to sell listing, except that listing broker is entitled to a commission only if the property is sold by the owner, by the broker or by anyone else to a specific party or parties identified in the written listing contract.

SECTION 4. REEB 16.02 (3) is amended to read:

REEB 16.02 (3) “Exclusive right to sell listing” means a written listing agreement ~~appointing contract making~~ a broker the exclusive agent for the sale of property for a specific period of time, and which entitles the listing broker to a commission if the property is sold by the owner, by the broker or by anyone else.

SECTION 5. REEB 16.03 (1) (intro.), (a), (b) and (e) are amended to read:

REEB 16.03 Approved forms. (1) In addition to forms prepared and approved by the board pursuant to s. 452.05 (1) (b), Stats., the board approves the following forms for use by brokers:

(a) Forms prepared and approved by the state bar of Wisconsin for deeds, mortgages, mortgage notes, truth-in-lending disclosures, land contracts, release of mortgage, satisfaction of mortgage, assignment of mortgage and assignment of land contract;

(b) Uniform commercial code forms: 1, 2, 3, 4, 11, 410, 411, 430, 445, 450 and 451;

(e) Forms to be used for a property management agreement between a broker and a landlord, prepared by the broker entering into the agreement, ~~the broker's~~ an attorney, or the landlord, that contain provisions relating to leasing, managing, marketing and overall management of the landlord's property.

SECTION 6. REEB 16.03 (2) is amended to read:

REEB 16.03 (2) In addition to forms prepared and approved by the board pursuant to s. 452.05 (1) (b), Stats., the board grants approval of the forms in sub. (1) (c), (d) ~~and~~, (e) ~~and~~ sub. (3) for use by ~~salespersons~~ licensees. Board-approved contractual forms for use in real estate practice may be used by licenses and shall be available on the department's webpage.

SECTION 7. REEB 16.03 (2) Note is repealed and recreated to read:

REEB 16.03 (2) Note 1: Copies of these forms are accessible for printing and downloading from the department's webpage: <http://dsps.wi.gov>. These forms, form numbers, and form titles are subject to change; for the most current listing refer to the department's webpage. Copies of the board-approved contractual forms for use by real estate licensees are available upon request to the Department of Safety and Professional Services; Division of Professional Credentialing Processing; PO Box 8935; Madison, WI 53708-8935; phone (608) 262-2112.

SECTION 8. REEB 16.05 (1) and (2) are amended to read:

REEB 16.05 Legal advice and practice of law. (1) A licensee may not ~~give~~ provide advice or opinions concerning the legal rights or obligations of parties to a transaction, the legal effect of a specific contract or conveyance, or the state of title to real estate.

(2) Notwithstanding sub. (1), a licensee may ~~give~~ provide a general explanation of the provisions in an approved form to the parties to a transaction at the time of completing the form or when delivering an approved form for the seller's or buyer's acceptance.

SECTION 9. REEB 16.06 (1) (intro.), (1) (a), (b), (e) and (f), are amended to read:

REEB 16.06 How to use approved forms. (1) ~~A~~ All of the following apply to a licensee who reproduces or arranges for printing a contractual form prepared and approved by the board pursuant to s. 452.05 (1) (b), Stats.:

(a) Shall assure that the numbering of lines, line contents and the lines appearing on each page are identical to those on the ~~department's~~ board-approved forms.

(b) May not reproduce the form in such a manner that optional provisions are left out and blank lines are filled in without any indication of where the optional provisions and blank lines occur on the ~~department's~~ board-approved form.

(e) Shall retain the ~~department's~~ board's approval statement and date in the upper left corner exactly as these appear on the ~~department's~~ board-approved form.

(f) Shall assure that the formatting of the form is substantially identical to that on the ~~department's~~ board-approved form.

SECTION 10. REEB 16.06 (4) (intro.), and (a) to (b) are amended to read:

REEB 16.06 (4) Except as provided in sub. (5), a licensee may use a pre-prepared addendum form and attach it to an approved form under all of the following circumstances:

(a) The addendum has been prepared by the broker or ~~the broker's~~ an attorney who is identified on the addendum; ~~and.~~

(b) The addendum is incorporated by reference into the approved form and the approved form and the addendum are properly related to one another; ~~and.~~

SECTION 11. REEB 16.06 (5) (intro.) and (a) to (c) are amended to read:

REEB 16.06 (5) A licensee may use a pre-prepared addendum which supplants or alters the printed provisions of an approved form only if the following are met:

(a) The addendum has been drafted by an attorney who is identified on the addendum; ~~and.~~

(b) There are no optional or multiple choice provisions in the addendum; ~~and.~~

(c) There are no ~~blanks~~ blank lines or fill-in provisions in the addendum except for spaces for the signatures of the parties and those items required under par. (d); ~~and.~~

SECTION 12. REEB 16.06 (6) and (7) are amended to read:

REEB 16.06 (6) A licensee may alter an approved ~~exclusive right to sell~~ exclusive right to sell listing contract to create an exclusive agency listing or, an open listing or a one-party listing.

(7) A licensee shall use the latest approved version of an a board-approved form.

SECTION 13. REEB 16.06 (8) is created to read:

REEB 16.06 (8) A licensee may alter an approved buyer agency/tenant representation agreement in order to create an exclusive right to negotiate, exclusive right to locate, or an exclusive right to locate and negotiate buyer agency/tenant representation agreement.

SECTION 14. EFFECTIVE DATE. The rules adopted in this order shall take effect on July 1, 2014 following publication in the Wisconsin administrative register, pursuant to s. 227.22 (2) (intro.), Stats.

(END OF TEXT OF RULE)

COPIES OF RULE

Copies of this proposed rule are available upon request to Jean MacCubbin, Program Manager, Department of Safety and Professional Services, Division of Policy Development, 1400 East Washington Avenue, P.O. Box 8935, Madison, Wisconsin 53708-8935, by email at Jean.MacCubbin@wisconsin.gov or on our website at <http://dsps.wi.gov/Default.aspx?Page=44e541e8-abdd-49da-8fde-046713617e9e>.

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	
2. Administrative Rule Chapter, Title and Number Ch. REEB 16 Approved Forms and Legal Advice	
3. Subject Update definitions, clarify use of forms, update forms listing and make minor corrections.	
4. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	5. Chapter 20, Stats. Appropriations Affected 20.165(1)(g)
6. Fiscal Effect of Implementing the Rule <input checked="" type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Could Absorb Within Agency's Budget <input type="checkbox"/> Decrease Cost	
7. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses (if checked, complete Attachment A)	
8. Would Implementation and Compliance Costs Be Greater Than \$20 million? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
9. Policy Problem Addressed by the Rule With the exception of renumbering the chapter to REEB 16, the chapter had not been revised since 1986. Numerous terms are being added and clarity is proposed where needed.	
10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments. Licensees, real estate brokers and salespersons.	
11. Identify the local governmental units that participated in the development of this EIA. None known.	
12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred) There are no new or increased costs associated with the promulgation of these rules on any of the business sectors listed	
13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule The proposed rule will use common terminology and contemporary practices specific to the real estate industry.	
14. Long Range Implications of Implementing the Rule By promulgating these proposed revisions, the rule is not expected to need further revisions in the long-term.	
15. Compare With Approaches Being Used by Federal Government Few Federal forms are mandated for use by the states; exceptions being HUD-transactions, federally-backed mortgages and radon disclosure.	
16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota) IL, MI and MN regulate and license the real estate industry through a board or a commission that approves forms for real estate licensees to use; IA does not.	
17. Contact Name Jean MacCubbin	18. Contact Phone Number 608.266.0955

This document can be made available in alternate formats to individuals with disabilities upon request.

STATE OF WISCONSIN
REAL ESTATE EXAMINING BOARD

IN THE MATTER OF RULE-MAKING :
PROCEEDINGS BEFORE THE :
REAL ESTATE EXAMINING BOARD : NOTICE OF PUBLIC HEARING
:
:
: (CR 13-072)

NOTICE IS HEREBY GIVEN that pursuant to authority vested in the Real Estate Examining Board in ss. 15.405 (11), 227.11 (2), 452.07 (1m) and 452.07, Stats., and interpreting ss. 452.07 (1m), and 452.07, Stats., the (Board or Department) will hold a public hearing at the time and place indicated below to consider an order to repeal REEB 18.08, REEB 18.11 (2) and REEB 18.12 and Note; renumber and amend REEB 18.11 (1) as REEB 18.11 (intro.); amend REEB 18.01 (title), REEB 18.02 (5) (intro.) and (a) and (b), REEB 18.02 (6) (intro.) and (a) to (g), REEB 18.031 (1) (intro.), (a) and (b), REEB 18.033 (title) and (2), REEB 18.035 (2), REEB 18.037 (intro.) and Note, REEB 18.06, REEB 18.09 (1) (intro.) and (a) to (f), REEB 13 (1) (intro.), (a) and (b);repeal and recreate REEB 18.02 (1), REEB 18.10; and create, REEB 18.02 (intro.) (Note), REEB 18.02 (1e) and Note, REEB 18.02 (4) and Note, REEB 18.034 (1) (title) and REEB 18.10, relating to real estate trust accounts.

Hearing Date, Time and Location

Date: October 31, 2013
Time: 10:00 a.m.
Location: 1400 East Washington Avenue*
Room 121A
Madison, Wisconsin

*Enter through 55 North Dickenson Street

APPEARANCES AT THE HEARING:

Interested persons are invited to present information at the hearing. Persons appearing may make an oral presentation but are urged to submit facts, opinions and argument in writing as well. Facts, opinions and argument may also be submitted in writing without a personal appearance by mail addressed to the Department of Safety and Professional Services, Division of Policy Development, P.O. Box 8935, Madison, Wisconsin 53708. Written comments must be received at or before the public hearing to be included in the record of rule-making proceedings.

Analysis prepared by the Department of Safety and Professional Services.

ANALYSIS

Statutes interpreted: ss. 452.07 (1m), and 452.07, Stats.

Statutory authority: ss. 15.405 (11), 227.11 (2), 452.07 (1m) and 452.07, Stats.

Explanation of agency authority:

Examining boards are generally authorized by ss. 15.08 (5) (b) and 227.11 (2) (a), Stats., to promulgate rules for its own guidance and for guidance within the profession and to promulgate rules interpreting any statute enforced or administered by it. Under ss. 452.07 (1m) and 452.07, Stats., the board shall promulgate rules for the guidance of the real estate profession.

Related statute or rule: s. 452.13 (2), Stats.

Plain language analysis:

This proposed rule-making order clarifies the rules relating to real estate trust accounts by correcting internal inconsistencies, reflecting current practices and removing antiquated provisions. In addition, format changes and typographical/punctuation errors are being corrected.

SECTION 1: The proposed rules modify the section title to be consistent with section titles in other chapters within this series, REEB 11 to 26. For example, the statutory authority provided to the board is now separated from the definitions subsection.

SECTIONS 2 to 6: The proposed rules add or update definitions commonly used in the real estate industry. When applicable, the statutory definition is cited. In addition, the proposed rules update formatting now in use since the last chapter revision and use terms consistent with those used in ch. 452, Stats. As an example; in lists such as **SECTION 6.**, s. REEB 18.02 (6), colons are no longer in use and have been replaced by periods; the use of and is deleted as the introductory clause is amended to indicate all of the items in the list apply.

SECTION 7: The proposed rules correct minor typos, grammatical and punctuation errors, and utilize the new rule-making format required since the last revision of this chapter.

SECTIONS 8 to 10: The intent of the proposed changes is to clarify when a trust account can be opened and the naming of such accounts; no substantive changes are proposed.

SECTION 11: The proposed rules move existing text to a more appropriate subsection and provide information to access forms via the department webpage.

SECTION 12: The proposed rules clarify designating responsibilities as to who holds escrow funds.

SECTION 13: The proposal repeals a section relating to cooperating brokers, a practice that has ceased.

SECTION 14: Proposed changes are for clarification purposes only.

SECTION 15: The proposed rules clarify when comingling of funds are prohibited; in addition, subsection titles are created to assist the reader.

SECTIONS 16 and 17: The proposed rules renumber the subsection as an introductory clause due to the repeal of sub. (2). The proposed rules repeal sections that are determined to be no longer in use or antiquated to the real estate industry—promissory notes and branch offices.

SECTIONS 18, 19 and 20: The proposed rules relate to recordkeeping, specifically ledgers, journals and trial balances. Clarification of terms and designating responsibilities are also proposed.

SECTION 21. This section establishes an effective date of July 1, 2014, which is timely for upcoming training and examinations.

Summary of, and comparison with, existing or proposed federal regulation:

There are no existing or proposed federal regulations addressing real estate trust accounts with respect to licensees.

Comparison with rules in adjacent states: An Internet-based search revealed the following:

Illinois: In Illinois, the Bureau of Real Estate Professions administers and enforces the Illinois Real Estate License Act of 2000, the Real Estate Timeshare Act, the Land Sales Registration Act, the Real Estate Appraiser Licensing Act of 2002, Provisions and Rules of the Uniform Standards of Professional Appraisal Practice, the Auction License Act, and the Home Inspector License Act. The Bureau has responsibility for licensing and regulating real estate brokers, managing brokers, leasing agents, real estate firms, real estate appraisers, auctioneers, auction firms, home inspectors, and home inspector entities. An internet search did not reveal details relating to any Illinois codes and statues pertaining to real estate trust accounts.

Iowa: In Iowa, the Professional Licensing Division (IPLD) oversees the real estate industry through the following rules: Iowa Code ch. 543B, Real Estate Brokers and

Salespersons; ch. 543C, Sales of Subdivided Land Outside of Iowa; and ch. 557A, Iowa Time-Share Act. These rules are published in the Iowa Administrative Code ch. 193E. Under the jurisdiction of the IPLD, the Iowa Real Estate Commission regulates and administers the real estate laws in Iowa. Notification of opening, closing and transferring accounts, naming the accounts, as well as submitting interest to a designated state agency is similar to rules and statutes in Wisconsin.

Michigan: In Michigan Article 25 of Public Act 299 of 1980, licenses and regulates the real estate industry through the Board of Real Estate Brokers and Salespersons. In Michigan, R339.22313, rule 313, real estate trust accounts are held in non-interest bearing, demand-checking accounts. Received funds must be deposited within two banking days, with some exceptions. A third party may manage the funds if interest is being sought. Disbursement, co-mingling and recordkeeping are detailed in the state guidelines for trust accounts.

[<http://www.rentupm.com/wp-content/uploads/2011/11/Michigan-Trust-Account-Guidelines.pdf>]

Minnesota: The Minnesota statutes are similar to Wisconsin and require all real estate trust accounts to pool interest from interest bearing accounts. The commissioner of management and budget shall deposit such funds into the housing trust fund account. Chapter 82.75, subd. 5, Trust accounts, outlines the state requirements, which include: maintaining and retaining records, timeliness of transaction including deposits within three business days. [<https://www.revisor.mn.gov/statutes/?id=82.75>]

Summary of factual data and analytical methodologies:

The Board relied upon their knowledge of processes and procedures currently in place in the industry and made determinations on modifying or eliminating out-dated practices and terms when found in their review. Practices relating to bookkeeping and keeping ledgers have changed with the introduction of computer software, for example.

Analysis and supporting documents used to determine effect on small business or in preparation of economic impact analysis:

Data was obtained from the Division of Professional Credential Processing regarding the number of licensees that would be affected by this regulatory change. As of 4/15/2013, there are 6,139 active licensed real estate salespersons and 10,373 active licensed real estate brokers. There are 1,051 licensed real estate business entities. The majority of real estate licensees work in small business environments; however, the proposed rules do not include any policy changes that would impact licensees or small business.

Fiscal Estimate and Economic Impact Analysis:

The Fiscal Estimate and Economic Impact Analysis is attached.

Initial Regulatory Flexibility Analysis or Summary:

This rule will not have a significant adverse effect on “small business”.

Environmental Assessment/Statement: [if required]

N/A

Agency contact person:

Jean MacCubbin, Program Manager, Department of Safety and Professional Services, Division of Policy Development, 1400 East Washington Avenue, Room 151, P.O. Box 8935, Madison, Wisconsin 53708; telephone (608) 266-0955; email at Jean.MacCubbin@wisconsin.gov; or by telecommunications relay services at 711.

Place where comments are to be submitted and deadline for submission:

Comments may be submitted to Jean MacCubbin, Program Manager, Department of Safety and Professional Services, Division of Policy Development, 1400 East Washington Avenue, Room 151, P.O. Box 8935, Madison, WI 53708-8935, or by email to Jean.MacCubbin@wisconsin.gov. Comments must be received at or before the public hearing to be held on October 31, 2013 to be included in the record of rule-making proceedings.

TEXT OF RULE

SECTION 1. REEB 18.01 (title) is amended to read:

REEB 18.01 ~~Authorization~~ Authority. The following rules are adopted pursuant to ss. 227.11, 452.07 and 452.13, Stats.

SECTION 2. REEB 18.02 (intro.) (Note) is created to read:

REEB 18.02 Definitions. In this chapter:

Note: See also definitions in s. REEB 11.02.

SECTION 3. REEB 18.02 (1) is repealed and recreated to read:

REEB 18.01 (1) “Business day” means any day excluding Saturdays, Sundays, any legal public holiday under Wisconsin or Federal law, and other day designated by the President of the United States such that the U.S. postal service does not receive registered mail or make regular deliveries on that day.

SECTION 4. REEB 18.02 (1e) and (4) and Note are created to read:

REEB 18.02 (1e) “Client funds” has that meaning given in s. 452.13 (1) (a), Stats.

Note: Section 452.13 (1) (a) reads: “Client funds” means all downpayments, earnest money deposits or other money related to a conveyance of real estate that is received by a broker, salesperson or time-share salesperson on behalf of the broker’s, salesperson’s or time-share salesperson’s principal or any other person. “Client funds” does not include promissory notes.’

(4) “Depository institution” has that meaning given in s. 452.13 (1) (b), Stats.

Note: Section 452.13 (1) (b) reads: “Depository institution” means a bank, savings bank, savings and loan association or credit union that is authorized by federal or state law to do business in this state and that is insured by the federal deposit insurance corporation or by the national credit union share insurance fund.’

SECTION 5. REEB 18.02 (5) (intro.), (a) and (b) are amended to read:

REEB 18.02 (5) “Real estate trust account” means an account for real estate trust funds maintained at a depository institution from which withdrawals or transfers can be made without delay, subject to any notice period that the depository institution is required to observe by law, and includes all of the following:

(a) Interest-bearing common trust accounts established for client funds_;

(b) Non-interest bearing real estate trust accounts maintained for real estate trust funds other than client funds_; ~~and.~~

SECTION 6. REEB 18.02 (6) (intro.) and (a) to (g) are amended to read:

REEB 18.02 (6) “Real estate trust funds” means any cash, checks, share drafts, drafts or notes, ~~other than promissory notes,~~ received by a broker or a broker’s salespersons or time-share salespersons on behalf of a principal or any other person including, ~~but not limited to~~ all of the following:

(a) Payments on land contracts, mortgage payments and any other receipts pertaining to mortgages_;

(b) Tax and insurance payments held in escrow_;

(c) Advance fees and finder’s fees, unless non-refundable_;

(d) Rental application deposits and rents, but only when received while acting as an agent for another;;

(e) Payments received for subsequent repayment to a third party;;

(f) Security deposits on rental property, except as provided in s. REEB 18.031 (4); ~~and.~~

(g) Initial and additional earnest money downpayments and other ~~monies~~ funds received in connection with offers to purchase, options and exchanges, even if the broker, salesperson or time-share salesperson receives the downpayments or ~~monies~~ funds when negotiating the sale of real estate or a business opportunity which the broker, salesperson or time-share salesperson owns in whole or in part, or when negotiating the purchase of real estate or a business opportunity for ownership in whole or in part by the broker, salesperson or time-share salesperson.

SECTION 7. REEB 18.031 (1) (intro.), (a) and (b) are amended to read:

REEB 18.031 Deposits and types of accounts. (1) TIME OF DEPOSIT. A broker shall deposit all real estate trust funds received by the broker or broker's salespersons or time-share salespersons in a real estate trust account within 48 hours of receipt of the trust funds. If funds are received on a day prior to a holiday or other day when the depository institution is closed, the broker shall deposit the funds within the next 2 business days ~~of the depository institution~~. If a broker receives funds which cannot be deposited by the broker, the broker shall, no later than one business day after receipt, either:

(a) Forward the funds to the payee, if someone other than the broker;~~or.~~

(b) Return the funds to the ~~payor~~ payer.

SECTION 8. REEB 18.033 (title) and (2) are amended to read:

REEB 18.033 ~~Time when real estate trust account shall be opened or may be closed.~~ Opening and closing real estate trust accounts.

(2) CLOSING AN ACCOUNT. A broker may close a real estate trust account if no real estate trust funds remain in the account or for reasons specified in s. REEB 18.035.

SECTION 9. REEB 18.034 (1) (title) is created to read:

REEB 18.034 Account designation. (1) NAME ON TRUST ACCOUNT. A broker shall name the broker's real estate trust account with the name appearing on the

broker's license or with a trade name submitted to the department under s. REEB 23.03 and shall include the words "trust account" in the name of the account.

SECTION 10. REEB 18.035 (2) is amended to read:

REEB 18.035 (2) CHANGING OR CLOSING AN ACCOUNT. A broker shall notify the department no later than 10 days after a broker changes a real estate trust account name or number, changes the real estate trust account from one depository institution to another, closes a real estate trust account or changes a real estate trust account to or from an interest-bearing common trust account established for client's funds. The notification shall be provided on a form, as required in s. REEB 18.037. When closing a real estate trust account, a broker may inform the board by letter.

SECTION 11. REEB 18.037 (intro.) and Note are amended to read:

REEB 18.037 Form for notification and authorization. A broker shall provide the information and authorization as specified in ss. REEB 18.035 and 18.036 on a form provided by the department. This form shall be designated "consent to examine and audit trust account." ~~However, when closing a real estate trust account, a broker may inform the board by letter only.~~

Note: A copy of this form may be obtained from the Department of Safety and Professional Services, Division of Professional Credential Processing, 1400 East Washington Avenue, P.O. Box 8935, Madison, Wisconsin 53708-8935- or downloading from the department's webpage: <http://dsps.wi.gov>.

SECTION 12. REEB 18.06 is amended to read:

REEB 18.06 Escrow agreement for earnest money not held by the broker. If the parties to a transaction do not desire that the broker hold the earnest money in the broker's real estate trust account, and wish to designate an escrow agent other than the broker, the broker may not draft the escrow agreement. The escrow agreement shall be drafted by the parties or an attorney. The broker may not hold the funds in the broker's real estate trust account, nor may the broker act in any way as custodian of the funds for the parties. The funds, pursuant to the escrow agreement, shall be held by some other a party other than the broker, such as: a bank, a savings and loan association, a credit union, or an attorney.

SECTION 13. REEB 18.08 is repealed.

SECTION 14. REEB 18.09 (1) (intro.) and (a) to (f) are amended to read:

REEB 18.09 Disbursement of trust funds. (1) PROPER DISBURSEMENT. A broker who disburses trust funds from ~~his or her~~ the broker's real estate trust account under any of the following circumstances shall not be deemed to have violated s. 452.14 (3) (i), Stats.:

(a) To the ~~payor~~ payer upon the rejection, expiration or withdrawal prior to binding acceptance of an offer to purchase, lease, exchange agreement or option on real estate or a business opportunity;

(b) As directed in a written earnest money disbursement agreement signed by all parties having an interest in the trust funds. ~~A For the purposes of this subsection, a closing statement is a written earnest money disbursement agreement for the purposes of this subsection. An offer to purchase, lease, exchange agreement or option is not a written earnest money disbursement agreement for the purpose of this subsection.~~

(c) To a court having jurisdiction over a civil action involving all parties having an interest in the trust funds;

(d) As directed by order of a court;

(e) Upon a good faith decision based upon advice of an attorney not representing any party to the contract;

(f) Upon authorization granted within the contract; ~~or.~~

SECTION 15. REEB 18.10 is repealed and recreated to read:

REEB 18.10 Comingling funds prohibited. (1) DEPOSITABLE FUNDS. A broker shall deposit only real estate trust funds in the broker's real estate trust account.

(a) Except for sub. (b), a broker shall not commingle the broker's personal funds or other funds in the real estate trust account.

(b) A broker may deposit and maintain a sum not to exceed \$300.00 from the broker's personal funds in any real estate trust account. Such sum shall be specifically identified and deposited to cover service charges relating to the real estate trust account.

(2) ADDITIONAL FUNDS. A broker shall deposit additional personal funds in the broker's real estate trust account within 10 business days following receipt of a statement or other notification from a depository institution that a service charge has been made against the account for which insufficient personal funds are available in the real estate account.

SECTION 16. REEB 18.11 (1) renumbered as 18.11 (intro.) and amended to read:

REEB 18.11 Non-depositable items. ~~(1) OTHER THAN PROMISSORY NOTES.~~ ~~With the exception of promissory notes, a~~ A broker shall not hold any instrument, equity or thing of value which is not depositable in a real estate trust account. Non-depositable items ~~other than promissory notes~~ shall be held by one of the parties to a transaction or some other party, subject to an escrow agreement prepared by the parties or an attorney.

SECTION 17. REEB 18.11 (2) and 18.12 and Note are repealed.

SECTION 18. REEB 18.13 (1) (intro.) and (a) to (d) are amended to read:

REEB 18.13 (1) CASH JOURNAL. A broker shall maintain a record, called a journal, ~~which shall show~~ showing the chronological sequence in which real estate trust funds are received and disbursed as follows:

(a) For funds received, the journal shall include at least the date, the name of the party ~~who is giving~~ providing the money, and the amount.

(b) For disbursements, the journal shall include at least the date, the payee, the number of the check, share draft or draft, and the amount.

(c) The journal shall identify each transaction by including at least the name of the principal, an identification number or other means of identification ~~which will link~~ linking the journal to the transactions and the ledger described in sub. (2).

(d) The journal shall ~~show~~ include a running balance for each day on which receipts or disbursements are entered.

SECTION 19. REEB 18.13 (2) to (4) and (6) (e) are amended to read:

REEB 18.13 (2) LEDGER. A broker shall maintain a record ~~which shows~~ including the receipts and the disbursements as they affect each particular transaction ~~e.g., including~~ transactions between buyer and seller, landlord and tenant, etc. The ledger entry shall include the names of ~~both~~ all parties to a transaction, the dates and the amounts received and the name of the party ~~giving~~ or parties providing the money if different from the buyer. ~~The ledger entry~~ Ledger entries shall include at least the date, payee, number of the check, share draft or draft and amount when funds are disbursed. The ledger shall ~~show~~ include a running balance and segregate each transaction. The broker shall maintain a separate ledger or separate section of the ledger for each of the various kinds of real estate transactions, ~~e.g., including~~ sales, rental collections or mortgage and land contract collections.

(3) ACCOUNT RECONCILIATION. The broker or a person designated by the broker shall reconcile the real estate trust account or accounts in writing each month except in the case where there has been no activity during the month. The written reconciliation shall include at least the ending account statement balance, the date and amounts of the deposits in transit, the number of the check, share draft or draft and amount of checks, share drafts or drafts written but not paid by the depository institution as of the ending date shown on the account statement to be reconciled, and the reconciled account statement ending balance.

(4) TRIAL BALANCE. The broker shall prepare or have prepared, in conjunction with sub. (3), a written listing, "trial balance", of all open items in the real estate trust account. ~~The list must show~~ listing shall include at least the names of ~~the~~ all parties to the transaction and the amount held in trust for the parties at the time corresponding to the account reconciliation. The broker may in lieu of the names of the parties to the transaction substitute the ledger page number or other means of identification from the ledger to label the funds in the trial balance.

(6) (e) All records which are not maintained as written paper records are capable of being immediately converted to written paper records and immediately made available without charge to the department or board for the purposes of ~~department~~ an audit or investigation.

SECTION 21. EFFECTIVE DATE. The rules adopted in this order shall take effect on July 1, 2014 following publication in the Wisconsin administrative register, pursuant to s. 227.22 (2) (intro.), Stats.

(END OF TEXT OF RULE)

COPIES OF RULE

Copies of this proposed rule are available upon request to Jean MacCubbin, Program Manager, Department of Safety and Professional Services, Division of Policy Development, 1400 East Washington Avenue, P.O. Box 8935, Madison, Wisconsin 53708, by email at Jean.MacCubbin@wisconsin.gov or on our website at <http://dsps.wi.gov/Default.aspx?Page=44e541e8-abdd-49da-8fde-046713617e9e>.

FILE: 165-REEB 18 Notice of Public Hearing FINAL

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	
2. Administrative Rule Chapter, Title and Number Ch. REEB 18 Trust Accounts	
3. Subject Modernize the rules to reflect best practices by removing antiquated provisions, and repeal sections deleted by 2001 Act 18.	
4. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	5. Chapter 20, Stats. Appropriations Affected 20.165(1)(g)
6. Fiscal Effect of Implementing the Rule <input checked="" type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Could Absorb Within Agency's Budget <input type="checkbox"/> Decrease Cost	
7. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses (if checked, complete Attachment A)	
8. Would Implementation and Compliance Costs Be Greater Than \$20 million? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
9. Policy Problem Addressed by the Rule With the exception of renumbering the chapter, this chapter has not been updated since 1983; the board has indicated various practices which are outdated.	
10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments. Licensees, real estate brokers and salespersons.	
11. Identify the local governmental units that participated in the development of this EIA. None known.	
12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred) There are no new or increased costs associated with the promulgation of these rules on any of the business sectors listed.	
13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule For new applicants for licenses, the rules will reflect contemporary practices specific to the real estate industry.	
14. Long Range Implications of Implementing the Rule The rule is not expected to need further revisions in the long-term.	
15. Compare With Approaches Being Used by Federal Government There are no existing or proposed legislation regarding real estate (investment) accounts.	
16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota) IA and MN have similar rules and require the interest to be forwarded to the state; MI has similar rules on the establishment and operation of trust accounts; IL has no state-level rules or laws pertaining to real estate trust accounts..	
17. Contact Name Jean MacCubbin	18. Contact Phone Number 608.266.0955

This document can be made available in alternate formats to individuals with disabilities upon request.

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**State of Wisconsin
Department of Safety & Professional Services**

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request: Angela Hellenbrand Executive Director		2) Date When Request Submitted: 21 October 2013 Items will be considered late if submitted after 4:30 p.m. and less than: <ul style="list-style-type: none"> ▪ 10 work days before the meeting for Medical Board ▪ 14 work days before the meeting for all others 	
3) Name of Board, Committee, Council, Sections: Real Estate Examining Board			
4) Meeting Date: 31 October 2013	5) Attachments: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	6) How should the item be titled on the agenda page? Administrative Matters 1) DSPS Economic Footprint and Recent Accomplishments Report	
7) Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session <input type="checkbox"/> Both	8) Is an appearance before the Board being scheduled? If yes, who is appearing? <input type="checkbox"/> Yes by _____ (name) <input type="checkbox"/> No	9) Name of Case Advisor(s), if required:	
10) Describe the issue and action that should be addressed: The DSPS Recent Accomplishments and Economic Footprint Report was created as part of an effort to identify the agency's stakeholders, explain the ways we currently provide important services, and identify ways to improve services going forward.			
11) Authorization			
Signature of person making this request		Date	
Supervisor (if required)		Date	
Bureau Director signature (indicates approval to add post agenda deadline item to agenda)		Date	
Directions for including supporting documents: 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Board Services Bureau Director. 3. If necessary, Provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.			

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**State of Wisconsin
Department of Safety & Professional Services**

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request: Angela Hellenbrand Executive Director		2) Date When Request Submitted: 15 July 2013 Items will be considered late if submitted after 4:30 p.m. and less than: <ul style="list-style-type: none"> ▪ 10 work days before the meeting for Medical Board ▪ 14 work days before the meeting for all others 	
3) Name of Board, Committee, Council, Sections: Real Estate Examining Board			
4) Meeting Date: 22 August 2013	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page? Education and Exam Matters - AD HOC Committee on Real Estate Education 2010 Recommendations	
7) Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session <input type="checkbox"/> Both	8) Is an appearance before the Board being scheduled? If yes, who is appearing? <input type="checkbox"/> Yes by _____ (name) <input type="checkbox"/> No	9) Name of Case Advisor(s), if required:	
10) Describe the issue and action that should be addressed: Steve Beers requested copies for the board members of the recommendations made by the Education Ad Hoc committee for additional education requirements for the Salesman and Brokers licenses. This was probably done about 2+ years ago.			
11) Authorization			
Signature of person making this request			Date
Supervisor (if required)			Date
Bureau Director signature (indicates approval to add post agenda deadline item to agenda)			Date
Directions for including supporting documents: 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Board Services Bureau Director. 3. If necessary, Provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.			

**AD HOC COMMITTEE ON REAL ESTATE EDUCATION
MEETING MINUTES
JANUARY 21, 2010
RESCHEDULED FROM DECEMBER 9, 2009**

PRESENT: Steven Beers (arrived at 8:15), Anne Blood, Lawrence Sager and Rita McCain-Walker (by Telephone), Cori Lamont (arrived at 8:30)

STAFF: Yolanda McGowan, Bureau Director, Michelle Solem, Bureau Assistant and Secretary Jackson

CALL TO ORDER

Yolanda McGowan, Bureau Director, called the meeting to order at 8:10 a.m. A quorum of three (3) was confirmed.

APPROVAL OF AGENDA

MOTION: Larry Sager moved, seconded by Anne Blood, to adopt the Agenda as published. Motion carried unanimously.

APPROVAL OF MINUTES

MOTION: Larry Sager moved, seconded by Anne Blood, to approve the Minutes of November 17, 2009, as published. Motion carried unanimously.

ADMINISTRATIVE REPORT

Yolanda McGowan updated the committee on recent staffing changes and indicated that the Department is still in the process of completing the hiring process to create a fully staffed division.

Secretary Jackson spoke to the committee noting this to be their last meeting. The Committee provided Secretary Jackson with a brief report of the progress that the Committee has made. Secretary Jackson raised concern about the reasons for suggesting post-license training, noting that the Department is a consumer protection. Secretary Jackson asked for a listing of the Committee's recommendations for submission to the Real Estate Examining Board. Secretary Jackson asked that the formal recommendations include a great deal of detail related to the 24 hour course and exam. She also requested information related to the model that was used to develop this scenario. Secretary Jackson thanked the Committee for their service.

DESIGNATIONS

There were categories included in the agenda. The committee discussed the use of designations, testing the category list included in the agenda materials.

RECIPROCITY

The Committee agreed that the 24 hour live education requirement in addition to the current education requirements, would also be required for reciprocal licensees.

MOTION: Anne Blood moved, seconded by Larry Sager, to recommend that for reciprocal salesperson requirements, the 24 hour education requirement be added to the current requirements. Motion carried unanimously.

The Committee discussed requirements for reciprocal broker licensure in Wisconsin. It was suggested that out of state brokers receive credit for home state transactions up to 30% of the required transaction points. All else would remain the same. The Committee also discussed removing the 2 year salesperson requirement if the applicant has maintained a broker's license for 2 of the previous 4 years in the applicant's home state. In addition, verifiable designation courses would also be allowed. If they have not held a Broker's license in their home state for 2 of the previous 4 years, they would apply as a salesperson and would be required to follow the Wisconsin track to obtain a Wisconsin Broker's license.

MOTION: Anne Blood moved, seconded by Larry Sager, to recommend that applicants for reciprocal broker licensure who have not held a broker's license in another jurisdiction for 2 of the 4 years preceding application, meet the following requirements to obtain a Wisconsin Brokers License:

- Meet current reciprocal Wisconsin Salesperson license requirements and
- Meet current broker's license requirements

Motion carried unanimously.

MOTION: Steven Beers moved, seconded by Larry Sager, to recommend that applicants for reciprocal broker licensure, who have held a broker's license in another jurisdiction for 2 of the 4 years preceding application, be able to waive all Wisconsin salesperson's license requirements, except payment of all applicable fees: and a Wisconsin broker's license upon meeting all current Broker's licensing requirements. The salesperson education licensing requirements and the 2 year experience requirement will be waived for those applicants. Said applicants will be able to apply a designated % of transactions in their home jurisdiction to the Wisconsin transaction requirements. Motion carried unanimously.

MOTION: Steven Beers moved, seconded by Larry Sager, to recommend that if an applicant for reciprocal broker licensure has held a broker's license in another jurisdiction for 2 of the 4 years preceding application and has paid the applicable fees, the Board waives all of the other Wisconsin salesperson's license requirements; and a Wisconsin broker's license shall be issued upon the applicant meeting all current Broker's licensing requirements. The 2 year portion of the experience requirement shall be waived but the applicant will still be required to complete the transactional

requirement and will be able to apply a designated percentage of the transactions from their home jurisdiction to the Wisconsin transaction requirements. Motion carried unanimously.

DISCUSS ISSUES RELATING TO EDUCATION AND EXPERIENCE REQUIREMENTS FOR BROKER LICENSURE

After much discussion the committee developed the following point system:

Designations –maximum 10

Completed Closed Transactions – minimum 40 points

- Residential
 - 4 points each
- Commercial
 - 8 points each
- Property Management
 - Managed Property
 - .25 points per month per unit
 - Managed Unit
 - 1 point per month per property management contract
- Time Share/Fractional Sales
 - .25 points per unit sold

Experience – maximum 10

- 5 points per year

MOTION: Anne Blood moved, seconded by Larry Sager, to accept the point divisions as listed on page 3 of the November 17, 2009, Minutes. Motion carried unanimously.

MOTION: Steven Beers moved, seconded by Rita McCain-Walker, to recommend a maximum of 4 points for each residential sales transaction, a maximum of 8 points per commercial sales transaction, .25 points per month per unit of a managed property, and a maximum of 1 point per month per property management contract. Motion carried unanimously.

MOTION: Larry Sager moved, seconded by Cori Lamont, to require a minimum of 60 points to obtain a broker's license within the following categories.
A minimum of 40 points for completed transactions
A maximum of 10 points for specified education.

**State of Wisconsin
Department of Safety & Professional Services**

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request: Jean MacCubbin, Program Manager		2) Date When Request Submitted: 10162013	
		Items will be considered late if submitted after 4:30 p.m. and less than: <ul style="list-style-type: none"> ▪ 10 work days before the meeting for Medical Board ▪ 14 work days before the meeting for all others 	
3) Name of Board, Committee, Council, Sections: Real Estate Examining Board			
4) Meeting Date: 20131031	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page? LEG_ADMIN MATTERS 1. Discuss and Consider Hearing Comments, Clearinghouse Comments and Legislative Report (CR 13-072, 13-073) 2. Discuss and Consider Hearing Draft for chs. REEB 22 & 26 Apprentices & Inactive Licenses 3. Rules Update— chs. REEB 12 & 25 Application & Education chs. REEB 15 & 18 Records and Technology	
7) Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session <input type="checkbox"/> Both	8) Is an appearance before the Board being scheduled? <input type="checkbox"/> Yes (Fill out Board Appearance Request) <input type="checkbox"/> No	9) Name of Case Advisor(s), if required:	
10) Describe the issue and action that should be addressed: 1. Discuss and Consider Hearing Comments, Clearinghouse Comments and Legislative Report —MOTION to approve draft changes ch. REEB 16 relating to approved forms, and ch. REEB 18 relating to trust accounts, designate Board Chair to approve final rules and approve submittal to Governor’s Office and Legislative Review Discuss and Consider Hearing Comments, Clearinghouse Comments and Legislative Report — MOTION to approve draft changes ch. REEB 18 relating to trust accounts, designate Board Chair to approve final rules and approve submittal to Governor’s Office and Legislative Review 2. Discuss and Consider Approving Hearing Draft for chs. REEB 22 & 26—MOTION to approve draft (with revisions) for chs. REEB 22 & 26 relating to apprentices and inactive licenses, approval to post notice of economic impact, establish public hearing at future meeting date, designate Board Chair to approval final copy for publication of public hearing and submittal to Clearinghouse 3. Verbal Update on Rule Drafting and Timelines			
11) Jean MacCubbin Signature of person making this request		Authorization 10/14/2013 Date	
Supervisor (if required)		Date	
Executive Director signature (indicates approval to add post agenda deadline item to agenda)		Date	



WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

Scott Grosz and Jessica Karls-Ruplinger
Clearinghouse Co-Directors

Terry C. Anderson
Legislative Council Director

Laura D. Rose
Legislative Council Deputy Director

CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

CLEARINGHOUSE RULE **13-073**

AN ORDER to ..., relating to use of approved forms and legal advice.

Submitted by **DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES**

09-27-2013 RECEIVED BY LEGISLATIVE COUNCIL.

10-23-2013 REPORT SENT TO AGENCY.

SG:MS

LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached YES NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached YES NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached YES NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS
[s. 227.15 (2) (e)]

Comment Attached YES NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached YES NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL
REGULATIONS [s. 227.15 (2) (g)]

Comment Attached YES NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

Comment Attached YES NO



WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

Scott Grosz and Jessica Karls-Ruplinger
Clearinghouse Co-Directors

Terry C. Anderson
Legislative Council Director

Laura D. Rose
Legislative Council Deputy Director

CLEARINGHOUSE RULE 13-073

Comments

[NOTE: All citations to “Manual” in the comments below are to the Administrative Rules Procedures Manual, prepared by the Legislative Reference Bureau and the Legislative Council Staff, dated November 2011.]

2. Form, Style and Placement in Administrative Code

a. In the introductory clause, the department should revise the enumeration of provisions treated to conform to the style described in s. 1.02 (1) (Example). Generally, it is unnecessary to repeat “REEB” when multiple sections are treated in the same manner. For example, the department should write, “amend REEB 16.03 (1) (intro.) (a), (b), (e) and (2), 16.05 (1) and (2),...” rather than “amend REEB 16.03 (1) (intro.) (a), (b), (e), REEB 16.03 (2), REEB 16.05 (1) and (2),...”. Also, it is unnecessary to indicate the new provision when renumbering, and s. REEB 16.06 (8) should be listed as created in the enumeration.

b. In the portion of the rule analysis entitled, “Statutes interpreted” and “Statutory authority”, s. 452.07 (1m), Stats., should be listed, once, after s. 452.05 (1) (b), Stats.

c. In SECTION 3 and SECTION 7, the term “Note” should be placed in brackets. [s. 1.09 (2) (a), Manual.]

d. When creating three insertions, the alphabetic numbering is “e m s”. As such, in SECTION 3, s. REEB 16.02 (2g) and (2r) should instead be numbered (2e) and (2s).

e. In SECTION 3, the term “Buyer agency/tenant representation agreements” should be written in the singular tense.

5. Clarity, Grammar, Punctuation and Use of Plain Language

a. In the comparison to federal law in the rule analysis, the use of the acronym “FmHA” is confusing and should be preceded by its full reference.

b. In SECTION 6, s. REEB 16.03 (2) is amended to refer to sub. (3). However, s. REEB 16.03 (3) neither exists current in the code, nor is it created under the rule. The department should clarify its intent regarding the reference to sub. (3).

c. In SECTION 9, s. REEB 16.06 (1) (intro.) is amended to read: “~~A~~ All of the following apply to a licensee...”. In rephrasing this sentence, the conditions listed in pars. (a) to (f), when read to follow after the (intro.), no longer make complete sentences. The department should consider rephrasing either sub. (1) (intro.) or pars. (a) to (f).

d. In SECTION 11, is the intent of s. REEB 16.06 (5) that a licensee may use a pre-prepared addendum only if pars. (a), (b), and (c) all apply? If so, then the amended language in s. REEB 16.06 (5) (intro.) should be rewritten to read: “all of the following conditions are met:”. If not, then the phrase should be rewritten to read: “any of the following conditions are met:”.

**STATE OF WISCONSIN
REAL ESTATE EXAMINING BOARD**

**IN THE MATTER OF RULEMAKING :
PROCEEDINGS BEFORE THE : REPORT TO THE LEGISLATURE
REAL ESTATE EXAMINING BOARD : CR 13-073
:
:**

I. THE PROPOSED RULE:

The proposed rule, including the analysis and text, is attached.

II. REFERENCE TO APPLICABLE FORMS:

III. FISCAL ESTIMATE AND EIA:

The Fiscal Estimate and EIA is attached.

IV. DETAILED STATEMENT EXPLAINING THE BASIS AND PURPOSE OF THE PROPOSED RULE, INCLUDING HOW THE PROPOSED RULE ADVANCES RELEVANT STATUTORY GOALS OR PURPOSES:

With the exception of renumbering to reflect the Real Estate Examining Board, this rule has not been updated since 1986. The Board's intent is to update the rule to reflect current practice, update references to approved forms and define terms. Specifically, this proposed rule-making order clarifies the rules relating to the use of approved forms and legal advice.

V. SUMMARY OF PUBLIC COMMENTS AND THE BOARD'S RESPONSES, EXPLANATION OF MODIFICATIONS TO PROPOSED RULES PROMPTED BY PUBLIC COMMENTS:

TO BE COMPLETED AFTER THE HEARING

The Real Estate Examining Board held a public hearing on October 31, 2013. The following people either testified at the hearing, or submitted written comments:

The Real Estate Examining Board summarizes the comments received either by hearing testimony or by written submission as follows:

The Real Estate Examining Board explains modifications to its rule-making proposal prompted by public comments as follows:

VI. RESPONSE TO LEGISLATIVE COUNCIL STAFF RECOMMENDATIONS:

All of the recommendations suggested in the Clearinghouse Report have been accepted in whole.

VII. REPORT FROM THE SBRRB AND FINAL REGULATORY FLEXIBILITY ANALYSIS:

These rules were not submitted to the Small Business Regulatory review Board.

These rules will not have a significant economic impact on a substantial number of small businesses.



WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

Scott Grosz and Jessica Karls-Ruplinger
Clearinghouse Co-Directors

Terry C. Anderson
Legislative Council Director

Laura D. Rose
Legislative Council Deputy Director

CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

CLEARINGHOUSE RULE **13-072**

AN ORDER to ..., relating to real estate trust accounts.

Submitted by **DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES**

09-27-2013 RECEIVED BY LEGISLATIVE COUNCIL.

10-24-2013 REPORT SENT TO AGENCY.

SG:BL

LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]
Comment Attached YES NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]
Comment Attached YES NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]
Comment Attached YES NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS
[s. 227.15 (2) (e)]
Comment Attached YES NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]
Comment Attached YES NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL
REGULATIONS [s. 227.15 (2) (g)]
Comment Attached YES NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]
Comment Attached YES NO



WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

Scott Grosz and Jessica Karls-Ruplinger
Clearinghouse Co-Directors

Terry C. Anderson
Legislative Council Director

Laura D. Rose
Legislative Council Deputy Director

CLEARINGHOUSE RULE 13-072

Comments

[NOTE: All citations to “Manual” in the comments below are to the Administrative Rules Procedures Manual, prepared by the Legislative Reference Bureau and the Legislative Council Staff, dated November 2011.]

2. Form, Style and Placement in Administrative Code

a. The introductory clause should be replaced with the following:

...to repeal REEB 18.08, 18.11 (2), and 18.12 and (Note); to renumber and amend REEB 18.11 (1); to amend REEB 18.01 (title), 18.02 (5) (intro.), (a), and (b) and (6) (intro.) and (a) to (g), 18.031 (1) (intro.), (a), and (b), 18.033 (title) and (2), 18.035 (2), 18.037 (intro.) and (Note), 18.06, 18.09 (1) (intro.) and (a) to (f), and 18.13 (1) (intro.) and (a) to (d), (2) to (4), and (6) (e); to repeal and recreate REEB 18.02 (1) and 18.10; and to create REEB 18.02 (intro.) (Note), (1e) and (Note), and (4) (Note) and 18.034 (1) (title), relating to real estate trust accounts. [s. 1.02 (1), Manual.]

b. In the statutes interpreted section, “ss. 452.07 (1m), and 452.07, Stats.” should be replaced with “s. 452.13, Stats.”. The proposed rule interprets s. 452.13, Stats., which relates to trust accounts. In addition, in the related statute or rule section, the agency should list statutes or rules that relate to the proposed rule, not a statute that is interpreted by the proposed rule. For example, the agency could list some of the relevant chapters in chs. REEB 11 to 26.

c. In the statutory authority section and explanation of agency authority, the reference to s. 452.07 (1m), Stats., is not necessary, given the reference to s. 452.07, Stats.

d. In the statutory authority section, it appears that “15.405 (11)” should be replaced with “15.08 (5) (b)”, given the reference to s. 15.08 (5) (b), Stats., in the explanation of agency authority. Section 15.405 (11), Stats., does not exist.

e. In SECTION 3, “**REEB 18.01 (1)**” should be replaced with “**REEB 18.02 (1)**”.

f. In SECTION 4, the SECTION treatment should be replaced with the following: “REEB 18.02 (1e) and (Note) and (4) (Note) are created to read:”. The SECTION creates the note to sub. (4), not sub. (4) itself. Alternatively, the agency could consider splitting up the treatment in SECTION 4 into two separate SECTIONS: one that creates s. REEB 18.02 (1e) and (Note); and one that creates s. REEB 18.02 (4) (Note).

g. In s. REEB 18.033, the period at the end of the title should be retained. The existing period should not be stricken-through, nor should a new period be created. [s. 1.06 (4), Manual.] The same comment applies to the note to s. REEB 18.037.

h. In s. REEB 18.034, the newly created title should not be underscored. In addition, the text of the subsection should not appear in the SECTION. [s. 1.055, Manual.]

i. In s. REEB 18.09 (1) (b), the “a” following “this subsection.” should be underscored because it is new text. [s. 1.06 (1), Manual.]

j. In SECTION 21, the words “following publication in the Wisconsin administrative register, pursuant to s. 227.22 (2) (intro.), Stats.” are not necessary because a specific effective date is included. [s. 1.02 (4), Manual.]

4. Adequacy of References to Related Statutes, Rules and Forms

In s. REEB 18.02 (1e) (Note) and (4) (Note), “, Stats.,” should be inserted following the references to statutes. [s. 1.07 (2), Manual.]

5. Clarity, Grammar, Punctuation and Use of Plain Language

a. In s. REEB 18.01 (title), the space before the inserted word “Authority” should not be underscored.

b. In s. REEB 18.02 (1), “any” should be inserted after the word “and” and before the words “other day designated by the President”.

c. In ss. REEB 18.02 (6) (intro.) and 18.031 (1) (intro.), the references to “salespersons” should be changed to the singular. [s. 1.01 (9) (e), Manual.]

d. In s. REEB 18.02 (6) (intro.), a comma should be inserted before the word “including” and the phrase “all of the following” should be replaced with the phrase “any of the following”.

e. In s. REEB 18.10 (2), are the additional personal funds that must be deposited by the broker limited to the amount specified in s. REEB 18.10 (1) (b)?

f. In s. REEB 18.13 (4), the reference to “trial balance” is confusing. The agency could consider revising the first sentence to read:

The broker shall prepare or have prepared, in conjunction with sub. (3), a written listing, ~~“trial balance”~~, of all open items in the real estate trust account. The written listing shall be referred to as the “trial balance”.

**STATE OF WISCONSIN
REAL ESTATE EXAMINING BOARD**

**IN THE MATTER OF RULEMAKING :
PROCEEDINGS BEFORE THE : REPORT TO THE LEGISLATURE
REAL ESTATE EXAMINING BOARD : CR 13-072
:
:**

I. THE PROPOSED RULE:

The proposed rule, including the analysis and text, is attached.

II. REFERENCE TO APPLICABLE FORMS:

III. FISCAL ESTIMATE AND EIA:

The Fiscal Estimate and EIA is attached.

IV. DETAILED STATEMENT EXPLAINING THE BASIS AND PURPOSE OF THE PROPOSED RULE, INCLUDING HOW THE PROPOSED RULE ADVANCES RELEVANT STATUTORY GOALS OR PURPOSES:

This chapter has not been updated since 1983; the Real Estate Examining Board has indicated various practices, which are outdated. This proposed rule-making order clarifies the rules relating to real estate trust accounts by correcting internal inconsistencies, reflecting current practices and removing antiquated provisions. In addition format changes and typographical/punctuation errors are being corrected.

V. SUMMARY OF PUBLIC COMMENTS AND THE BOARD'S RESPONSES, EXPLANATION OF MODIFICATIONS TO PROPOSED RULES PROMPTED BY PUBLIC COMMENTS:

TO BE COMPLETED AFTER HEARING

The Real Estate Examining Board held a public hearing on October 31, 2013. The following people either testified at the hearing, or submitted written comments:

The Real Estate Examining Board summarizes the comments received either by hearing testimony or by written submission as follows:

The Real Estate Examining Board explains modifications to its rule-making proposal prompted by public comments as follows:

VI. RESPONSE TO LEGISLATIVE COUNCIL STAFF RECOMMENDATIONS:

All of the recommendations suggested in the Clearinghouse Report have been accepted in whole.

VII. REPORT FROM THE SBRRB AND FINAL REGULATORY FLEXIBILITY ANALYSIS:

These rules were not submitted to the Small Business Regulatory Review Board.

These rules will not have a significant economic impact on a substantial number of small businesses.

STATE OF WISCONSIN
REAL ESTATE EXAMINING BOARD

IN THE MATTER OF RULE-MAKING :
PROCEEDINGS BEFORE THE :
REAL ESTATE EXAMINING BOARD : NOTICE OF PUBLIC HEARING
:
:
:
:
: (CR)

NOTICE IS HEREBY GIVEN that pursuant to authority vested in the Real Estate Examining Board in ss. 15.08 (5) (b), 227.11 (2), 452.07 (1m), and 452.12 (6) (a), Stats., and interpreting ss. 452.07 (1m), 452.05 (1) (b), and 452.07, Stats, the Real Estate Examining Board will hold a public hearing at the time and place indicated below to consider an order to repeal chs. REEB 22 and 26; and amend ss. 11.01 (intro.), 11.02 (intro.) 12.04 (1) (intro.), 12.04(2) (intro.) and 25.065 (1) and (Note), relating to apprentices and inactive licenses.

Hearing Date, Time and Location

Date:
Time:
Location: 1400 East Washington Avenue*
Room 121
Madison, Wisconsin
* Enter at 55 North Dickenson Street

APPEARANCES AT THE HEARING:

Interested persons are invited to present information at the hearing. Persons appearing may make an oral presentation but are urged to submit facts, opinions and argument in writing as well. Facts, opinions and argument may also be submitted in writing without a personal appearance by mail addressed to the Department of Safety and Professional Services, Division of Policy Development, P.O. Box 8935, Madison, Wisconsin 53708-8935. Written comments must be received at or before the public hearing to be included in the record of rule-making proceedings.

Analysis prepared by the Department of Safety and Professional Services.

ANALYSIS

Statutes interpreted: ss. 452.07 (1) and (1m), Stats.

Statutory authority: ss. 15.08 (5) (b), 227.11 (2), 452.07 (1m), and 452.12 (6) (a), Stats.

Explanation of agency authority: Examining boards are generally authorized by ss. 15.08 (5) (b) and 227.11 (2) (a), Stats., to promulgate rules for their own guidance and for guidance within the profession and to promulgate rules interpreting any statute enforced or administered by it. Under s. 452.07 (1m), Stats., the board shall advise the secretary on rulemaking relating to licensees and promulgate rules for the guidance of the real estate profession and define professional conduct and unethical practice. Section 452.12 (6) (a), Stats., sunset on October 31, 1995; it states that: “Any licensee, except a time-share salesperson registered under s. 452.025, may apply for registration as an inactive licensee on or before the license renewal date. This paragraph does not apply after October 31, 1995.”

Related statute or rule: Chapters REEB 1 to 26

Plain language analysis:

In response to Executive Order 61, the Real Estate Examining Board reviewed their rules, chapters REEB 1 to 26, and identified two areas that either no longer reflected contemporary industry practices or had sunset by state statutes.

While provided through statutory authority, s. 452.12 (6) (a), Stats., an individual may apply for a registration as an apprentice under a supervisory broker. In this review, it was determined that such the process in ch. REEB 22, relating to apprentices, is no longer followed in practice. Real estate brokers have the opportunity to train future license applicants as unlicensed professionals and do so in a less formal mentoring role within the guidelines of the duties of a supervising broker. The Board, therefore, chose to eliminate this chapter in its entirety.

Regarding the review of ch. REEB 26, inactive licenses, it was found that although a process was in place for recognizing inactive licenses, the agency had only received one application in the past 18 months and that license has since expired. In addition, s. 452.12 (6) (a), Stats., provided for applications for inactive licenses, this section sunset on October 31, 1995. The Board, therefore, chose to eliminate this chapter in its entirety.

SECTION 1. This section proposes various amendments related chapters in the REEB series (chs. REEB 1 to 26). Specifically proposed is to delete references to chs. REEB 22 and 26, and references in the renewal sections if the individual had the status of an inactive licensee and references to s. 452.12 (6), Stats., specific to inactive licensees.

SECTION 2. This section proposes to repeal both chapters REEB 22, apprentices, and REEB 26, inactive licenses.

SECTION 3. This section defines the effective date of this rule once through the rulemaking process as specified in s. 277.11 (12).

Summary of, and comparison with, existing or proposed federal regulation:

The federal government does not mandate licenses for active or inactive real estate brokers or salespersons; or are there laws regarding apprenticeships in the real estate profession.

Comparison with rules in adjacent states:

The following information is a result of an Internet-based search for the four adjacent states.

Illinois: The state of Illinois does not license or have requirements for application as a real estate apprentice. Illinois codes and law do not provide for an inactive license. [Title 68b: professions and occupations, part 1450 real estate license act of 2000]

Iowa: The state of Iowa does not license or have requirements for application as a real estate apprentice. An inactive status in Iowa is required (only) when a salesperson is no longer employed by a broker or is in the process of transferring to another broker. [Iowa code 543B.33]

Michigan: The state of Michigan does not license or have requirements for application as a real estate apprentice. Michigan law does not provide for inactive real estate licenses. [ch. 339, Article 25 of Public Act 299 of 1980]

Minnesota: The state of Minnesota does not license or have requirements for application as a real estate apprentice. Nothing in these state rules provide for an inactive license status. {MN Statutes 82}

Summary of factual data and analytical methodologies:

In the past year, the board reviewed their rules and found that the training of unlicensed individuals was more beneficial to future license applicants and supervising brokers than the process outlined in ch. REEB 22, relating to apprentices. Supervising brokers are provided with such duties in s. 452.12 (3), Stats.

Analysis and supporting documents used to determine effect on small business or in preparation of economic impact analysis:

The Real Estate Examining Board was the primary source for determining the potential impacts of both the technical and administrative elements of these rules. A responsibility of the Board is to bring forth any concerns they may be aware of or have with the current requirements and with rule changes, and any concerns for any potential economic impacts from the changes. In addition, staff was consulted to provide data on the number of inactive and apprentice licenses or requests.

Fiscal estimate and Economic Impact Analysis:

The Fiscal Estimate and Economic Impact Analysis is attached.

Initial Regulatory Flexibility Analysis or Summary:

This rule change will not have an effect on small business.

Environmental Assessment/Statement:

Not required.

Agency contact person:

Jean MacCubbin, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 1400 East Washington Avenue, Room 151, P.O. Box 8935, Madison, Wisconsin 53708-8935; telephone 608-266-0955 or telecommunication relay at 711; email at Jean.MacCubbin@wisconsin.gov.

Place where comments are to be submitted and deadline for submission:

Comments may be submitted to Jean MacCubbin, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 1400 East Washington Avenue, Room 151, P.O. Box 8935, Madison, WI 53708-8935, or by email to Jean.MacCubbin@wisconsin.gov. Comments must be received at or before the public hearing to be held on _____ to be included in the record of rule-making proceedings.

(Text of rule begins on next page.)

TEXT OF RULE

SECTION 1. REEB 11.01 (intro.), 11.02 (intro.) 12.04 (1) (intro.), 12.04(2) (intro.) and 25.065 (1) and (Note) are amended to read:

REEB 11.01 Authority. The rules in chs. REEB 11 to ~~26~~ 25 are adopted by the board pursuant to ss. 227.11 (2), 440.03 (1) and 452.07, Stats.

REEB 11.02 Definitions. ~~As used in~~ In chs. REEB 11 to ~~26~~ 25:

REEB 12.04 (1) LESS THAN 5 YEARS. If an applicant files an application for renewal of the applicant's real estate license with the department less than 5 years after the renewal date, as defined in s. 440.01 (1) (dm), Stats., ~~and the applicant is not registered as an inactive licensee,~~ the applicant shall pay the applicable renewal fee and penalty fee specified in s. 440.08, Stats., and provide evidence of having satisfied the continuing education required by s. 452.12 (5), Stats., in one of the following manners:

(2) MORE THAN 5 YEARS. If an applicant files an application for renewal of a real estate license 5 or more years after the renewal date ~~and the applicant is not registered as an inactive licensee,~~ the applicant shall pay the late renewal fee specified in s. 440.08 (3), Stats., the examination fee specified in s. 440.05 (1) (b), Stats., and satisfy education and examination requirements, as follows:

REEB 25.065 (1) Each licensed broker and salesperson, ~~except an inactive licensee under s. 452.12 (6), Stats.,~~ shall satisfy the continuing education requirement specified in s. 452.12 (5) (c), Stats., during each licensing biennium.

Note: The contents of the continuing education programs and courses are not designated in the Wisconsin administrative code, pursuant to an exemption under s. 227.01 (13) (zj), Stats. This information may be obtained from the Wisconsin Department of Safety and Professional Services, Division of Professional Credential Processing, 1400 East Washington Avenue, P.O. Box 8935, Madison, Wisconsin 53708-8935 or accessible from the department's webpage at: <http://dsps.wi.gov>.

SECTION 2. Chapters REEB 22 and 26 are repealed.

SECTION 3. EFFECTIVE DATE: The rules adopted in this order shall take effect on the first day of the month following publication in the Wisconsin administrative register, pursuant to s. 227.22 (2) (intro.), Stats.

(END OF TEXT OF RULE)

COPIES OF RULE

Copies of this proposed rule are available upon request to Jean MacCubbin, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 1400 East Washington Avenue, P.O. Box 8935, Madison, Wisconsin 53708-8935, by email at Jean.MacCubbin@wisconsin.gov or on our website at <http://dsps.wi.gov/>.

Dated _____

Agency _____

Board Chairperson
Real Estate Examining Board

**State of Wisconsin
Department of Safety & Professional Services**

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request: Joshua Archiquette, Bureau Assistant		2) Date When Request Submitted: 25 Oct 2013 <small>Items will be considered late if submitted after 4:30 p.m. and less than 8 work days before the meeting.</small>	
3) Name of Board, Committee, Council, Sections: Real Estate Examining Board			
4) Meeting Date: 31 Oct 2013	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page?	
7) Place Item in: <input type="checkbox"/> Open Session <input type="checkbox"/> Closed Session <input type="checkbox"/> Both	8) Is an appearance before the Board being scheduled? <input type="checkbox"/> Yes (Fill out Board Appearance Request) <input type="checkbox"/> No	9) Name of Case Advisor(s), if required: Practice Matters Business Entities Proposed Changes to Business Entities From 815	
10) Describe the issue and action that should be addressed: The Board will review and discuss changes proposed to Business Entities Form 815			
11) Authorization			
Signature of person making this request		Date	
Supervisor (if required)		Date	
Executive Director signature (indicates approval to add post agenda deadline item to agenda) Date			
Directions for including supporting documents: 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Policy Development Executive Director. 3. If necessary, Provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.			

DELEGATION OF SUPERVISORY RESPONSIBILITIES – PROPOSED NEW FORM

BUSINESS ENTITY

Attach Form #815 if your business is reporting a change of business representative.

All references to business entity are those previously filed with the department on Form #815.

CHECK TYPE OF BUSINESS ENTITY LICENSED WITH DSPS:

Association Corporation Limited Liability Company Partnership
 Business Trust Joint Venture Limited Liability Partnership Syndicate

PRINT OR TYPE NAME AND ADDRESS OF BUSINESS ENTITY:

Business Address (Number, Street)

City

State

Zip Code

ENTER TRADE NAME, IF ANY, FILED WITH DSPS: _____

Name and Address of licensed broker indicated on form #815:

Title: _____

Wisconsin license # _____

As per Wis. Admin. Code § REEB 17.08 (3) A broker-employer which is a business entity shall delegate the performance of the duty to supervise licensed employees to a supervising broker.

Name and Address of licensed broker performing supervisory duties on behalf of the licensed business entity: _____

Name and Address of licensed broker performing supervisory duties on behalf of the licensed business entity: _____

Description of duties delegated: _____

(Use a separate sheet if necessary for multiple offices)

NON-BUSINESS ENTITY BROKER

PRINT OR TYPE NAME AND ADDRESS OF BROKER: _____

Business Address (Number, Street) _____

City

State

Zip Code

Wisconsin license # _____

As per Wis. Admin. Code § REEB 17.08 (4) A broker-employer who is not a business entity may delegate the duty to supervise licensed employees to a supervising broker. In the absence of a specific supervising broker delegation to another person, a broker-employer who is not a business entity is deemed to be a supervising broker.

Name and Address of licensed broker performing supervisory duties on behalf of broker-employer, if other than broker-employer: _____

License number if broker is listed above under business entity: _____

Name and Address of licensed broker performing supervisory duties on behalf of a broker-employer who is not a licensed business entity, if other than broker-employer: _____

Description of duties delegated: _____

(Use a separate sheet if necessary for multiple offices)

I hereby affirm that the statements set forth are true and correct and understand that if we fail to comply with the license law or rules and regulations of the Wisconsin Department of Safety and

