



REAL ESTATE EXAMINING BOARD
Room 121A, 1400 East Washington Avenue, Madison
Contact: Brittany Lewin (608) 266-2112
April 17, 2014

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 the Minutes of February 20, 2014 (5-10)

C. Administrative Matters

- a. Council and Subcommittee Schedules
- b. July 18 Board Member Training
- c. Staff Updates

D. Legislation and Administrative Rules Matters – Discussion and Consideration (11)

- a. Adoption of Final Order Chs. REEB 22 and 26 – Apprentices and Inactive Licenses **(12-16)**
- b. Rule Revision Draft Chs. REEB 12 and 25 and Verbal Update on REEB Curriculum and Education Council Meeting **(17-52)**
- c. Verbal Update on Rule Projects
- d. Verbal Update on Bill Status – SB 531 and SB 457 and Need for Drafting a Scope Statement **(53-58)**

E. Credentialing Matters – Discussion and Consideration

- a. OLAS Update

F. DLSC Matters – Discussion and Consideration

- a. **APPEARANCE – Jane Brischke, DLSC; Cortney Keo, DLSC; Kelly Foster, DLSC; Matthew Niehaus, DSPS Webmaster – DLSC Paperless Screening Panel Initiative (59-62)**

G. Discussion and Consideration of Items Received After Preparation of the Agenda:

- a. Introductions, Announcements, and Recognition
- b. Presentations of Petition(s) for Summary Suspension
- c. Presentation of Proposed Stipulation(s), Final Decision(s) and Order(s)
- d. Presentation of Final Decision and Order(s)
- e. Informational Item(s)
- f. DLSC Matters
- g. Status of Statute and Administrative Rule Matters
- h. Education and Examination Matters

- i. Credentialing Matters
- j. Practice Questions
- k. Legislation / Administrative Rule Matters
- l. Liaison Report(s)
- m. Speaking Engagement(s), Travel, or Public Relations Request(s)
- n. Consulting with Legal Counsel

H. 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.).

I. Presentation and Deliberation of Proposed Final Decisions and Orders:

- a. 12 REB 042 – Robert J. DeChant **(63-68)**
 - o Case Advisor – Randall Savaglio

J. Presentation and Deliberation of Proposed Administrative Warnings:

- a. 12 REB 048 – M.K.B. and P.P.I. **(69-70)**
 - o Case Advisor – Michael Mulleady
- b. 12 REB 063 – M.J.S and C.C.B. **(71-74)**
 - o Case Advisor – Marie Hetzer

K. Monitoring

- a. James E. Shaw - Request for Modification of Board Order to Discontinue Quarterly Work Reports **(75-88)**
- b. Robert S. Slowik – Request for Modification of Order for Payment Plan **(89-98)**

L. Case Closings

- a. 12 REB 092 – S.W **(99-104)**
 - o Case Advisor – Tammy Wagner
- b. 12 REB 048 – W.P.
 - o Case Advisor – Michael Mulleady **(105-114)**

M. Case Status Report (15-120)

N. Deliberation of Items Received After Preparation of the Agenda

- 1) Professional Assistance Procedure (PAP)
- 2) Monitoring Matters
- 3) Administrative Warnings
- 4) Review of Administrative Warning
- 5) Proposed Stipulations, Final Decisions and Orders
- 6) Proposed Final Decisions and Orders
- 7) Orders Fixing Costs/Matters Related to Costs
- 8) Petitions for Summary Suspension
- 9) Petitions for Re-hearings
- 10) Complaints
- 11) Examination Issues
- 12) Credential Issues

- 13) Appearances from Requests Received or Renewed
- 14) Motions

O. Consulting with Legal Counsel

RECONVENE TO OPEN SESSION IMMEDIATELY FOLLOWING CLOSED SESSION

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
February 20, 2014**

PRESENT: Stephen Beers(via GoTo Meeting), Marie Hetzer, Randal Savaglio (via GoTo Meeting), Charles Szafir, Tammy Wagner (via GoTo Meeting), and Michael Mulleady (via GoTo Meeting), Dennis Pierce

STAFF: Brittany Lewin, Executive Director; Matt Guidry, Bureau Assistant; and other Department staff

CALL TO ORDER

The Chair, called the meeting to order at 10:01 a.m. A quorum of seven (7) members was confirmed.

ADOPTION OF AGENDA

MOTION: Dennis Pierce moved, seconded by Michael Mulleady, to adopt the agenda as published. Motion carried unanimously.

MINUTES FROM JANUARY 16, 2014

MOTION: Michael Mulleady moved, seconded by Marie Hetzer, to approve the minutes of January 16, 2014 as published. Motion carried unanimously.

ELECTION OF OFFICERS

CHAIR

NOMINATION: Randal Savaglio nominated Stephen Beers for the Office of Chair.

Executive Director Brittany Lewin called for nominations three (3) times.

Stephen Beers was elected as Chair.

VICE CHAIR

NOMINATION: Randal Savaglio nominated Michael Mulleady for the Office of Vice Chair.

Executive Director Brittany Lewin called for nominations three (3) times.

Michael Mulleady was elected as Vice Chair.

SECRETARY

NOMINATION: Dennis Pierce nominated Randal Savagilo for the Office of Secretary.

Executive Director Brittany Lewin called for nominations three (3) times.

Randal Savagilo was elected as Secretary.

MOTION: Charles Szafir moved, seconded by Tammy Wagner, to acknowledge the following 2014 Officer Election Results. Motion carried unanimously.

2014 OFFICER ELECTION RESULTS	
Board Chair	Stephen Beers
Vice Chair	Michael Mulleady
Secretary	Randal Savagilo

Stephen Beers assumes the role of Chair of the meeting.

Michael Mulleady assumes the role of Vice Chair of the meeting.

Randal Savaglio assumes the role of Secretary of the meeting.

APPOINTMENT OF LIAISONS AND COMMITTEE MEMBERS

The Chair appoints the following members to:

2014 LIAISON APPOINTMENTS	
Credentialing Liaison	Randal Savaglio
DLSC (PAP/Monitoring)	Marie Hetzer
Continuing Education Liaison	Tammy Wagner
Screening Panel Team 1	Dennis Peirce and Stephen Beers
Screening Panel Team 2	Marie Hetzer and Michael Mulleady
Screening Panel Team 3	Randal Savaglio and Tammy Wagner

MOTION: Randal Savagilo moved, seconded by Dennis Peirce, to acknowledge the appointments made by the chair as the 2014 Liaisons and Screening Panel. Motion carried unanimously.

DELEGATION OF AUTHORITIES

MOTION: Tammy Wagner moved, seconded by Michael Mulleady, that the Board delegates authority to the Chair to sign documents on behalf of the Board. In order to carry out duties of the Board, the Chair has the ability to delegate this signature authority to the Board's Executive Director for purposes of facilitating the completion of assignments during or between meetings. Motion carried unanimously.

MOTION: Randal Savagilo moved, seconded by Dennis Peirce, in order to facilitate the completion of assignments between meetings, the Board delegates its authority by order of succession to the Chair, highest ranking officer, or longest serving member of the Board, to appoint liaisons to the Department where knowledge or experience in the profession is required to carry out the duties of the Board in accordance with the law. Motion carried unanimously.

MOTION: Tammy Wagner moved, seconded by Marie Hetzer, to adopt the "Roles and Authorities Delegated to the Monitoring Liaison and Department Monitor" document. Motion carried unanimously.

MOTION: Michael Mulleady moved, seconded by Tammy Wagner, to delegate authority to the Credentialing Liaison(s) to address all issues related to credentialing matters. Motion carried unanimously.

MOTION: Tammy Wagner moved, seconded by Michael Mulleady, to delegate authority to the DSPS paralegal to address specific issues related to review of applications where the only conviction is a single OWI or underage alcohol possession or have a felony conviction within three(3) years. Motion carried unanimously.

LEGISLATION AND ADMINISTRATIVE RULES MATTERS

MOTION: Michael Mulleady moved, seconded by Marie Hetzer, to accept all Clearinghouse comments for CR 13-100 relating to Apprentices and Inactive Licenses. Motion carried unanimously.

MOTION: Tammy Wagner moved, seconded by Marie Hetzer, to authorize the Chair to approve the Legislative Report and Draft for Clearinghouse Rule #13-100 repealing chs. REEB 22 & 26, relating to Apprentices and Inactive Licenses for submission to the Governor's Office and Legislature. Motion carried unanimously.

MOTION: Dennis Peirce moved, seconded by Michael Mulleady, to designate the chair to approve the Adoption Order for Clearinghouse Rule 13-073, ch. REEB 16, forms and legal advice, pending final action by JCRAR. Motion carried unanimously.

MOTION: Randal Savagilo moved, seconded by Michael Mulleady, to designate the chair to approve the Adoption Order for Clearinghouse Rule 13-072, ch. REEB 18, trust accounts, pending final action by JCRAR. Motion carried unanimously.

CONVENE TO CLOSED SESSION

MOTION: Marie Hetzer moved seconded by Dennis Pierce, to 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.). Mari Hetzer read the language of the motion. The vote of each member was ascertained by voice vote. Roll Call Vote: Stephen Beers - yes; Marie Hetzer - yes; Michael Mulleady - yes; Randal Savaglio - yes; Charles Szafir - yes; Tammy Wagner - yes. Motion carried unanimously.

The Board convened into Closed Session at 10:54 a.m.

CASE CLOSINGS

13REB030

MOTION: Dennis Peirce moved, seconded by Marie Hetzer, to close DLSC case number 13REB030, J.A., for prosecutorial discretion (P1). Motion carried unanimously.

ADMINISTRATIVE WARNINGS

MOTION: Marie Hetzer moved, seconded by Michael Mulleady, to issue an Administrative Warning in the matter of DLSC case number 12REB092 R.M.S. Motion carried unanimously.

MONITORING

Charlene L. Nasgovitz – Requesting Full Licensure

MOTION: Randal Savagilo moved, seconded by Tammy Wagner, to approve the request of Charlene L. Nasgovitz to remove all limitations on her license. Motion carried unanimously.

RECONVENE TO OPEN SESSION

MOTION: Tammy Wagner moved, seconded by Marie Hetzer, to reconvene into open session. Motion carried unanimously.

The meeting reconvened into open session at 11:02 a.m.

VOTE ON ITEMS CONSIDERED OR DELIBERATED UPON IN CLOSED SESSION, IF VOTING IS APPROPRIATE

MOTION: Michael Mulleady moved, seconded by Tammy Wagner, to affirm all votes made in Closed Session. Motion carried unanimously.

ADJOURNMENT

MOTION: Michael Mulleady moved, seconded by Charles Szafir, to adjourn the meeting. Motion carried unanimously.

The meeting adjourned at 11:04 a.m.

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

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request: Jean MacCubbin, Administrative Rules Coordinator		2) Date When Request Submitted: 20140407 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: 20140417	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—Discussion and Consideration <ol style="list-style-type: none"> 1. Adoption of Final Order chs. REEB 22 & 26, apprentices and inactive licenses 2. Rule Revision Preliminary Draft Chs. REEB 12 & 25 and Verbal Update on REEB Curriculum and Education Council Meeting 3. Verbal Update on Rule Projects 4. Verbal Update on Bill Status—SB531 and SB457and need for drafting a Scope Statement 	
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. Adoption of Final Order chs. REEB 22 & 26, apprentices and inactive licenses MOTION— First moved; seconded by second to designate the chair to approve the Adoption Order for Clearinghouse Rule 13-100; chs. REEB 22 & 26; apprentices and inactive status; pending final action by JCRAR. Motion carried unanimously. 2. Rule Revision Preliminary Draft Chs. REEB 12 & 25 and Verbal Update on REEB Curriculum and Education Council Meeting First moved, seconded by Second , to approve the preliminary revisions to the draft of chs. REEB 12 & 25 for review of public hearing draft at a future meeting. Motion carried unanimously . 3. Verbal Updates on Rule Projects 4. Verbal Update on Bill Status—SB531, SB457, etc. MOTION: First moved, seconded by Second , to request DSPS staff draft a Scope Statement revising/creating various application and renewal processes relating to the “felon bill”, SB 531 and broker cooperative agreements, SB457. Motion carried unanimously .			
11) Signature of person making this request Supervisor (if required) Executive Director signature (indicates approval to add post agenda deadline item to agenda)		Authorization Date	20140407 Date

STATE OF WISCONSIN
REAL ESTATE EXAMINING BOARD

IN THE MATTER OF RULEMAKING	:	ORDER OF THE
PROCEEDINGS BEFORE THE	:	REAL ESTATE EXAMINING BOARD
REAL ESTATE EXAMINING BOARD	:	ADOPTING RULES
	:	(CLEARINGHOUSE RULE 13-100)

ORDER

An order of the Real Estate Examining Board to repeal chs. REEB 22 and 26; and amend ss. REEB 11.01, 11.02 (intro.) 12.04 (1) (intro.), 12.04(2) (intro.) and 25.065 (1) and (Note), relating to apprentices and inactive licenses.

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 (1), and 452.09 (5), 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. 452.09 (5), 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.

SECTIONS 1. and 3. These sections propose 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.

SECTIONS 2. and 4. These sections propose to repeal both chapters REEB 22, apprentices, and REEB 26, inactive licenses.

SECTION 5. This section defines the effective date of this rule once through the rulemaking process as specified in s. 277.22 (2) (intro.).

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.

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 Tom.Engels@wisconsin.gov, or by calling (608) 266-8608.

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 8366 Madison, Wisconsin 53708-8366; telephone 608-266-0955 or telecommunication relay at 711; email at Jean.MacCubbin@wisconsin.gov.

Rule text begins on next page.

TEXT OF RULE

SECTION 1. REEB 11.01, 11.02 (intro.) 12.04 (1) (intro.), and 12.04(2) (intro.) 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:

SECTION 2. Chapter REEB 22 is repealed.

SECTION 3. REEB 25.065 (1) and Note are amended to read:

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 4. Chapter REEB 26 is repealed.

SECTION 5. 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)

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.

Dated _____

Agency _____

Board Chairperson
Real Estate Examining Board

Renewals: 12/14 even no.-year
When this should become effective? July 2015 is mid-cycle

STATE OF WISCONSIN
REAL ESTATE EXAMINING BOARD

IN THE MATTER OF RULEMAKING : PROPOSED ORDER OF THE
PROCEEDINGS BEFORE THE : REAL ESTATE EXAMINING BOARD
REAL ESTATE EXAMINING BOARD : ADOPTING RULES
: (CLEARINGHOUSE RULE)

PROPOSED ORDER

An order of the Real Estate Examining Board to * , relating to
applications and education.

Analysis prepared by the Department of Safety and Professional Services.

ANALYSIS

Statutes interpreted: ss. 452.05 and 452.09 to 452.12, Stats.

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

Explanation of agency authority:

Section 15.08 (5) (b), requires all examining boards to "...promulgate rules for its own guidance and for the guidance of the trade or profession to which it pertains, and define and enforce professional conduct and unethical practices not inconsistent with the law relating to the particular trade or profession."

Section 227.11 (2) (a), Stats., authorizes all agencies to promulgate rules interpreting the statutes it enforces or administers, when deemed necessary to effectuate the purpose of such statutes.

Section 452.07 (1), Stats., obligates the Real Estate Examining Board to "...promulgate rules for the guidance of the real estate profession and define professional conduct and unethical practice."

In addition, broker experience and application...

Related statute or rule: chs. REEB 11 to 25

Plain language analysis:

2013 Act 114 job readiness

2013 Act 133 broker exp.

? Act cooperative agreement with out of state brokers

? Act Criminal background aka ‘felon bill’

TO DO

The Board seeks to update, clarify, correct or repeal provisions relating to original, renewal and examination applications; documentation of applications; internal processing of applications and examinations including, but not limited to, parts of original and renewal examinations; and the handling of expired licenses. In addition the Board seeks to update, clarify, correct, or repeal provisions relating to definitions; educational program content, continuing education and requirements for real estate brokers and real estate salespersons; means by which education is presented; and requirements for out-of-state applicants and licensees. Other changes reflect provisions within recently enacted Wis. Acts, such as 2011 Act 32 and 2013 Act 133.

452.03 competent safeguards the interests of the public, and only after satisfactory proof of the person’s competence has been presented

Experience requirements for Brokers 2013 Act 133

SECTION 1.

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

An Internet-based search of the U.S. Code and the code of federal regulations (CFR) for applications and education relating to the licensing of real estate brokers and real estate salespersons did not reveal any existing or proposed regulations at the federal level.

Comparison with rules in adjacent states:

An Internet-based search, revealed the following information:

Illinois: In Illinois, the department of financial and professional regulation has the authority to issue licenses for real estate brokers and salespersons. In this state, pre-application education prior to taking an examination is: 90 hours of pre-broker curriculum, (15 hours of which is interactive). The balance of 75 hours is classroom/interactive that includes “career paths” or specialties.

For the first renewal year, 12 hours of CE are required; this includes a minimum of 6 hours approved as core curriculum and no more than 6 hours approved as an elective curriculum. Thereafter, a licensee is required to obtain a total of 30 hours per renewal cycle.

In addition, broker experience and application...

Iowa: In Iowa, the professional licensing bureau regulates real estate licensees; a broker applicant must have 24 months of active salesperson experience and complete 72 hours of broker pre-license education within the preceding 24 months of passing the examinations.

All salespersons and all brokers must complete the required continuing education prior to December 31st of their renewal year if renewing active (3-yr renewal cycle). This includes: 8 hours law update, 4 hours ethics, and 24 hours commission approved electives. Up to 24 hours may be taken by correspondence/home study during each 3-year renewal period.

In addition, broker experience and application...

Michigan: In Michigan, the department of licensing and regulatory affairs oversees brokers licensing regulations. Coursework is required within 36 months of application consisting of 90 clock hours of approved coursework.

The course hours required for renewal total 18 hours per 3-year cycle; of that two hours of legal updates are needed on an annual basis.

In addition, broker experience and application...

Minnesota: In Minnesota, the department of commerce regulates real estate brokers. No pre-application course work requirements were found, although there is a requirement for at least 3 years of licensed real estate salesperson experience in Minnesota or another state with comparable requirements within the 5 years prior to the date of application for the broker's examination.

The licensee is required to verify at renewal the completion of 30 hours of continuing education within the 2 years prior to each renewal; this includes at least one hour each of fair housing law and agency law, and a required residential leasing module coursework.

In addition, broker experience and application...

Summary of factual data and analytical methodologies:

Consistent with s. 452.06 (2) (b), Stats., the council on real estate curriculum and examinations reviewed the subject matter and course topics for both pre-application and continuing education for brokers and salespersons. This review was undertaken to reflect the applicant's or licensee's competency to transact the business of as a real estate broker or salesperson. Such recommendations were subsequently approved by the Board for future rulemaking action; this proposed rule includes these modifications.

In addition, broker experience and application...

who is competent to transact such businesses in a manner which that safeguards the interests of the public, and only after satisfactory proof of the person's competence has been presented

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

Major provisions in 2013 Act 114, aka "the job readiness" act, allow for an additional route to apply for a real estate broker's license without first practicing as a licensed salesperson. Additionally, the 2013 Act 113 provides for multiple routes to be qualified to take the broker's exam, specifically by relying on competence gained through real estate-related experience. Both of these pieces of legislation greatly reduce the time in which a broker may gain related experience and become so licensed in this state.

Also, 2011 Act 32, the budget bill, not only updated ch. 442, Stats. to reflect the authority given to the board, it

Fiscal Estimate and Economic Impact Analysis:

The Fiscal Estimate and Economic Impact Analysis is attached.

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 Tom.Engels@wisconsin.gov, or by calling (608) 266-8608.

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 8366, Madison, Wisconsin 53708-8366; 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, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 1400 East Washington Avenue, Room 151, P.O. Box 8366, Madison, WI 53708-8366, or by email to jean.maccubbin@wisconsin.gov. Comments must be received on or before _____ to be included in the record of rule-making proceedings.

TEXT OF RULE

SECTION 1. REEB 12.01 (1) (b) and (c) 2. (Note) are amended to read:

REEB 12.01 Applications. (1) (b) *Action on completed applications.* Action on completed applications. The board shall review and make a determination on an original application for a license within 60 business days after a completed application is received by the department. An application ~~is completed~~ shall be considered complete when all materials necessary to make a determination on the application and all materials requested by the board have been received.

(c) 2. **Note:** Applications, Form #809, are available upon request to the ~~department offices located at 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 download from the department webpage: <http://dsps.wi.gov/>.

SECTION 2. REEB 12.015 (2) is amended to read:

REEB 12.015 (2) BROKER'S EDUCATION ELIGIBILITY REQUIREMENT. An applicant for examination to obtain an original real estate broker's license shall complete the education requirements specified in s. REEB 25.02 (1) and shall either hold a Wisconsin real estate salesperson's license, practiced as a licensed salesperson under the direct supervision of a licensed broker for at least 2 years within the last 4 years preceding the date of the applicant's application, met the experience eligibility requirements in s. REEB 12.015 (3) to (5), or shall have passed the salesperson's examination pursuant to s. REEB 12.02.

SECTION 3. REEB 12.015 (3), (4), (5) and (6) and Table 12.015-1 are created to read:

REEB 12.015 (3) BROKER'S EXPERIENCE ELIGIBILITY

REQUIREMENTS. **After July 1, 2014**, an applicant for examination to obtain an original real estate broker's license shall provide evidence of completion of the experience requirements specified in Table 12.015 and shall meet any of the following:

(a) Provide satisfactory evidence to the board that the applicant has practiced as a real estate salesperson under the direct supervision of a licensed broker for at least 2 years within the last 4 years preceding the date of application for a broker's license, excluding any time spent as an apprentice.

Note: Chapter REEB 22, Apprentices, was repealed effective July 1, 2014.

(b) Provide evidence satisfactory to the board that the applicant has a license to practice law in this state and has experience related to real estate.

(c) Provide evidence satisfactory to the board that the applicant holds a contractor certification under s. 101.654, Stats., and has experience related to real estate sales.

Note: For requirements for contractor certification, see ch. SPS 305, subch. III.

(d) Except as provided in a reciprocal agreement under s. 452.05 (3), Stats., an applicant who is a nonresident of this state and who provides evidence satisfactory to the board that the applicant has held a license real estate broker under the laws of another state for at least 2 years within the last 4 years preceding the date of application.

HERE

(e) The board may waive requirements under pars. (a) to (d) on any applicant based on any of the following:

2013 Act 133 broker exp. requirements, 452.09 (4) (e)

1.

2.

FYI: Items in RED were not included in Act 133 & will be removed from this draft.

**Table 12.015
Experience Requirements to Obtain a Real Estate Broker License
For Other than Licensed Salespersons**

Categories of Experience	Applicable Points
1. Specified education	10 max.
2. Completed closed transactions	40 min.
a. Residential ^a	5 each
b. Commercial ^b	10 each
c. Property management (residential, commercial)	--
1) managed property	0.5 point per month per unit
2) managed unit	1 point per month per property management contract
3) time share; fractional sales	1 point per unit sold
3. Experience	10 max. at 5/year
4. Designation or formal degree^c	5 max. (?)

^a Residential includes: single family dwelling units, 2 to 4 unit dwellings, improved lots, and vacant lots.

^b Commercial includes: business opportunities, vacant land, hotel/motel, industrial or warehouse office, farms, retail buildings, and commercial listings.

^c Designation as a licensed salesperson for a minimum of two-year period.

(4) OTHER EXPERIENCE ELIGIBILITY REQUIREMENTS. The experience eligibility requirements for a broker's license as specified in par. (3) may be substituted when the applicant submits evidence satisfactory to the board that any of the following apply:

(a) An applicant is licensed to practice law in the state and has experience related to the practice of real estate.

(b) An applicant holds a current certificate of financial responsibility under s. 101.654, Stats., and has experience related to real estate sales.

(c) An applicant is a nonresident, has been a licensed broker in another state for at least 2 years within the last 4 years preceding the application for a broker's license and the state where the license is held, the board has entered into reciprocal agreements with officials of other states or territories of the United States for licensing brokers and salespersons and grant licenses to applicants who are licensed as brokers or salespersons in those states or territories according to the terms of the reciprocal agreements, as specified in s. 452.05 (3).

(5) EVIDENCE OF EXPERIENCE. Applicants for a real estate broker's license under subs. (3) shall provide satisfactory evidence to the board that the experience as a license salesperson qualifies the applicant for a total of at least 40 points based on the point system as specified in Table 12.015-1.

(a) Satisfactory evidence to the board of such experience submitted on a board-approved form.

(b)
UTAH FORM?

Note:

(6) WAIVER OF EXPERIENCE ELIGIBILITY REQUIREMENTS. The board may waive the experience requirements in pars. (3) and (4) based on established standards. These standards may include

Are the education requirements in (1) and (2) waived for those in (3) and (4)? Act 133 is not clear.

SECTION 4. REEB 12.02 (1) (intro.), (a), and (b) are repealed and recreated as to read:

REEB 12.02 Examinations. (1) WRITTEN EXAMINATIONS. Each applicant for examination to obtain a real estate broker's or salesperson's license shall read and write a comprehensive examination in English, testing that person's competency to transact the business of a real estate broker or salesperson.

(a) The examination shall be in conformity with s. 452.09 (3), Stats. The exam measures knowledge and skills relevant to the general practices and principles of real estate that are common to or uniform among all licensing jurisdictions, and contains questions dealing with real estate laws, rules, and regulations, and other aspects of real estate practices appropriate to the state of Wisconsin.

(b)

(c)

SECTION 5. REEB 12.02 (2) (b) is repealed.

SECTION 6. REEB 12.02 (2) (a) is renumbered as REEB 12.02 (a) and (b) and amended to read:

REEB 12.02 (2) COMPETENCY. (a) The score required to pass an examination, ~~or each part of a 2-part examination,~~ shall be based on the board's determination of the level of examination performance required for minimum acceptable competence in the profession.

(b) The board shall make the determination after consultation with subject matter experts ~~who have received a representative sample of the examination questions and available candidate performance statistics,~~ and shall set the passing score for the examination at that point which represents minimum acceptable competence in the profession.

SECTION 7. REEB 12.02 (3) (a) to (c) and (Note) are amended to read:

REEB 12.02 (3) EXAMINATION REQUIREMENTS FOR APPLICANTS LICENSED IN ANOTHER STATE. (a) An applicant for a license as a salesperson who submits proof to the board that he or she held a salesperson's license in another state at any time during the 2 years immediately preceding the date of application in Wisconsin is required to take and pass ~~either a single-part salesperson's examination or only the state part of a 2-part salesperson's examination, depending on whether a single-part or a 2-part examination is made available by the department.~~

Check new ACT

(b) An applicant for a license as a broker who does not hold a salesperson's license in Wisconsin and who submits proof to the board that he or she held a broker's license in another state within 2 years prior to the date of application in Wisconsin is required to complete the education requirement in s. REEB 25.02 (1) and take and pass ~~only a single-part salesperson's examination or only the state part of a 2-part salesperson's examination, depending on whether a single-part or a 2-part the salesperson's examination is made available by the department, and either a single-part broker's examination or only the state part of a 2-part broker's examination, depending on whether a single-part or a 2-part examination is made available by the department.~~

(c) An applicant for a license as a broker who holds a salesperson's license in Wisconsin and who submits proof to the board that he or she holds a broker's license in another state within 2 years prior to the date of application in Wisconsin is required to take and pass ~~either a single-part broker's examination or only the state part of a 2-part~~

~~broker's examination, depending on whether a single-part or a 2-part the broker's examination is made available by the department.~~

~~Note: An otherwise qualified applicant with a disability shall be provided with reasonable accommodations. Reasonable accommodations for an individual having a verified disability shall be provided upon such request.~~

HERE

SECTION 8. REEB 12.02 (3) (b) not a salesperson or out-of-state.

SECTION 9. REEB 12.025 is repealed.

SECTION 10. REEB 12.03 (intro.) is amended to read:

REEB 12.03 Time for completing licensure requirements. An applicant for a broker's or salesperson's license who successfully completes ~~both the uniform and state parts of~~ the examination, as provided in this chapter, has one year following the date of examination to complete all other requirements for licensure. No license shall be granted until all requirements are met. If the applicant fails to complete all of the requirements within the one-year period, he or she shall reapply and shall be required to successfully complete the examination before a license may be granted.

SECTION 11. REEB 12.04 (1) (a) and (2) are amended to read:

REEB 12.04 (1) (a) The applicant shall ~~either provide upon request proof of having successfully completed the classroom education which was required during the biennium preceding the date of renewal of the applicant's license, provide proof of having successfully passed the test-out examination which was administered during the biennium preceding the date of renewal of the applicant's license, or provide proof of having successfully completed any 8 of the 15 hours of education in s. REEB 25.03 (3) (h) and the 4 hours of education in s. REEB 25.03 (3) (m), or of having successfully completed the educational program in s. REEB 25.035 (2). In this paragraph "successfully completed" means passing an examination pursuant to s. REEB 25.066 (6) (d).~~

(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 all education and examination requirements, as follows:

(a 72-hr course as with cont. educ.?)

SECTION 12. REEB 12.04 (2) (a) 1. to 3. are amended to read:

REEB 12.04 (2) (a) Education requirements. 1. Except as provided in subd. 3., an applicant for a broker's license shall satisfy requirements specified in any one of the following: s. REEB 25.02 (1) (b), (c), or (2). An applicant who obtains classroom education pursuant to s. REEB 25.02 (2) ~~must~~ shall complete the education within 5 years preceding the date of the application for license.

2. Except as provided in subd. 3., an applicant for a salesperson's license shall satisfy requirements in s. REEB 25.03. An applicant ~~must~~ shall complete the education within 5 years preceding the date of application for license.

3. An applicant who has held a real estate license in another licensing jurisdiction within the 2 years prior to filing an application for renewal ~~is not~~ shall not be required to obtain any education described in subds. 1. and 2.

SECTION 13. REEB 12.04 (2) (a) 3. (Note) and 4. (Note) are created to read:

REEB 12.04 (2) (a) 3. Note: For more exam information by license, see: <http://dsps.wi.gov/Licenses-Permits/Credentialing/Business-Professions/> or contact Pearson VUE (<http://www.pearsonvue.com/wi/realestate/> or by calling 1-888-204-6284) to schedule an appointment to take the examination as well as access to updates on exam fees and schedules.

4. **Note:** Section 452.12 (5) (c), Stats., reads: "At the time of renewal, each broker or salesperson shall submit proof of attendance at and successful completion of continuing education programs or courses approved under s. [452.05 \(1\) \(g\)](#)."

SECTION 14. REEB 12.04 (2) (b) 1. and 2. are amended to read:

New process to develop 3/26 as per Sharon

SECTION 15. REEB 12.045 is created to read:

REEB 12.045 Renewal after license suspension, revocation, or surrender. The license and license number granted to an individual under this chapter shall be for a lifetime, whether the license is active, inactive, revoked, suspended, or surrendered. Under s. 452.17, Stats., an individual shall only practice real estate and use the title of real estate broker or salesperson when such license is current and without conditions.

(1) LESS THAN 5 YEARS. The board shall require that an individual applying for renewal or reinstatement of a suspended, revoked, or surrendered license to submit evidence of having completed the requirements under s. REEB 12.04 (1) and any of the following:

(a) ? conditions of suspension/surrender?

(b) cont. educ

(c) Under s. 452.09 (1), Stats., the board may dispense application requirements as it deems unnecessary in view of prior applications of an individual applying for renewal or reinstatement of a suspended, revoked, or surrendered license.

(d) Any other information that the board may reasonably require to enable it to determine the competency of each applicant to transact the business of a real estate broker or salesperson in a manner that safeguards the interests of the public.

(2) MORE THAN 5 YEARS. The board shall require that an individual applying for renewal or reinstatement of a suspended, revoked, or surrendered license to submit evidence of having completed the requirements under s. REEB 12.04 (2) and any of the following:

HERE

(a) ? conditions of suspension/surrender?

(b) cont. educ.; pre-application course work? Examination

(c) Under s. 452.09 (1), Stats., the board may dispense application requirements as it deems unnecessary in view of prior applications of an individual applying for renewal or reinstatement of a suspended, revoked, or surrendered license.

(d) Any other information that the board may reasonably require to enable it to determine the competency of each applicant to transact the business of a real estate broker or salesperson in a manner that safeguards the interests of the public.

SECTION 16. REEB 25.005 is amended to read:

REEB 25.005 Authority. The following rules are adopted pursuant to ss. 227.11 (2), 452.05, 452.07, 452.09 ~~(2) and (3)~~ and 452.12 (5) (c), Stats.

SECTION 17. REEB 25.01 (2m) and (7) are amended to read:

REEB 25.01 (2m) “Classroom education” means the provision of educational programs or courses to one or more students in a setting in which either an instructor is physically present with the students or a representative of an approved school is physically present with the students for the purpose of taking attendance and providing instruction by electronic means including: audiotape, cable television, satellite line or

other similar method and the instructor is available for student questions by telephone or E-mail, or by a continuous 2-way ~~audio or audiovisual~~ connection.

(7) "Hour" means a period of no less than 50 minutes of actual instruction and ~~shall not include~~ including time spent in ~~writing~~ completing tests or examinations ~~given by the school.~~

SECTION 18. REEB 25.02 (1) (a) is amended to read:
(note cert. completion good for 5 yrs., may be changed)

SECTION 19. REEB 25.02 is repealed and recreated to read: (create as title)

NEW Text here

(1) BROKER APPLICANT'S EDUCATIONAL REQUIREMENTS.

(2) BROKER APPLICANT'S PRE-LICENSE EDUCATION PROGRAM REQUIREMENTS.

(3) OUT-OF-STATE BROKER APPLICANT'S PRE-LICENSE EDUCATION PROGRAM REQUIREMENTS.

SECTION 20. REEB 25.02 Table 25.02-1 created to read:

**Table 25.02-1
Real Estate Brokers
Pre-License Educational Requirements for Original Applicants
and Continuing Education Requirements for Licensees**

Course Topic	Topic Content (associated form)	Broker's Pre-License Program 25.02 (2)	Out Of State Broker's Pre-License Program^a 25.035 (2)	Broker's Continuing Education Program 25.065
A. Contracts	1. Definition of a contract	X		
	a. Contract versus agreement	X		
	2. Elements of a contract	X		
	a. Offer	X		
	b. Acceptance	X		
	c. Consideration	X		
	d. Competent parties	X		
	3. Parties to a contract			
	a.			
	b.			
	c.			
	d.			
	4. Creating binding contracts			
	a.			
	b.			
	c.			
	d.			
	5. Validity of contracts			
	6. Drafting contracts and contingencies			
	a.			
	b.			
	c.			
	d.			
	7. Ending the contractual relationship			
	a.			
	b.			
	c.			
	d.			
	e.			
	8. Time is of the essence	X		
	9. Acceptance versus	X		

Course Topic	Topic Content (associated form)	Broker's Pre-License Program 25.02 (2)	Out Of State Broker's Pre-License Program^a 25.035 (2)	Broker's Continuing Education Program 25.065
	counteroffers			
	10. The law of conveyances	X		
	a. Conveyance defined	X		
	b. Requirements for a valid conveyance	X		
	11. Agreement to arbitrate real estate transaction disputes — s. 788.015, Stats.	X		
	12. Commercial real estate commission lien — s. 779.32, Stats.	X		
B. Approved Forms	1. The forms approval process	X		
	a. Forms committee.	X		
	b. Real estate examining board	X		
	c. Department of Safety And Professional Services	X		
	2. The authorized practice of law	X		
	a. Reynolds v. Dinger, 14 Wis. 2d 193	X	X	
	b. Approved forms and legal advice – ch. REEB 16	X		
	3. Review of forms	X		
	a. Listing contract	X		
	b. Offers	X		
	c. Counteroffer (WB-44)	X		
	d. Amendment (WB-40)	X		
	e. Buyer agency agreement (WB-36)	X		
	f. Lease (WB-37)	X		
	g. Grant of option	X		
	h. Bill of sale	X		
	i. Offer to exchange property with acceptance	X		
	j. Cancellation and mutual release	X		
	k. State bar forms — s. REEB 16.03 (1)	X		
	L. Uniform commercial code forms	X	X	
	m. Forms used in other states	X	X	
	4. Developing a form and contingency manual	X	X	
	5. Supervising salesperson's	X	X	

Course Topic	Topic Content (associated form)	Broker's Pre-License Program 25.02 (2)	Out Of State Broker's Pre-License Program^a 25.035 (2)	Broker's Continuing Education Program 25.065
	use of approved forms			
C. Trust Accounts, Escrow, Closing Statement	1. Trust accounts — ch. REEB 18	X	X	
	a. Trust account definition	X		
	b. Trust funds definition	X		
	c. When is a trust account required	X		
	d. Procedure to open a trust account	X	X	
	e. Procedure to open an interest bearing trust account	X		
	f. Authorization to sign trust account checks	X	X	
	g. Deposit of trust funds	X		
	h. Disbursement of trust funds	X		
	i. Bookkeeping system	X		
	2. Escrow agreement procedures.	X	X	
	a. Escrows requiring separate escrow agreements	X		
	b. Pre-closing earnest money escrows	X		
	c. Post closing escrows	X		
	d. Escrows not requiring separate escrow agreements	X		
	e. Drafting escrow agreements	X		
	3. Closing procedures	X		
	a. Licensees are not required by license law to perform closings	X		
	b. Choosing a closing statement	X		
	c. Closing preparation procedures	X		
	d. Setting a closing date	X		
	e. Preparing closing documentation	X		
	f. Closing procedures	X		
	g. Post closing procedures	X		
	4. Policy manual (REEB 17.08)	X	X	
D. Business Management	1. The legal environment	X		

Course Topic	Topic Content (associated form)	Broker's Pre-License Program 25.02 (2)	Out Of State Broker's Pre-License Program^a 25.035 (2)	Broker's Continuing Education Program 25.065
	a. Requirements for licensure	X		
	b. Liability concerns, risk reduction	X		
	c. Policy manual — s. REEB 17.08	X		
	2. The business plan	X		
	a. Form of ownership	X		
	b. Start up	X		
	c. Capital budget	X		
	d. Operation budget	X		
	e. Marketing strategies	X		
	3. Professional services	X		
	a. Attorneys	X		
	b. Accountants	X		
	4. Operational policies.	X		
	a. Policy and procedures manual	X		
	b. Independent contractors agreement	X		
E. Financial And Office Management	1. Financial management	X		
	a. System of income and expense accounting	X		
	b. Forms used in all systems	X		
	c. Accounting for deposits	X		
	d. Accounting for payroll	X		
	e. General disbursements	X		
	f. Accounts used for handling funds	X		
	g. Bank reconciliations	X		
	h. Financial reports	X		
	2. Budgeting	X		
	a. Definition of a budget	X		
	b. Purpose of the budget	X		
	c. Comparison of budget income and expenses	X		
	d. Preparing the budget	X		
	3. Office management — ch. REEB 15	X		
	a. Retention of records	X		
F. Personnel	1. Hiring	X		
	a. General criteria	X		

Course Topic	Topic Content (associated form)	Broker's Pre-License Program 25.02 (2)	Out Of State Broker's Pre-License Program ^a 25.035 (2)	Broker's Continuing Education Program 25.065
	b. Determining needs	X		
	c. Personnel selection	X		
	d. Equal opportunity	X		
	e. Workers' compensation	X		
	2. Contracts	X		
	a. Employee	X		
	b. Independent contractor	X		
	3. Policy manual	X		
	a. Purpose	X		
	b. Company history and philosophy	X		
	c. Development and implementation	X		
	d. Termination	X		
	4. Training	X		
	5. Licensure and supervision of employees — ch. REEB 17	X		
G. Business Ethics	1. Dealing with the public	X		
	a. Principal and agent relationship — s. REEB 24.025.	X		
	Note: Section REEB 24.025 was repealed eff. 5-1-12.	X		
	b. Treating all parties fairly — s. REEB 24.025.	X		
	Note: Section REEB 24.025 was repealed eff. 5-1-12.	X		
	c. Avoid discrimination — s. REEB 24.03 (1)	X		
	d. Competence in area of service — s. REEB 24.03 (2)	X		
	e. Legal counsel not to be discouraged — s. REEB 24.06	X		
	f. Tie-ins — s. REEB 24.075	X		
	g. Agreements in writing — s. REEB 24.08	X		
	h. Misleading market values — s. REEB 24.09	X		
	i. No net listings — s. REEB 24.10	X		
	2. Advertising — s. REEB 24.04	X		
	a. False ads	X		
	b. Disclosure to the public	X		

Course Topic	Topic Content (associated form)	Broker's Pre-License Program 25.02 (2)	Out Of State Broker's Pre-License Program ^a 25.035 (2)	Broker's Continuing Education Program 25.065
	c. Obtain permission	X		
	d. Advertised price	X		
	3. Offers — ss. REEB 24.12, 24.13	X		
	a. Confidentiality	X		
	b. Draft and submit all offers	X		
	c. Submit promptly	X		
	d. Present fairly	X		
	e. Prompt notification	X		
	4. Self-dealing — s. REEB 24.05	X		
	a. Disclosure of profits	X		
	b. Disclosure of intent	X		
	c. Property owned by licensee	X		
	d. Referral of service	X		
	e. Compensation from more than one party	X		
	5. Disclosure — s. REEB 24.07	X		
	a. Material facts	X		
	b. Property inspection	X		
	c. Agency	X		
	6. Dealings with fellow licensees	X		
	a. Negotiations through listing broker — s. REEB 24.13 (5)	X		
	b. Obtain seller's permission for subagent — s. REEB 24.07 (8) (b) 2	X		
	c. Confidentiality of offer — s. REEB 24.12	X		
	d. Disclose material facts — s. REEB 24.07 (2)	X		
	e. False information — s. REEB 24.07 (3)	X		
	f. Disclose buyer agent and seller subagent — s. REEB 24.07 (8)	X		
	g. Timely transfer of earnest money — s. REEB 18.08.	X		
	7. Dealings with licensee and salespeople	X		
	a. Licensee supervision — s. REEB 17.08	X		
	b. Office supervision — s.	X		

Course Topic	Topic Content (associated form)	Broker's Pre-License Program 25.02 (2)	Out Of State Broker's Pre-License Program^a 25.035 (2)	Broker's Continuing Education Program 25.065
	REEB 17.08			
H. Consumer Protection	1. Disclosure	X		
	a. Property inspections — s. REEB 24.07 (1) (a)	X		
	b. Investigation of other facts — s. REEB 24.07 (1) (b)	X		
	c. Use of third party inspectors — s. REEB 24.07 (2)	X		
	d. (topic) Wisconsin statutes s. 452.23, Stats.	X		
	e. Civil liability for misrepresentation	X		
	f. Seller's disclosure duties — ch. 709, Stats.	X		
	g. Buyer's inspection obligation	X		
	2. Fair housing	X		
	a. Federal law	X		
	b. State of Wisconsin law	X		
	c. Local fair housing law	X		
	d. Sanctions for violations	X		
	e. Testers and fair housing organizations	X		
	f. Conduct prohibited by fair housing law	X		
	g. Responding to fair housing questions	X		
	h. Instituting equal professional service procedures	X		
	3. Antitrust: conspiracy and group boycotts	X		
	a. Section 1 of the Sherman Act (note?)	X		
	b. "Conspiracy" requirement	X		
	c. "Restraint of trade" requirement	X		
	d. Compensation and "prices" which have been fixed	X		
	e. Situations creating inferences of price fixing	X		
	f. How to respond to antitrust situations	X		
	g. Elements same as price fixing — conspiracy and restraint of trade	X		

Course Topic	Topic Content (associated form)	Broker's Pre-License Program 25.02 (2)	Out Of State Broker's Pre-License Program ^a 25.035 (2)	Broker's Continuing Education Program 25.065
	h. Situations creating inference of boycott	X		
	i. Good boycotts: sanctions necessary to enforce reasonable industry self regulation	X		
	4. Complaint handling procedures	X		
	a. Consumer satisfaction	X		
	b. Liability avoidance	X		
	c. Feedback on fair housing or other law violations	X		
	d. Prevent complaint through education	X		
	e. Document the complaint handling program in policy and procedures manual	X		
	f. Inform the parties of the complaint handling program	X		
	g. Dispute resolution systems	X		
	5. Environmental factors	X		
	a. Underground storage tanks: registration and closure	X		
	b. Asbestos.	X		
	c. Radon.	X		
	cm. Lead-based paint	X		
	d. Procedures for "high risk" properties	X		
	e. Wetlands and floodplain.	X		
	6. Education buyers and sellers	X		
	a. Property inspection and disclosure of defects	X		
	b. Earnest money procedures	X		
	c. Licensees' responsibilities and expertise	X		
	d. Utilizing third party experts	X		
	e. Inspection of residential elevators and conveyances – ch. SPS 318	X		
J. Specialty Areas	1. Property management	X		
	a. Management contracts	X		
	b. Insurance liability	X		
	c. Security deposits	X		
	d. Breach of lease	X		
	e. Property inspections	X		

Course Topic	Topic Content (associated form)	Broker's Pre-License Program 25.02 (2)	Out Of State Broker's Pre-License Program^a 25.035 (2)	Broker's Continuing Education Program 25.065
	f. Tenant and landlord rights and obligations — ch. ATCP 134	X		
	g. Rules regarding negotiating leases	X		
	2. Business opportunities.	X		
	a. Special expertise and licensing requirements — s. REEB 24.03	X		
	b. Approved forms	X		
	c. Bulk sales law	X		
	3. Selling specialized properties as a brokerage activity	X		
	4. Alternative marketing methods	X		
	a. Exchanges	X		
	b. Installment sales	X		
	c. Syndication	X		
	d. Cooperatives	X		
	5. Mortgage banking.	X		
	a. Definition of mortgage banker, loan originator, loan solicitor	X		
	b. When separate registration is needed	X		
	c. Legality of referral fees, "Real Estate Settlement Procedures Act"	X		
	6. Real estate appraisal	X		
	a. Definition	X		
	b. When separate certification is needed	X		
	7. Farms	X		
	a. Specialized forms	X		
	8. Auctions	X		
	a. Auctioneer requires real estate license to call auction of real estate	X		
	9. Mobile homes	X		
	a. When a real estate license or separate license is required	X		
	10. Time-share	X		
	a. Familiarity with ch. 707, Stats., when selling time-shares	X		

^a For out-of-state broker applicants, see also s. REEB 25.025

^b See also, s. REEB 25.03.

^c For out-of-state salesperson applicants see also s. REEB 25.035.

SECTION 21. REEB 25.025 is repealed.

SECTION 22. KEEP CONT. EDUC.

SECTION 23. REEB 25.03 is repealed and recreated to read:

- (1) SALESPERSON APPLICANT'S EDUCATIONAL REQUIREMENTS.
- (2) SALESPERSON APPLICANT'S PRE-LICENSE EDUCATION PROGRAM REQUIREMENTS.
- (3) OUT-OF-STATE SALESPERSON APPLICANT'S PRE-LICENSE EDUCATION PROGRAM REQUIREMENTS.

SECTION 24. REEB 25.03 Table 25.03-1 created to read:

**Table 25.03-1
Real Estate Salespersons
Pre-License Educational Requirements for Original Applicants
and Continuing Education Requirements for Licensees**

Course Topic	Topic Content (associated form)	Sales- Person's Pre-License Program ^b 25.03 (3)	Out Of State Sales- Person's Pre-License Program ^c 25.035 (2)	Sales- Person's Continuing Education Program 25.065
A. Contracts	1. Definition of a contract			
	a. Contract versus agreement.			
	2. Elements of a contract			
	a. Offer			
	b. Acceptance			
	c. Consideration			
	d. Competent parties			
	3. Time is of the essence			
	4. Acceptance versus counteroffers			
	5. The law of conveyances			
	a. Conveyance defined			
	b. Requirements for a valid conveyance			
	6. Agreement to arbitrate real estate transaction disputes — s. 788.015, Stats.			
	7. Commercial real estate commission lien — s. 779.32, Stats.			
B. Approved Forms	1. Forms approval process			
	a. Forms committee			
	B. Real Estate Examining Board			
	C. Department Of Safety And Professional Services			
	2. The authorized practice of law			
	a. Reynolds v. Dinger, 14 Wis. 2d 193			
	b. (title) –ch. REEB 16			
	3. Review of forms			
	a. Listing contract			

Course Topic	Topic Content (associated form)	Sales-Person's Pre-License Program^b 25.03 (3)	Out Of State Sales-Person's Pre-License Program^c 25.035 (2)	Sales-Person's Continuing Education Program 25.065
	b. Offer			
	c. Counteroffer			
	d. Amendment			
	e. Buyer agency agreement			
	f. Lease			
	g. Grant of option			
	h. Bill of sale			
	i. Offer to exchange property with acceptance			
	j. Cancellation and mutual release			
	k. State bar forms — s. REEB 16.03 (1)			
	L. Uniform commercial code forms			
	m. Forms used in other states			
	4. Developing a form and contingency manual			
	5. Supervising salesperson's use of approved forms			
C. Trust Accounts, Escrow, Closing Statement	1. Trust accounts — ch. REEB 18			
	a. Trust account definition			
	b. Trust funds definition			
	c. When is a trust account required			
	d. Procedure to open a trust account			
	e. Procedure to open an interest bearing trust account.			
	f. Authorization to sign trust account checks			
	g. Deposit of trust funds			
	h. Disbursement of trust funds			
	i. Bookkeeping system			
	2. Escrow agreement procedures			
	a. Escrows requiring separate escrow			

Course Topic	Topic Content (associated form)	Sales-Person's Pre-License Program^b 25.03 (3)	Out Of State Sales-Person's Pre-License Program^c 25.035 (2)	Sales-Person's Continuing Education Program 25.065
	agreements			
	b. Pre-closing earnest money escrows			
	c. Post closing escrows.			
	d. Escrows not requiring separate escrow agreements			
	e. Drafting escrow agreements			
	3. Closing procedures			
	a. Licensees are not required by license law to perform closings			
	b. Choosing a closing statement			
	c. Closing preparation procedures			
	d. Setting a closing date			
	e. Preparing closing documentation			
	f. Closing procedures			
	g. Post closing procedures			
D. Business Management and Marketing	1. The legal environment			
	a. Licensure			
	b. Legal concerns			
	c. Policy manual — s. REEB 17.08			
	2. The business plan			
	a. Form of ownership			
	b. Start up			
	c. Capital budget			
	d. Operation budget			
	e. Marketing strategies			
	3. Professional services			
	a. Attorneys			
	b. Accountants			
	4. Operational policies			
	a. Policy and procedures manual			
	b. Independent contractors agreement			
E. Financial and Office Management	1. Financial management			

Course Topic	Topic Content (associated form)	Sales-Person's Pre-License Program^b 25.03 (3)	Out Of State Sales-Person's Pre-License Program^c 25.035 (2)	Sales-Person's Continuing Education Program 25.065
	a. System of income and expense accounting			
	b. Forms used in all systems.			
	c. Accounting for deposits.			
	d. Accounting for payroll			
	e. General disbursements			
	f. Accounts used for handling funds			
	g. Bank reconciliations			
	h. Financial reports			
	2. Budgeting			
	a. Definition of a budget			
	b. Purpose of the budget			
	c. Comparison of budget income and expenses			
	d. Preparing the budget			
	3. Office management — ch. REEB 15			
	a. Retention of records			
F. Personnel	1. Hiring			
	a. General criteria			
	b. Determining needs.			
	c. Personnel selection.			
	d. Equal opportunity			
	e. Workers' compensation			
	2. Contracts			
	a. Employee			
	b. Independent contractor			
	3. Policy manual			
	a. Purpose			
	b. Company history and philosophy			
	c. Development and implementation			
	d. Termination			
	4. Training			
	5. Licensure and supervision of employees — ch. REEB 17			
G. Business Ethics	1. Dealing with the public			
	a. Principal and agent relationship — s. REEB 24.025.			

Course Topic	Topic Content (associated form)	Sales-Person's Pre-License Program ^b 25.03 (3)	Out Of State Sales-Person's Pre-License Program ^c 25.035 (2)	Sales-Person's Continuing Education Program 25.065
	Note: Section REEB 24.025 was repealed eff. 5-1-12.			
	b. Treating all parties fairly — s. REEB 24.025.			
	Note: Section REEB 24.025 was repealed eff. 5-1-12.			
	c. Avoid discrimination — s. REEB 24.03 (1)			
	d. Competence in area of service — s. REEB 24.03 (2).			
	e. Legal counsel not to be discouraged — s. REEB 24.06			
	f. Tie-ins — s. REEB 24.075			
	g. Agreements in writing — s. REEB 24.08			
	h. Misleading market values — s. REEB 24.09			
	i. No net listings — s. REEB 24.10			
	2. Advertising — s. REEB 24.04			
	a. False ads			
	b. Disclosure to the public			
	c. Obtain permission			
	d. Advertised price			
	3. Offers — ss. REEB 24.12, 24.13			
	a. Confidentiality			
	b. Draft and submit all offers			
	c. Submit promptly			
	d. Present fairly			
	e. Prompt notification			
	4. Self-dealing — s. REEB 24.05			
	a. Disclosure of profits.			
	b. Disclosure of intent			
	c. Property owned by licensee			
	d. Referral of service			
	e. Compensation from			

Course Topic	Topic Content (associated form)	Sales-Person's Pre-License Program ^b 25.03 (3)	Out Of State Sales-Person's Pre-License Program ^c 25.035 (2)	Sales-Person's Continuing Education Program 25.065
	more than one party			
	5. Disclosure — s. REEB 24.07			
	a. Material facts			
	b. Property inspection			
	c. Agency			
	6. Dealings with fellow licensees			
	a. Negotiations through listing broker — s. REEB 24.13 (5)			
	b. Obtain seller's permission for subagent — s. REEB 24.07 (8) (b) 2			
	c. Confidentiality of offer — s. REEB 24.12			
	d. Disclose material facts — s. REEB 24.07 (2)			
	e. False information — s. REEB 24.07 (3)			
	f. Disclose buyer agent and seller subagent — s. REEB 24.07 (8)			
	g. Timely transfer of earnest money — s. REEB 18.08.			
	7. Dealings with licensee and salespeople			
	a. Licensee supervision — s. REEB 17.08			
	b. Office supervision – s. REEB 17.08			
H. Consumer Protection	1. Disclosure			
	a. Property inspections — s. REEB 24.07 (1) (a)			
	b. Investigation of other facts — s. REEB 24.07 (1) (b)			
	c. Use of third party inspectors — s. REEB 24.07 (2)			
	d. Wisconsin statutes s. 452.23, Stats			
	e. Civil liability for misrepresentation			
	f. Seller's disclosure			

Course Topic	Topic Content (associated form)	Sales-Person's Pre-License Program^b 25.03 (3)	Out Of State Sales-Person's Pre-License Program^c 25.035 (2)	Sales-Person's Continuing Education Program 25.065
	duties — ch. 709, Stats			
	g. Buyer's inspection obligation.			
	2. Fair housing			
	a. Federal law			
	b. State of Wisconsin law			
	c. Local fair housing law			
	d. Sanctions for violations			
	e. Testers and fair housing organizations			
	f. Conduct prohibited by fair housing law			
	g. Responding to fair housing questions			
	h. Instituting equal professional service procedures			
	3. Antitrust: conspiracy and group boycotts			
	a. Section 1 of the Sherman Act			
	b. "Conspiracy" requirement			
	c. "Restraint of trade" requirement			
	d. Compensation and "prices" which have been fixed			
	e. Situations creating inferences of price fixing			
	f. How to respond to antitrust situations			
	g. Elements same as price fixing — conspiracy and restraint of trade			
	h. Situations creating inference of boycott			
	i. Good boycotts: sanctions necessary to enforce reasonable industry self regulation			
	4. Complaint handling procedures			
	a. Consumer satisfaction			
	b. Liability avoidance			
	c. Feedback on fair			

Course Topic	Topic Content (associated form)	Sales-Person's Pre-License Program ^b 25.03 (3)	Out Of State Sales-Person's Pre-License Program ^c 25.035 (2)	Sales-Person's Continuing Education Program 25.065
	housing or other law violations			
	d. Prevent complaint through education			
	e. Document the complaint handling program in policy and procedures manual			
	f. Inform the parties of the complaint handling program			
	g. Dispute resolution systems			
	5. Environmental factors			
	a. Underground storage tanks: registration and closure			
	b. Asbestos			
	c. Radon			
	cm. Lead-based paint			
	d. Procedures for "high risk" properties			
	e. Wetlands and floodplain			
	6. Education buyers and sellers			
	a. Property inspection and disclosure of defects			
	b. Earnest money procedures.			
	c. Licensees' responsibilities and expertise			
	d. Utilizing third party experts			
I. Specialty Areas	1. Property management			
	a. Management contracts			
	b. Insurance liability			
	c. Security deposits.			
	d. Breach of lease			
	e. Property inspections			
	f. Tenant and landlord rights and obligations — ch. ATCP 134			
	g. Rules regarding negotiating leases			

Course Topic	Topic Content (associated form)	Sales-Person's Pre-License Program^b 25.03 (3)	Out Of State Sales-Person's Pre-License Program^c 25.035 (2)	Sales-Person's Continuing Education Program 25.065
	2. Business opportunities			
	a. Special expertise and licensing requirements — s. REEB 24.03			
	b. Approved forms			
	c. Bulk sales law			
	3. Selling specialized properties as a brokerage activity			
	4. Alternative marketing methods			
	a. Exchanges			
	b. Installment sales			
	c. Syndication			
	d. Cooperatives			
	5. Mortgage banking.			
	a. Definition of mortgage banker, loan originator, loan solicitor			
	b. When separate registration is needed			
	c. Legality of referral fees, "Real Estate Settlement Procedures Act"			
	6. Real estate appraisal			
	a. Definition			
	b. When separate certification is needed			
	7. Farms			
	a. Specialized forms			
	8. Auctions			
	a. Auctioneer requires real estate license to call auction of real estate			
	9. Mobile (manufactured) homes			
	a. When a real estate license or separate license is required			
	10. Time-share			
	a. Familiarity with selling time shares, ch. 707, Stats.			

^a For out-of-state broker applicants, see also s. REEB 25.025

^b See also, s. REEB 25.03.

^c For out-of-state salesperson applicants see also s. REEB 25.03

SECTION 25. REEB 25.025 is repealed.

SECTION 26. REEB 25.025 (title) is amended to read: **REPEAL?**

SECTION 27. REEB 25.025 (2) (a) and (b) are amended to read: (titles)

SECTION 28. REEB 25.05 (1) (intro.) and (5) are amended to read:

REEB 25.05 Requirements for approval of pre-license education courses taken for academic credit at an accredited institution of higher education.

(1) A school seeking initial approval of pre-license credit courses in real estate shall submit its application on a form provided by the ~~department~~ board no later than 30 days before course is initially offered. The board may require the following information and materials:

(5) A school may not discriminate against anyone on the basis of ~~sex~~ gender, race, color, sexual orientation as defined in s. [111.32 \(13m\)](#), Stats., handicap, religion, age, physical disability, or national origin in their educational programs.

SECTION 29. REEB 25.03 (3) repealed and recreated to read: **(ok with tabular format; but place on-line here as others and note in rule intro.)**

Table 25.06-1

SECTION 30. REEB 25.05 (1) is amended to read:

REEB 25.05 (1) Requirements for approval of pre– license education courses taken for academic credit at an accredited institution of higher education.

(1) A school seeking initial approval of pre-license credit courses in real estate shall submit its application on a form provided by the department at least 30 days prior to the first date a course is offered. The board may require the following information and materials:

SECTION 31. REEB 25.06 (1) (a) Note, (d) and (2) (a) 4. Note are amended to read:

SECTION 32. REEB 25.065 (2) and (Note) are repealed.

SECTION 33. REEB 25.065 (3) is amended to read:

REEB 25.065 (3) A licensee shall submit evidence of completion of the continuing education requirement when applying for renewal of license. For expired licenses, these requirements include: providing proof of having successfully completed any 8 of the 15 hours of education in s. REEB 25.03 (3) (h) and the 4 hours of education in s. REEB 25.03 (3) (m), or of having successfully completed the educational program in s. REEB 25.035 (2). The department shall withhold issuance of the renewal license until such evidence is submitted and the licensee may not engage in the practice of real estate until having submitted such evidence and having received the license. In this paragraph “successfully completed” means passing an examination pursuant to s. REEB 25.066 (6) (d).

SECTION 34. REEB 25.065 (5) is amended to read:

~~SECTION 35. REEB 26.065 (7m) and (Note) are created to read:~~

~~**REEB 26.065 (7m)** A licensed real estate broker who specializes in commercial and industrial real estate may meet the continuing education requirement by completing courses specific to commercial and industrial real estate provided by a nationally recognized organization.~~

~~**Note:** Providers of commercial and industrial real estate courses include at least the following : CCIM Institute, 430 North Michigan Avenue, Suite 800, Chicago, IL 60611; phone: (312) 321-4460; webpage: www.ccim.com; SIOR — Society of Industrial and Office REALTORS®, 1201 New York Ave., NW, Ste. 350; Washington, DC 20005-6126 USA; phone: (202) 449-8200; FAX: (202) 216-9325; and IREM — Institute of Real Estate Management; IREM Headquarters ; 430 North Michigan Avenue; Chicago, Illinois 60611; phone: (800) 837-0706; Fax: (800) 338-4736; webpage: irem.org.~~

SECTION 36. REEB 25.065 (8) (a) and (b) are amended to read:

SECTION 37. REEB 25.066 (2) and (Note) are amended to read:

REEB 25.066 (2) Instructors of continuing education programs and courses shall be approved by the board. Instructors may teach an approved course at any approved school. Instructors shall be knowledgeable in the subject ~~which~~ areas that they are teaching and shall possess at least one of the following minimum qualifications:

Note: An applicant may obtain a copy of the Application for Approval of Instructor, Form #831, 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 download from the department’s webpage: <http://dsps.wi.gov/>.

SECTION 38. REEB 25.066 (6) (c) is renumbered (6) (b).

SECTION 39. REEB 25.07 (2) (a), (c) and (c) (4) are amended to read:

REEB 25.07 **(2) CERTIFICATION OF ATTENDANCE.** **(a)** Schools shall provide an individual certificate of attendance to all students upon satisfactory completion of board-approved education programs and courses.

(c) Certificates for pre-license noncredit programs and all continuing education programs and courses shall meet all of the following criteria:

4. Clearly state the number of ~~hours~~ course hour credits the student has successfully completed in an educational program presented as classroom education.

SECTION 40.

SECTION 41. REEB 25.075 is repealed.

SECTION 42. REEB 25.08 (1) (intro.), (3) (a) and (3) (a) 1. to 6. are amended to read:

REEB 25.08 Investigation and review. (1) PERIODIC REVIEW. The board, or its duly authorized representative, shall investigate and review all approved educational programs, courses, and instructors. The method of review shall be determined by the board in each case and ~~will generally~~ consist of at least the following:

(3) DENIAL OR WITHDRAWAL OF APPROVAL. (a) The board may limit, suspend or revoke the approval of a school or instructor to conduct any program or course which had been approved pursuant to this chapter, when the school or instructor meets any of the following:

1. Has falsified information on any application or certificate of attendance submitted to the department;

2. Has not complied with the conditions for approval;

3. Has given credit to students for an amount of time present in class when the actual amount was less than the credited amount;

4. Has divulged to students before administration of a continuing education course examination questions which will be used in the examination when administered;

5. Has not followed the course outline approved by the board;

6. Has provided instruction on several occasions when not adequately prepared to teach; or.

SECTION 43. 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)

Dated _____

Agency _____

Board Chairperson
Real Estate Examining Board

State of Wisconsin



2013 Senate Bill 457

Date of enactment:
Date of publication*:

2013 WISCONSIN ACT

AN ACT *to create* 452.01 (5n), 452.01 (5p) and 452.137 of the statutes; **relating to:** cooperation of Wisconsin licensed real estate brokers with out-of-state real estate brokers, salespersons, and time-share salespersons, powers of out-of-state brokers, requiring the exercise of rule-making authority, and providing a penalty.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 452.01 (5n) of the statutes is created to read:

452.01 (5n) "Out-of-state broker" means a person who is not licensed under this chapter and who is regularly and lawfully engaged in the real estate brokerage business in another state, a territory or possession of the United States, or a foreign country.

SECTION 2. 452.01 (5p) of the statutes is created to read:

452.01 (5p) "Out-of-state salesperson" means a person who is not licensed under this chapter and who is employed by an out-of-state broker. "Out-of-state salesperson" includes a time-share salesperson employed by an out-of-state broker.

SECTION 3. 452.137 of the statutes is created to read:

452.137 Cooperation with out-of-state brokers and salespersons. (1) DEFINITIONS. In this section:

(a) "Cooperative agreement" means the agreement established by the board under sub. (4).

(b) "Licensed broker" means a broker who is licensed under this chapter.

(c) "Licensed salesperson" means a salesperson who is licensed under this chapter.

(d) "Licensed time-share salesperson" means a time-share salesperson who is licensed under this chapter.

(2) OUT-OF-STATE BROKERS. (a) Except as provided in par. (b), an out-of-state broker may act as a broker in this state only if the out-of-state broker does all of the following:

1. Enters into a cooperative agreement with a licensed broker and cooperates with the licensed broker on the listing agreement that is subject to the cooperative agreement. Each cooperative agreement may cover only one listing agreement.

2. Submits to the licensed broker evidence that the out-of-state broker is licensed in good standing to engage in real estate brokerage in a jurisdiction other than this state.

(b) An out-of-state broker, including an out-of-state broker who is a party to a cooperative agreement, may not do any of the following:

1. Enter into a listing agreement concerning real estate located in this state.

2. For commission, money, or other thing of value, promote in this state the sale, exchange, purchase, option, rental, or leasing of real estate located in this state, including by posting signs on the property.

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

(c) An out-of-state broker who is a party to a cooperative agreement with a licensed broker, and any out-of-state salesperson of the out-of-state broker, shall comply with the laws of this state, and the out-of-state broker shall file with the board an irrevocable consent that actions may be commenced against the out-of-state broker in the proper court of any county in this state in which a cause of action arises or the plaintiff resides, by the service of any process or pleading authorized by the laws of this state on the board or any duly authorized employee. The consent shall stipulate and agree that such service is valid and binding as due service upon the out-of-state broker in all courts in this state. The consent shall be duly acknowledged and, if made by a corporation, shall be authenticated by the corporate seal.

(d) A licensed broker who is a party to a cooperative agreement with an out-of-state broker, and any licensed salesperson or licensed time-share salesperson of the licensed broker, may not act under the cooperative agreement on behalf of a broker who is not a party to the cooperative agreement.

(e) 1. An out-of-state broker who is a party to a cooperative agreement with a licensed broker shall maintain the originals or copies of all documents the out-of-state broker receives, maintains, or generates in connection with any transaction subject to the cooperative agreement, for at least 3 years after the date of closing or completion of the transaction, or, if no closing or completion occurs, 3 years after the date on which the parties execute the cooperative agreement.

2. An out-of-state broker who is a party to a cooperative agreement with a licensed broker shall deposit with the licensed broker copies of all documents the out-of-state broker is required to maintain under subd. 1., unless the out-of-state broker and licensed broker agree in writing that the out-of-state broker is not required to do so.

(f) No person may pay an out-of-state broker a commission, money, or other thing of value for brokerage services unless the out-of-state broker is a party to a cooperative agreement with a licensed broker.

(g) Notwithstanding s. 452.01 (2) (bm), no out-of-state broker may, for commission, money, or other thing of value, show a property in this state that is offered exclusively for rent unless that showing is authorized under a cooperative agreement between the out-of-state broker and a licensed broker.

(3) **OUT-OF-STATE SALESPERSONS.** An out-of-state salesperson may act as a salesperson or time-share sales-

person in this state only if all of the following conditions are met:

(a) The out-of-state broker who employs the out-of-state salesperson satisfies all of the applicable requirements under sub. (2).

(b) The out-of-state salesperson works under the direct supervision of the out-of-state broker.

(c) The out-of-state salesperson submits evidence to the licensed broker that the out-of-state salesperson is licensed in good standing or is otherwise authorized to act as a salesperson or time-share salesperson in a jurisdiction other than this state.

(d) In any transaction subject to the cooperative agreement, the out-of-state salesperson represents only the out-of-state broker who is a party to the cooperative agreement and with whom the out-of-state salesperson is employed.

(4) **COOPERATIVE AGREEMENT.** (a) The board shall, by rule, establish the form and terms of the cooperative agreement.

(b) The cooperative agreement shall do at least all of the following:

1. Establish the terms of cooperation between the out-of-state broker, any out-of-state salesperson, and the licensed broker.

2. Establish the terms of the out-of-state broker's compensation.

3. Provide that all client funds, as defined in s. 452.13 (1) (a), that the out-of-state broker and licensed broker receive in connection with a transaction subject to the cooperative agreement shall be deposited in a trust account maintained by the licensed broker.

(5) **PENALTY.** (a) Subject to the rules promulgated under s. 440.03 (1), the board may conduct investigations and hold hearings to determine whether a person has violated this section or a rule promulgated under this section.

(b) Notwithstanding s. 452.17 (3), any person who violates this section or a rule promulgated under this section may be fined, for each violation, not more than the greater of the following:

1. Five thousand dollars.

2. For a sales transaction, 1 percent of the purchase price of the property subject to the cooperative agreement.

3. For a lease or rental transaction, 1 percent of the total lease or rental value of the property subject to the cooperative agreement.

SECTION 4. Effective date.

(1) This act takes effect on January 1, 2015.

State of Wisconsin



2013 Senate Bill 531

Date of enactment:
Date of publication*:

2013 WISCONSIN ACT

AN ACT *to renumber and amend* 452.15; *to amend* 452.01 (4), 452.025 (5) (b), 452.12 (3) and 452.14 (3) (intro.); and *to create* 440.03 (13) (bm), 452.01 (3p), 452.01 (4v), 452.05 (1) (h), 452.05 (1) (i), 452.07 (2), 452.12 (5) (d), 452.139 (3), 452.14 (2m), 452.14 (3) (o), 452.14 (3) (p), 452.14 (4r), 452.15 (2) and 452.25 of the statutes; **relating to:** eligibility for a broker's or salesperson's license or a time-share salesperson's certificate of registration following a criminal conviction, immunity for employing real estate brokers in certain actions, granting rule-making authority, and providing a penalty.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 440.03 (13) (bm) of the statutes is created to read:

440.03 (13) (bm) Upon a request by the real estate examining board, the department may conduct an investigation to determine whether an individual seeking a determination by the real estate examining board under the rules promulgated under s. 452.07 (2) has an arrest or conviction record. In conducting an investigation under this paragraph, the department may require an individual to provide any information that is necessary for the investigation.

SECTION 2. 452.01 (3p) of the statutes is created to read:

452.01 (3p) "Crime" does not include a crime for which the individual has been pardoned; a crime for which the conviction has been reversed, set aside, or vacated; or a crime for which the conviction has been expunged under s. 973.015.

SECTION 3. 452.01 (4) of the statutes is amended to read:

452.01 (4) "Disciplinary proceeding" means a proceeding against one or more licensees or registrants in which the board may revoke, suspend, or limit a license or registration, reprimand a licensee or registrant, issue a private letter of warning to a licensee or registrant, or assess a forfeiture or require education or training under s. 452.14 (4m) or (4r).

SECTION 4. 452.01 (4v) of the statutes is created to read:

452.01 (4v) "Felony" means a felony under the laws of this state or a crime committed elsewhere that would be a felony if committed in this state. "Felony" does not include a felony for which the applicant has been pardoned; a felony for which the conviction has been reversed, set aside, or vacated; or a felony for which the conviction has been expunged under s. 973.015.

SECTION 5. 452.025 (5) (b) of the statutes is amended to read:

452.025 (5) (b) An application to renew a certificate of registration granted under this section shall, on or before the applicable renewal date specified under s. 440.08 (2) (a), be submitted with the applicable renewal fee determined by the department under s. 440.03 (9) (a)

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

on or before the applicable renewal date specified under s. 440.08 (2) (a) and a completed copy of the form under s. 452.05 (1) (i).

SECTION 6. 452.05 (1) (h) of the statutes is created to read:

452.05 (1) (h) If the board promulgates rules under s. 452.07 (2), create a form on which an individual applying for a determination under those rules may do all of the following:

1. State whether he or she has ever been convicted of a crime.

2. Identify the date of conviction for any crime described under subd. 1. and describe the nature and circumstances of the crime.

3. Sign his or her name to attest to the accuracy and truthfulness of the information under subds. 1. and 2. and to acknowledge the department's authority to conduct an investigation under s. 440.03 (13).

SECTION 7. 452.05 (1) (i) of the statutes is created to read:

452.05 (1) (i) Create a form on which an individual applying to renew a broker's or salesperson's license or a time-share salesperson's certificate of registration may do all of the following:

1. State whether he or she has been convicted of a crime since he or she last applied to renew the license or certificate or, for an initial renewal, since he or she initially applied for the license or certificate.

2. Identify the date of conviction for any crime described under subd. 1. and describe the nature and circumstances of the crime.

3. Sign his or her name to attest to the accuracy and truthfulness of the information under subds. 1. and 2. and to acknowledge all of the following:

a. The department's authority to conduct an investigation under s. 440.03 (13).

b. The board's authority to revoke the license or certificate under s. 452.14 (3) (o).

c. The board's authority to assess forfeitures under s. 452.14 (4r).

SECTION 8. 452.07 (2) of the statutes is created to read:

452.07 (2) The board may promulgate rules establishing a procedure that allows an individual who does not possess a broker's or salesperson's license or a time-share salesperson's certificate of registration to, without submitting a full application and without paying the fees applicable to applicants, apply to the board for a determination of whether the individual would be disqualified from obtaining a license or certificate due to his or her criminal record. A determination made under this subsection, with respect to criminal convictions reviewed by the board as part of the determination, is binding upon the board and the department if the individual subsequently applies for a license or certificate, unless there is informa-

tion relevant to the determination that was not available to the board at the time of the determination.

SECTION 9. 452.12 (3) of the statutes is amended to read:

452.12 (3) (a) Each Subject to s. 452.139 (3), each broker shall supervise, and is responsible for, the brokerage services provided on behalf of the broker by any broker, salesperson, or time-share salesperson who is an employee of the broker.

SECTION 10. 452.12 (5) (d) of the statutes is created to read:

452.12 (5) (d) At the time of renewal, each broker or salesperson who is an individual shall complete the form under s. 452.05 (1) (i).

SECTION 11. 452.139 (3) of the statutes is created to read:

452.139 (3) **LIABILITY FOR NEGLIGENT HIRING.** An employing broker that hires an individual who is licensed or registered under this chapter and who commits a crime under the laws of this state or another wrongful act may not be held civilly liable for hiring that individual in a claim brought for negligent hiring if, regardless of whether the employing broker conducted its own investigation, the employing broker relied on the investigations conducted by the department under s. 440.03 (13) or on any determination made by the board, including a determination under s. 452.07 (2) or 452.25.

SECTION 12. 452.14 (2m) of the statutes is created to read:

452.14 (2m) The board shall conduct disciplinary proceedings in accordance with the rules adopted under s. 440.03 (1).

SECTION 13. 452.14 (3) (intro.) of the statutes is amended to read:

452.14 (3) (intro.) ~~Disciplinary proceedings shall be conducted by the board according to rules adopted under s. 440.03 (1).~~ The board may revoke, suspend or limit any broker's, salesperson's, or time-share salesperson's license or registration, or reprimand the holder of the license or registration, if it finds that the holder of the license or registration has:

SECTION 14. 452.14 (3) (o) of the statutes is created to read:

452.14 (3) (o) Violated s. 452.25 (2) (a) or failed to pay any forfeiture assessed by the board under sub. (4r) for such a violation.

SECTION 14m. 452.14 (3) (p) of the statutes is created to read:

452.14 (3) (p) Been convicted of a felony that is a bar to licensure or registration under s. 452.25 (1) (a).

SECTION 16. 452.14 (4r) of the statutes is created to read:

452.14 (4r) The board may assess against an individual who is licensed or registered under this chapter a forfeiture of \$1,000 for a violation under s. 452.25 (2) (a).

SECTION 17. 452.15 of the statutes is renumbered 452.15 (1) and amended to read:

452.15 (1) ~~No~~ Except as otherwise provided in sub. (2), no license or certificate of registration may be issued under this chapter to any person whose license or certificate under this chapter has been revoked until the expiration of a period determined in each case by the board or, in the case of revocation under s. 452.17 (4) (a) 2., a period determined in each case by the board of not less than 5 years from the date the revocation became finally effective.

SECTION 18. 452.15 (2) of the statutes is created to read:

452.15 (2) Issuance of a license or certificate of registration to an individual whose license or certificate is revoked under s. 452.14 (3) (p) is subject to the provisions in s. 452.25 (1).

SECTION 19. 452.25 of the statutes is created to read:

452.25 Criminal convictions and disclosures. (1) FELONY CONVICTIONS. (a) Notwithstanding ss. 111.321, 111.322, and 111.335, and except as provided in pars. (b) to (e), no applicant who is an individual may be issued a broker's or salesperson's license or a time-share salesperson's certificate of registration if the applicant has been convicted of a felony.

(b) If an applicant has been convicted of a felony described under par. (a); the applicant has completed the confinement portion of his or her sentence, if the applicant is serving a bifurcated sentence, or has been released from prison to parole or released upon the completion of his or her sentence; and 3 years have elapsed since the date on which the confinement portion was completed or the applicant was released, the applicant may apply to the board for a determination as to whether the applicant is suitable to be granted a license or certificate.

(c) If an applicant applies for a determination under par. (b), the board may require the applicant to provide any information that is necessary for the investigation and shall make a determination by doing all of the following:

1. Reviewing any information relating to the felony.
2. Reviewing any supplemental information provided by the applicant bearing upon his or her suitability for licensure as a broker or salesperson or for registration as a time-share salesperson.
3. Considering all of the following factors:
 - a. The severity and nature of the felony.
 - b. The amount of time that has elapsed.
 - c. The number or pattern of felonies or other similar incidents that gave rise to the felony conviction.

d. The circumstances surrounding the felony that may have a bearing on whether the applicant might repeat the behavior that was the subject of the felony.

e. The relationship of the felony to real estate practice.

f. The applicant's activities since the felony, including employment, education, participation in treatment, payment of restitution, and any other factor that may be evidence of rehabilitation.

(d) With respect to a determination under par. (c), the applicant bears the burden of demonstrating his or her suitability for licensure or registration.

(e) If the board makes a determination under par. (c) to allow an applicant to be granted a broker's or salesperson's license or a time-share salesperson's certificate of registration, the applicant shall be granted the license or certificate if the applicant satisfies all other requirements for granting the license or certificate of registration.

(2) FALSE AFFIRMATIONS. (a) No person may intentionally submit any false information on a form created by the board under s. 452.05 (1) (h) or (i).

(b) No applicant may be issued an initial broker's or salesperson's license or time-share salesperson's certificate of registration, and no applicant may renew such a license or certificate, if the applicant has violated par. (a) and failed to pay any forfeiture assessed by the board under s. 452.14 (4r) for that violation.

SECTION 20. Initial applicability.

(1) **FELONY DISQUALIFICATION.**

(a) *Initial licenses and certificates.* The treatment of section 452.25 (1) (with respect to applications for an initial license or registration) of the statutes first applies to an initial license or registration under chapter 452 of the statutes that is issued on the effective date of this paragraph.

(b) *License and certificate renewals.* The treatment of section 452.25 (1) of the statutes first applies to an applicant who renews a license or registration under chapter 452 of the statutes on the effective date of this paragraph.

(2) **CRIMINAL CONVICTION DISCLOSURE FORM.** The treatment of sections 452.025 (5) (b), 452.05 (1) (i), and 452.12 (5) (d) of the statutes first applies to an applicant who renews a license or registration under chapter 452 of the statutes on the effective date of this subsection.

(3) **LICENSE AND CERTIFICATE REVOCATIONS.** The treatment of section 452.14 (3) (p) of the statutes first applies to a judgment of conviction entered on the effective date of this subsection.

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

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request: Matthew C. Niehaus, DSPS WebMaster		2) Date When Request Submitted: 04/07/14 Items will be considered late if submitted after 4:30 p.m. on the deadline date: <ul style="list-style-type: none"> ▪ 8 business days before the meeting for paperless boards ▪ 14 business days before the meeting for all others 	
3) Name of Board, Committee, Council, Sections: Real Estate Examining Board			
4) Meeting Date: 04/17/14	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page? DLSC Paperless Screening Panel Initiative - APPEARANCE	
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 checked="" 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: Jane Brischke: Program & Policy Analyst – Advanced Cortney Keo: Records Management Supervisor Kelley Foster: Medical Examining Board Intake Specialist Matthew C. Niehaus: DSPS Webmaster The above staff will be appearing before the Real Estate Examining Board to present the DLSC Paperless Screening Panel Initiative. Beginning in June, Real Estate Examining Board Screening Panel Members will be able to access case materials through the Board SharePoint site.			
11) Authorization			
 Signature of person making this request		04/07/14 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.			

BOARD APPEARANCE REQUEST FORM

Appearance Information

Board Name: Real Estate Examining Board

Board Meeting Date: 04/17/14

Person Submitting Agenda Request: Matthew C. Niehaus: DSPP WebMaster

Persons requesting an appearance:

Jane Brischke: Program & Policy Analyst – Advanced

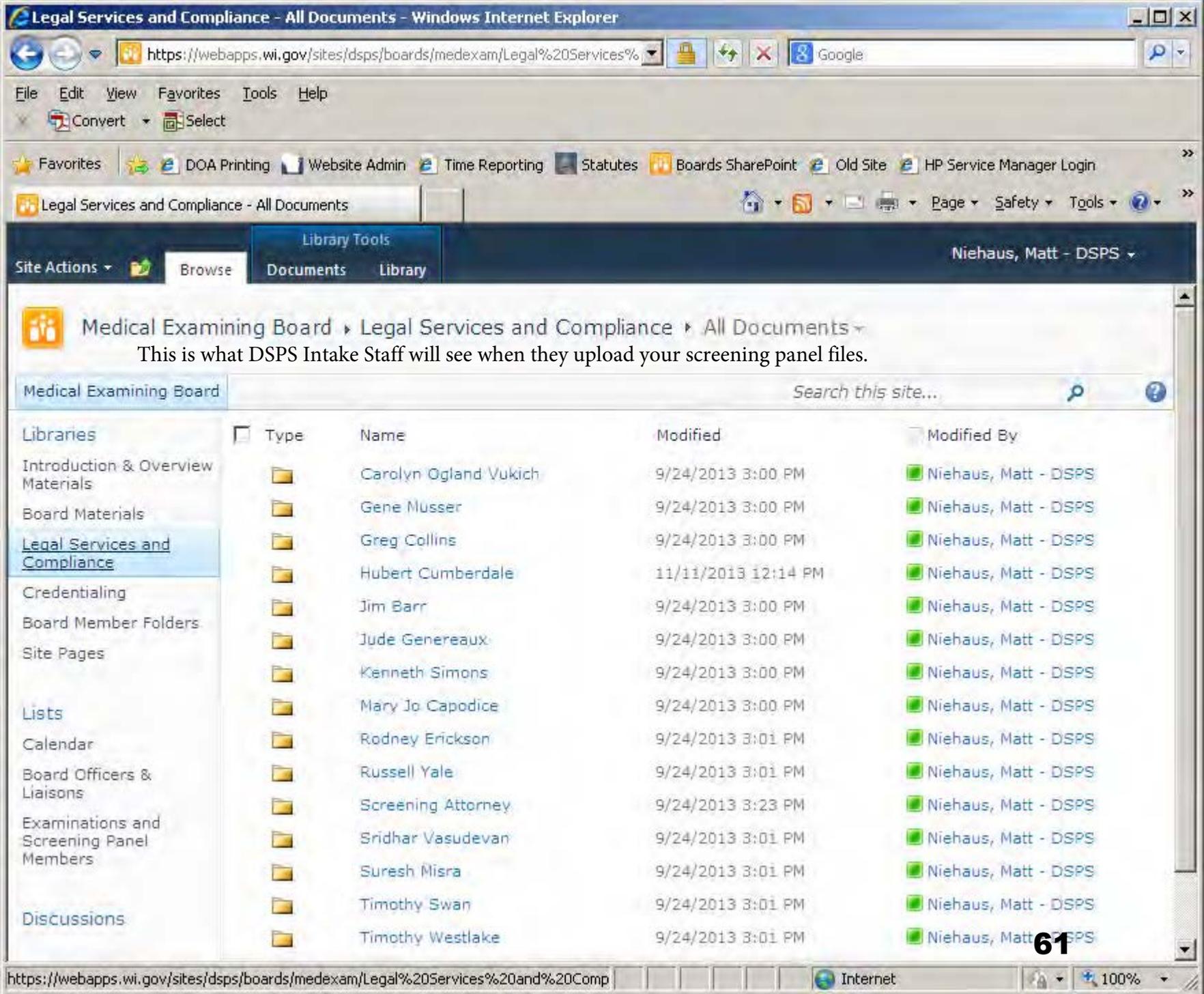
Cortney Keo: Records Management Supervisor

Kelley Foster: Medical Examining Board Intake Specialist

Matthew C. Niehaus: DSPP Webmaster

Reason for Appearance:

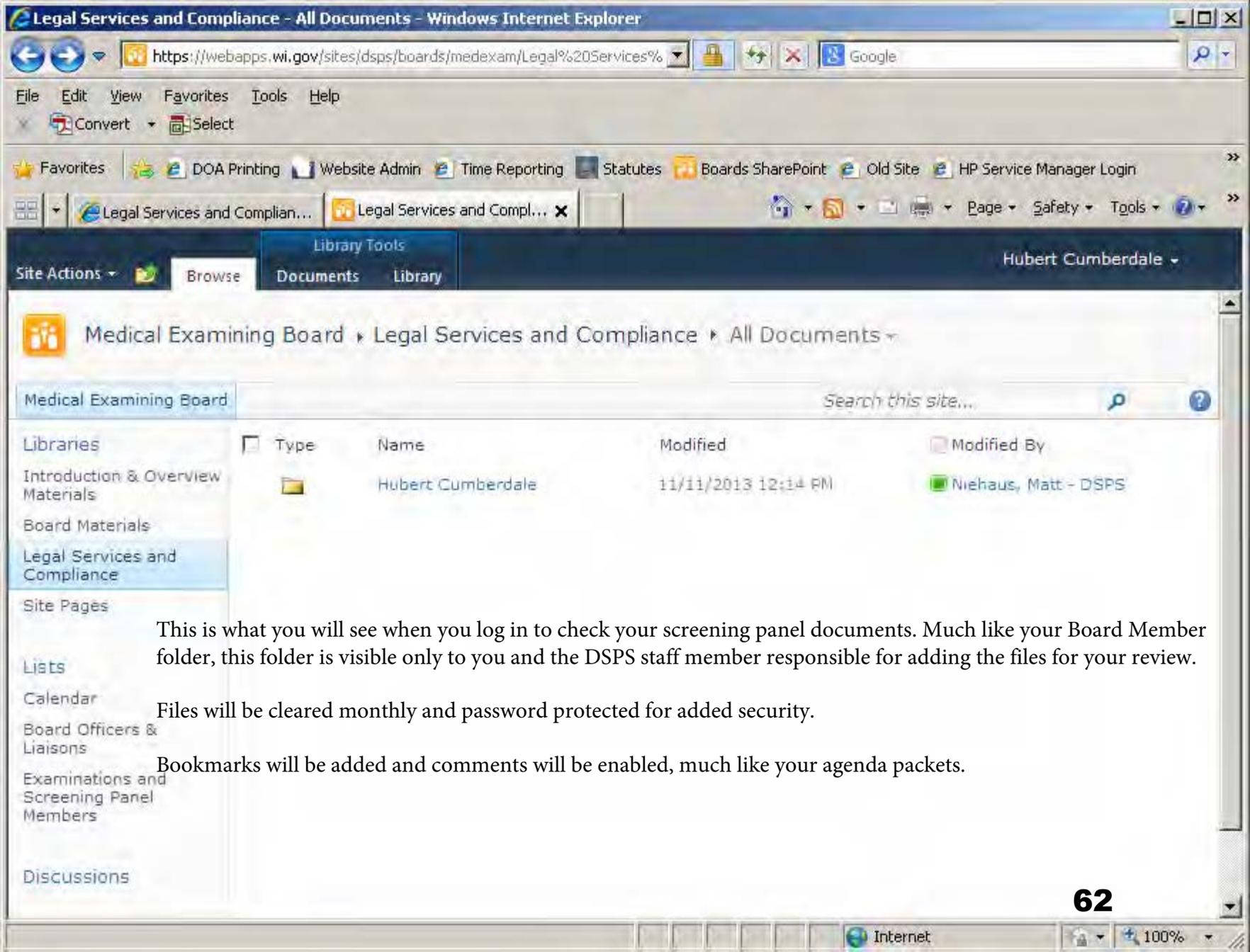
The above DSPP staff are appearing before the Real Estate Examining Board to present the DLSC Paperless Screening Panel.



Medical Examining Board > Legal Services and Compliance > All Documents > This is what DSPS Intake Staff will see when they upload your screening panel files.

Medical Examining Board Search this site...

Libraries	Type	Name	Modified	Modified By
Introduction & Overview Materials	Folder	Carolyn Ogland Vukich	9/24/2013 3:00 PM	Niehaus, Matt - DSPS
Board Materials	Folder	Gene Nusser	9/24/2013 3:00 PM	Niehaus, Matt - DSPS
Legal Services and Compliance	Folder	Greg Collins	9/24/2013 3:00 PM	Niehaus, Matt - DSPS
	Folder	Hubert Cumberlanddale	11/11/2013 12:14 PM	Niehaus, Matt - DSPS
Credentialing	Folder	Jim Barr	9/24/2013 3:00 PM	Niehaus, Matt - DSPS
Board Member Folders	Folder	Jude Genereaux	9/24/2013 3:00 PM	Niehaus, Matt - DSPS
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Calendar	Folder	Rodney Erickson	9/24/2013 3:01 PM	Niehaus, Matt - DSPS
Board Officers & Liaisons	Folder	Russell Yale	9/24/2013 3:01 PM	Niehaus, Matt - DSPS
Examinations and Screening Panel Members	Folder	Screening Attorney	9/24/2013 3:23 PM	Niehaus, Matt - DSPS
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Discussions	Folder	Timothy Swan	9/24/2013 3:01 PM	Niehaus, Matt - DSPS
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Files will be cleared monthly and password protected for added security.

Bookmarks will be added and comments will be enabled, much like your agenda packets.