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**REAL ESTATE EXAMINING BOARD**  
**Room 121A, 1400 East Washington Avenue, Madison**  
**Contact: Brittany Lewin (608) 266-2112**  
**December 4, 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 (1-3)**

**B. Approval of the Minutes – October 16, 2014 (4-7)**

**C. Administrative Matters**

1. Staff Updates

**D. Legislation and Administrative Rules Matters – Discussion and Consideration (8)**

1. Draft of REEB 12 and 25, Wis. Admin. Code, Relating to Applications and Education
2. Update on Pending Projects **(9-34)**
  - a. REEB 15 and 18, Wis. Admin. Code, Relating to Maintaining Records
  - b. REEB 16.06(1)(b), Wis. Admin. Code, Relating to Approved Forms
  - c. REEB 24, Wis. Admin. Code, Relating to Unprofessional Conduct
3. Possible Rulemaking Projects
  - a. Implementation of Act 259

**E. DLSC Matters – Discussion and Consideration**

1. Complaint and Disciplinary Report

**F. Credentialing Matters – Discussion and Consideration**

1. Forms Committee Update
2. Renewal License Counts Report **(35-36)**

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

1. Introductions, Announcements and Recognition
2. Election of Board Officers
3. Appointment of Board Liaison(s)
4. Administrative Updates
5. Education and Examination Matters
6. Credentialing Matters
7. Practice Matters
8. Legislation/Administrative Rule Matters
9. Liaison Report(s)
10. Informational Items

11. Disciplinary Matters
12. Presentations of Petitions for Summary Suspension
13. Presentation of Proposed Stipulations, Final Decisions and Orders
14. Presentation of Proposed Decisions
15. Petitions for Designation of Hearing Examiner
16. Requests for Disciplinary Proceeding Presentations
17. Motions
18. Petitions
19. Appearances from Requests Received or Renewed
20. Speaking Engagement(s), Travel, or Public Relation Request(s)

#### **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. Monitoring (37)**

- 1) Mark T. Geis – Requesting Full Unrestricted License **(38-50)**

#### **J. Presentation and Deliberation of Proposed Final Decisions and Orders**

1. Jason S. Schwittay & Apple Valley Realtors, L.L.C., Respondents (DHA Case # SPS-14-0056, DLCS Case # 13 REB 095 **(51-60)**)

#### **K. Presentation and Deliberation of Proposed Stipulations, Final Decisions and Orders**

1. 12 REB 079 – Aubra D. Palermo and Wisconsin Illinois Realtors, Inc. **(61-67)**
2. 13 REB 010 – Andrew H. Selenske **(68-73)**
3. 13 REB 063 – Thai Lee and Moreways Realty, L.L.C. **(74-79)**
4. 14 REB 050 – Jessie R. Pearson **(80-85)**
5. 14 REB 095 – Becky L. Ring **(86-91)**

#### **L. Case Closing(s)**

1. 13 REB 090 **(92-96)**
2. 14 REB 080 **(97-99)**

#### **M. Application Review(s)**

1. Ryan C. Cari, Real Estate Broker Applicant **(100-111)**

#### **N. Case Status Report (112-117)**

#### **O. Deliberation of Items Received After Preparation of the Agenda**

1. Education and Examination Matters
2. Credentialing Matters
3. Disciplinary Matters
4. Professional Assistance Procedure (PAP)
5. Monitoring Matters
6. Petitions for Summary Suspension(s)
7. Proposed Stipulation(s), Final Decision(s) and Order(s)
8. Administrative Warning(s)
9. Review of Administrative Warning(s)

10. Proposed Final Decisions and Orders
11. Orders Fixing Costs/Matters Related to Costs
12. Case Closings
13. Case Status Report
14. Motions
15. Consulting with Legal Counsel

**P. 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**

**REAL ESTATE EXAMINING BOARD  
MEETING MINUTES  
OCTOBER 16, 2014**

**PRESENT:** Stephen Beers, Marie Hetzer, Brian McGrath, Michael Mulleady, Dennis Pierce, Randal Savaglio

**STAFF:** Brittany Lewin, Executive Director; Gretchen Mrozinski, Legal Counsel; Karen Rude-Evans, Bureau Assistant; Sharon Henes, Rules Coordinator

**CALL TO ORDER**

Stephen Beers, Chair, called the meeting to order at 10:05 a.m. A quorum of six (6) members was confirmed.

**ADOPTION OF AGENDA**

**MOTION:** Randal Savaglio moved, seconded by Dennis Pierce, to adopt the agenda as published. Motion carried unanimously.

**APPROVAL OF MINUTES – AUGUST 21, 2014**

**MOTION:** Michael Mulleady moved, seconded by Marie Hetzer to approve the minutes of August 21, 2014 as published. Motion carried unanimously.

**LEGISLATION AND ADMINISTRATIVE RULES MATTERS**

**REEB 16.06(1)(b) Relating to Approved Forms**

**MOTION:** Randal Savaglio moved, seconded by Michael Mulleady, to approve the Adoption Order for emergency rule amending REEB 16.06(1)(b). Motion carried unanimously.

**MOTION:** Randal Savaglio moved, seconded by Dennis Pierce, to approve the revision of REEB 16.06(1)(b) relating to use of forms for posting for economic impact comments and submission to the Clearinghouse. Motion carried unanimously.

**CREDENTIALING MATTERS**

**Forms Committee Update - WB-6, WB-16 and WB-17**

**MOTION:** Michael Mulleady moved, seconded by Marie Hetzer, to adopt the recommended changes to form WB-6 and delegate final approval to Stephen Beers. Motion carried unanimously.

**MOTION:** Randal Savaglio moved, seconded by Michael Mulleady, to adopt the recommended changes to form WB-16 and delegate final approval to Stephen Beers. Motion carried unanimously.

**MOTION:** Marie Hetzer moved, seconded by Randal Savaglio, to adopt the recommended changes to form WB-17 and delegate final approval to Stephen Beers. Motion carried unanimously.

### INFORMATIONAL ITEMS

#### Timeshare Industry

**MOTION:** Michael Mulleady moved, seconded by Randal Savaglio, to not pursue revising the Timeshare Forms until further update. Motion carried unanimously.

### CONVENE TO CLOSED SESSION

**MOTION:** Michael Mulleady moved, seconded by Randal Savaglio, 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.). Michael Mulleady 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; Brian McGrath – yes; Dennis Pierce – yes; Randal Savaglio – yes. Motion carried unanimously.

The Board convened into closed session at 12:11 p.m.

### PROPOSED FINAL DECISIONS AND ORDERS

**MOTION:** Randal Savaglio moved, seconded by Dennis Pierce, to adopt the Findings of Fact, Conclusions of Law, Final Decision and Order in the matter of disciplinary proceedings against **Michael A. McKenzie and Mirror Lake Realty, Inc., DLSC case numbers 11 REB 107, 12 REB 008, 12 REB 029, 12 REB 077 and 12 REB 109.** Motion carried unanimously.

**MOTION:** Michael Mulleady moved, seconded by Marie Hetzer, to adopt the Findings of Fact, Conclusions of Law, Final Decision and Order in the matter of disciplinary proceedings against **Ann M. Downing, DLSC case number 12 REB 029.** Motion carried unanimously.

**MOTION:** Randal Savaglio moved, seconded by Dennis Pierce, to adopt the Findings of Fact, Conclusions of Law, Final Decision and Order in the matter of disciplinary proceedings against **Gathen C. Anderson, DLSC case number 12 REB 054.** Motion carried unanimously.

**MOTION:** Brian McGrath moved, seconded by Marie Hetzer, to adopt the Findings of Fact, Conclusions of Law, Final Decision and Order in the matter of disciplinary proceedings against **Phil K. Lovelace, DLSC case number 12 REB 109.** Motion carried unanimously.

**MOTION:** Michael Mulleady moved, seconded by Randal Savaglio, to adopt the Findings of Fact, Conclusions of Law, Final Decision and Order in the matter of disciplinary proceedings against **JoAnn C. Sarow, DLSC case number 13 REB 004.** Motion carried unanimously.

**MOTION:** Stephen Beers moved, seconded by Dennis Pierce, to adopt the Findings of Fact, Conclusions of Law, Final Decision and Order in the matter of disciplinary proceedings against **James E. Tessmer, DLSC case number 11REB 107, 12 REB 077 and 12 REB 109.** Motion carried unanimously.

### **PROPOSED ADMINISTRATIVE WARNINGS**

**MOTION:** Randal Savaglio moved, seconded by Dennis Pierce, to issue an Administrative Warning in the matter of **DLSC case number 13 REB 086 (M.T.R.).** Motion carried unanimously.

**MOTION:** Randal Savaglio moved, seconded by Michael Mulleady, to issue an Administrative Warning in the matter of **DLSC case number 13 REB 089 (SAR.).** Motion carried unanimously.

### **CASE CLOSINGS**

**MOTION:** Randal Savaglio moved, seconded by Marie Hetzer, to close the following cases as recommended by the Division of Legal Service and Compliance:

**12 REB 008:**

- Against **E.B.L., for no violation (NV)**

**12 REB 029:**

- Against **J.J.B. for no violation (NV)**

**13 REB 029:**

- Against **J.R.I, K.M.M., F.W.G., Inc., F.A.R., Inc. and B.D.A for no violation (NV)**

**13 REB 069:**

- Against **D.A.P. and M.H.Z. for no violation (NV)**

**13 REB 086:**

- Against **D.R.H. and H. & H., Inc. for prosecutorial discretion (P1)**

**13 REB 089:**

- Against **F.C., Inc. and B.W.S. for prosecutorial discretion (P1)**

**13 REB 104:**

- Against **D.A.B., C.R., LLC, P.A.B.S. and P.A.S. for no violation (NV)**

**13 REB 134:**

- Against **J.T.A. for no violation (NV)**

**13 REB 137:**

- Against **G.C.A. for prosecutorial discretion (P7)**

**14 REB 048:**

- Against **G.C.A. for prosecutorial discretion (P7)**

**11 REB 107:**

- Against **E.M.J. and J.R.W. for no violation (NV)**

**12 REB 109:**

- Against **E.R.S. and M.D.S. for no violation (NV)**

**12 REB 077:**

- Against **N.S. for no violation (NV)**

Motion carried unanimously.

*(Stephen Beers recused himself and left the room for deliberation, and voting in the case closure regarding D.E.C., C.J.D., M.F.P., K.R.E., Inc. and M.K.K, Respondents – DLSC case number 13 REB 068.)*

**MOTION:** Randal Savaglio moved, seconded by Brian McGrath, to close case **13 REB 068** against **D.E.C., C.J.D., M.F.P., K.R.E., Inc. and M.K.K. for no violation (NV)**. Motion carried.

**MONITORING**

**MOTION:** Randal Savaglio moved, seconded by Brian McGrath, to grant the request of **Brittany S. Church** for full, unlimited licensure. Motion carried unanimously.

**MOTION:** Marie Hetzer moved, seconded by Michael Mulleady, to grant the request of **Latanya Ghee** for a full, unlimited salesperson licensure. Motion carried unanimously.

**MOTION:** Randal Savaglio moved, seconded by Dennis Pierce, to grant the request of **Harvey Goldstein** for full, unlimited licensure. Motion carried unanimously.

**MOTION:** Randal Savaglio moved, seconded by Marie Hetzer, to grant the request of **Naomi Lightfoot** for full, unlimited licensure. Motion carried unanimously.

**RECONVENE TO OPEN SESSION**

**MOTION:** Randal Savaglio moved, seconded by Marie Hetzer, to reconvene into open session. Motion carried unanimously.

The meeting reconvened into open session at 12:34 p.m.

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

**MOTION:** Randal Savaglio moved, seconded by Michael Mulleady, to affirm all votes made in closed session. Motion carried unanimously.

**ADJOURNMENT**

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

The meeting adjourned at 12:35 p.m.

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

**AGENDA REQUEST FORM**

1) Name and Title of Person Submitting the Request:  <b>Sharon Henes Administrative Rules Coordinator</b>		2) Date When Request Submitted:  <b>20 November 2014</b>  Items will be considered late if submitted after 12:00 p.m. on the deadline date: ▪ 8 business days before the meeting	
3) Name of Board, Committee, Council, Sections:  <b>Real Estate Examining Board</b>			
4) Meeting Date:  <b>4 December 2014</b>	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page? <b>Legislation and Rule Matters – Discussion and Consideration</b> <b>1. Draft of REEB 12 and 25 Relating to Applications and Education</b> <b>2. Update on Pending Projects</b> a) REEB 15 and 18 Relating to Maintaining Records b) REEB 16.06(1)(b) Relating to Approved Forms c) REEB 24 Relating to Unprofessional Conduct <b>3. Possible Rulemaking Projects</b> a) Implementation of Act 259	
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 ( <a href="#">Fill out Board Appearance Request</a> ) <input type="checkbox"/> No	9) Name of Case Advisor(s), if required:	
10) Describe the issue and action that should be addressed:			
11) Authorization			
<i><b>Sharon Henes</b></i>		<i><b>20 November 2014</b></i>	
Signature of person making this request		Date	
Supervisor (if required)		Date	
Executive Director signature (indicates approval to add post agenda deadline item to agenda)		Date	
Directions for including supporting documents: 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Policy Development Executive Director. 3. If necessary, Provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.			

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TEXT OF RULE

SECTION 1. REEB 12.01(2)(a) and (b) are renumbered to REEB 12.01(1)(g) and (h).

SECTION 2. REEB 12.011 is created to read:

**REEB 12.011 Criminal conviction predetermination.** (1) An individual who does not possess a broker's or salesperson's license or a time-share salesperson's certificate may apply to the board, without submitting a full application and payment of application fee, for a determination of whether the individual would be disqualified from obtaining a license or certificate based upon a criminal conviction by submitting all of the following:

- (a) An application for predetermination.
- (b) Police report.
- (c) Criminal complaint.
- (d) Judgment of conviction and sentencing.
- (e) Verification of compliance or completion with the terms of the sentencing.
- (f) Personal statement describing the facts that led to each offence and any rehabilitation completed.

(2) An individual who has been convicted of a felony shall meet the requirements of s. 452.25(1)(b), Stats. prior to submitting a request for predetermination.

(3) The board shall review the information related to the conviction and consider the following factors in making a determination:

- (a) The severity and nature of the conviction.
- (b) The amount of time that has elapsed.
- (c) The number or pattern of convictions or other similar incidents that gave rise to the conviction.
- (d) The circumstances surrounding the conviction that may have a bearing on whether the individual might repeat the behavior that was the subject of the conviction.
- (e) The relationship of the conviction to real estate practice.
- (f) The individual's activities since the conviction, including employment, education, participation in treatment, payment of restitution, and any other factor that may be evidence of rehabilitation.

(4) The individual shall receive notification of the board's determination whether the criminal convictions would disqualify the individual from obtaining a license or certificate due to the individual's criminal record.

(5) The determination is binding upon the board and the department if the individual subsequently applies for license or certificate, unless there is information relevant to the determination that was not available to the board at the time of the determination.

SECTION 3. REEB 12.013 is created to read:

**REEB 12.013 Salesperson application requirements.** (1) EDUCATIONAL REQUIREMENTS. Each applicant for a real estate salesperson's license shall submit satisfactory evidence of one of the following:

(a) Completion, within 4 years of licensure, of real estate salesperson's education under s. REEB 25.033 through an education program which has been approved by the board or nonresident salesperson education equivalency under s. REEB 25.038.

(b) Completion of 10 semester hour credits in real estate or real estate law courses at an accredited institution of higher education. A quarter hour credit equals 2/3 of a semester hour credit.

(2) EXAMINATION REQUIREMENTS. Each applicant shall read and write a comprehensive examination in English, testing the applicant's competency to transact the business of a real estate salesperson. The examination shall be in conformity with s. 452.09(3), Stats.

(3) RECIPROCITY. Applicants who are licensed as salespersons in a state or territory that has entered into a reciprocal agreement with this state, shall be licensed according to the terms of the reciprocal agreement.

SECTION 4. REEB 12.015 is repealed.

SECTION 5. REEB 12.017 is created to read:

**REEB 12.017 Broker application requirements.** (1) EDUCATIONAL REQUIREMENTS. Each applicant for a real estate broker's license shall submit satisfactory evidence of one of the following:

(a) Completion, within 4 years of broker's licensure, of real estate broker's education program in business management under REEB 25.023 through an education program which has been approved by the board and evidence of one of the following:

1. Licensure as a real estate salesperson.
2. Completion of a real estate salesperson's educational program under REEB 25.033 or completion of 10 semester hour credits in real estate or real estate related law courses at an accredited institution of higher education.

(b) Completion of nonresident broker equivalency under s. REEB 25.028.

(c) Completion of 20 semester hour credits in real estate or real estate law courses at an accredited institution of higher education. A quarter hour credit equals 2/3 of a semester hour credit.

(d) The applicant is licensed to practice law in this state.

(2) EXAMINATION REQUIREMENTS. Each applicant for a real estate broker's license shall read and write a comprehensive examination in English, testing the applicant's competency to transact the business of a real estate broker. The examination shall be in conformity with s. 452.09(3), Stats.

(3) EXPERIENCE REQUIREMENTS. (a) Each applicant for a real estate broker's license shall submit evidence satisfactory to the board that the applicant has 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 application, excluding any time the applicant spent in an apprenticeship. The evidence, except as provided in par. (b) through (d), shall demonstrate that the applicant's experience as a licensed salesperson qualifies the applicant for a total of at least 40 points based on the following point system:

1. Each completed or closed residential transaction is worth 5 points.
2. Each completed or closed commercial transaction is worth 10 points.
3. Each property management contract is worth 0.5 points per month.
4. Each completed or closed time share is worth one point.

(b) An applicant who is licensed to practice law in this state may satisfy the requirement under par. (a) by submitting to the board one of the following:

1. Evidence satisfactory to the board that the applicant has experience related to real estate.
2. Evidence that the applicant has experience as a licensed salesperson which qualifies the applicant for a total of at least 20 points based upon the point system in par. (a) 1 through 4.

(c) An applicant who holds a current certificate of financial responsibility under s. 101.654, Stats. may satisfy the requirement under par. (a) by submitting to the board one of the following:

1. Evidence satisfactory to the board that the applicant has experience related to real estate sales.
2. Evidence that the applicant has experience as a licensed salesperson which qualifies the applicant for a total of at least 20 points based upon the point system in par. (a) 1 through 4.

(d) A nonresident applicant may satisfy the requirement under par. (a) by submitting to the board evidence satisfactory to the board that the applicant has been a licensed broker under the laws of another state for at least 2 years within the last 4 years preceding the date of the applicant's application.

(4) **RECIPROCITY.** Applicants who are licensed as brokers in a state or territory that has entered into a reciprocal agreement with this state, shall be licensed according to the terms of the reciprocal agreement.

SECTION 6. REEB 12.02 is repealed.

SECTION 7. REEB 12.025(title) is amended to read:

**REEB 12.025 ~~Review of examinations and examination results~~ Examinations.**

SECTION 8. REEB 12.025(1) is repealed.

SECTION 9. REEB 12.025(1m) is created to read:

**REEB 12.025(1m) PASSING SCORE.** The board shall determine the level of examination performance required for minimum acceptable competence after consultation with subject matter experts who have received a representative sample of the examination questions and available candidate performance statistics. The board shall set the passing score at the point which represents minimum acceptable competence in the profession.

SECTION 10. REEB 12.025(2) is amended to read:

**REEB 12.025(2) ~~REPORTS REVIEW.~~** All applicants who obtain a failing grade shall receive a report, ~~for facilitating further study,~~ detailing the results in the major content areas of the examination.

SECTION 11. REEB 12.026 is renumbered to REEB 12.025(3).

SECTION 12. REEB 12.03 is repealed.

SECTION 13. REEB 12.04 (title) is amended to read:

**REEB 12.04 Renewal after license expiration and reinstatement.**

SECTION 14. REEB 12.04(1)(intro) and (a) are consolidated, renumbered to REEB 12.04(1)(a) and amended to read:

**REEB 12.04(1) RENEWAL LESS THAN 5 YEARS AFTER LICENSE EXPIRATION.** (a) If an applicant files an application for renewal of the applicant's a licensee renews their 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 licensee shall pay the applicable renewal fee and penalty late renewal 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:  
(a) The applicant shall either provide 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).

SECTION 15. REEB 12.04(1)(c) is amended to read:

(c) The applicant licensee shall also before the next renewal date satisfy the continuing education required of all licensees during the biennium in which the applicant licensee renews his or her the license.

SECTION 16. REEB 12.04(2) is repealed.

SECTION 17. REEB 12.04(2m) and (3) are created to read:

**REEB 12.04(2m) RENEWAL OF LICENSE MORE THAN 5 YEARS AFTER LICENSE EXPIRATION.** A licensee who has failed to renew a license within 5 years of the renewal date holds an expired license. A licensee with an expired license may not reapply for the license using the initial application process.

(a) *Salesperson license.* A licensee who renews a salesperson license more than 5 years after the license expiration shall submit evidence of all of the following:

1. 'Education'. Completion of one of the following:
  - a. Real estate salesperson education under s. REEB 25.033 within 5 years of renewal of license.
  - b. Ten semester hour credits in real estate or real estate law courses at an accredited institution of higher education.

- c. Real estate salesperson education under REEB 25.038. This option only applies to a licensee who held an active license in another jurisdiction within 2 years of renewal of Wisconsin license.
- 2. 'Examination'. Passing the examination required under REEB 12.013(2).
- 3. 'Continuing education'. Completion of the continuing education required by s. 452.12, Stats. for the biennium preceding the date of renewal of the license. A licensee completing education under subds. 1.a. and c. meets the continuing education requirement.
- (b) *Broker license*. A licensee who renews a broker license more than 5 years after the license expiration shall submit evidence of all of the following:
  - 1. 'Education'. Completion of one of the following:
    - a. Real estate business management education under s. REEB 25.023 and real estate salesperson's education under REEB 25.033 within 5 years of renewal of license. The real estate salesperson education is not required if currently licensed in this state as a real estate salesperson.
    - b. Completion of 20 semester hours credits in real estate or real estate law at an accredited institution of higher education.
    - c. Education under s. REEB 25.028. This option only applies to a licensee who held an active license in another jurisdiction within 2 years of renewal of Wisconsin license.
    - d. A licensee who is also licensed to practice law in this state meets the education requirement.
  - 2. 'Examination'. Passing the broker and salesperson examinations required under REEB 12.013(2) and 12.017(2).
  - 3. 'Experience'. Practicing 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 renewal or has experience related to real estate by one of the following:
    - a. Accumulation of a total of at least 40 points based on the point system under s. REEB 12.017(3)(a).
    - b. Meeting the requirement under s. REEB 12.017(3)(b).
    - c. Meeting the requirement under s. REEB 12.017(3)(c).
    - d. A licensee who held an active broker license in another jurisdiction within 2 years of renewal of Wisconsin license meets the experience requirement.
  - 4. 'Continuing education'. Completion of the continuing education required by s. 452.12, Stats. for the biennium preceding the date of renewal of the license. A licensee completing education under subds. 1.a. and c. meets the continuing education requirement.
- (c) All licensees renewing under pars. (a) and (b) shall before the next renewal date satisfy the continuing education required during the biennium in which the license is renewed.

**(3) LICENSE REINSTATEMENT.** (a) A licensee who has a license with unmet disciplinary requirements which has not been renewed within 5 years of the renewal date or whose license has been surrendered or revoked may submit an application for reinstatement with all the following:

- 1. Evidence of completion of requirements in sub. (2m)(a) or (b) if the licensee has not held an active Wisconsin license within the last 5 years.
- 2. Evidence of completion of disciplinary requirements, if applicable.
- 3. Evidence of rehabilitation or change in circumstances warranting reinstatement of license.

(b) A licensee may not reapply for a license through the initial application process if the licensee has unmet disciplinary requirements and failed to renew the license within 5 years of the renewal date or whose credential has been surrendered or revoked. A licensee may not practice real estate prior to being granted reinstatement of the license.

SECTION 18. REEB 25.01(2m) is repealed.

SECTION 19. REEB 25.01(5) and (5m) are repealed.

SECTION 20. REEB 25.01(6) is amended to read:

**REEB 25.01(6)** “Evidence of attendance completion” means an official transcript, student grade report or board-approved certificate showing satisfactory completion of educational programs or courses.

SECTION 21. REEB 25.01(8) is repealed.

SECTION 22. REEB 25.02 is repealed.

SECTION 23. REEB 25.023 is created to read:

**REEB 25.023 Real estate broker’s pre-license business management program.** An education program in business management for applicants for a real estate broker’s license shall be not less than 72 hours. The educational program in business management shall contain all of the following topics:

**(1) CONTRACTS.** Instruction relating to real estate contracts shall include all of the following:

(a) The definition of a contract including the difference between a contract and an agreement.

(b) Elements of a contract, including all of the following:

1. Offer.
2. Acceptance.
3. Consideration.
4. Competent parties.

(c) Parties to a contract, including all of the following:

1. Parties to an agency agreement.
2. Parties to a sales contract, option, or lease.
3. Multiple parties.

(d) Creating binding contracts, including all of the following:

1. Signatures.
2. Acceptance and binding acceptance.
3. Delivery.
4. Deadlines.
5. Time is of the essence.

(e) Validity of contracts.

(f) Drafting contracts and contingencies, including all of the following:

1. Properly drafting.
2. Pre-printed.

- 3. Customized.
- (g) Ending the contractual relationship, including all of the following:
  - 1. Rescission.
  - 2. Termination.
  - 3. Modification.
  - 4. Death of a party.
  - 5. Default and breach.
- (h) Acceptance and counteroffers including the difference between acceptance and counteroffers.
- (i) The law of conveyances, including all of the following:
  - 1. Conveyance defined.
  - 2. Requirements for a valid conveyance.
- (j) Agreement to arbitrate real estate transaction disputes under s. 788.015, Stats.
- (k) Commercial real estate commission lien under s. 779.32, Stats.
- (2) APPROVED FORMS.** Instruction relating to real estate approved forms shall include all of the following:
  - (a) The forms approval process, including all of the following:
    - 1. Forms committee.
    - 2. Real estate examining board.
    - 3. Department of safety and professional services.
  - (b) The authorized practice of law, including all of the following:
    - 1. Reynolds v. Dinger, 14 Wis. 2d 193.
    - 2. Chapter REEB 16.
  - (c) Review of forms, including all of the following:
    - 1. Listing contract for sale.
    - 2. Offer.
    - 3. Counteroffer.
    - 4. Amendment.
    - 5. Buyer agency agreement.
    - 6. Listing contract for lease.
    - 7. Option.
    - 8. Bill of sale.
    - 9. Exchange.
    - 10. Cancellation agreement and mutual release.
    - 11. State bar forms under s. REEB 16.03(1).
    - 12. Uniform commercial code forms.
    - 13. Forms used in other states.
  - (d) Developing a form and contingency manual
  - (e) Supervising salesperson's use of approved forms.
- (3) TRUST ACCOUNTS, ESCROW, CLOSING STATEMENT.** Instruction relating to real estate trust accounts, escrow and closing statement shall include all of the following:
  - (a) Trust accounts under ch. REEB 18, including all of the following:
    - 1. Trust account definition.
    - 2. Trust funds definition.
    - 3. When is a trust account required.
    - 4. Registering a trust account.

5. Procedure to open a trust account.
  6. Authorization to sign trust account checks.
  7. Deposit of trust funds.
  8. Disbursement of trust funds.
  9. Bookkeeping system.
  10. Closing a trust account.
- (b) Escrow agreement procedures, including all of the following:
1. Escrows requiring separate escrow agreements.
  2. Pre-closing earnest money escrows.
  3. Post closing escrows.
  4. Escrows not requiring separate escrow agreements.
  5. Drafting escrow agreements.
- (c) Closing procedures, including all of the following:
1. Licensees are not required by license law to perform closings.
  2. Choosing a closing statement.
  3. Closing preparation procedures.
  4. Setting a closing date.
  5. Preparing closing documentation.
  6. Closing procedures.
  7. Post closing procedures.
- (4) BROKER MANAGEMENT AND MARKETING.** Instruction relating to real estate broker management and marketing shall include all of the following:
- (a) The legal environment, including all of the following:
1. Requirements for licensure.
  2. Liability concerns and risk reduction.
  3. Policy manual under s. REEB 17.08.
- (b) The business plan, including all of the following:
1. Form of ownership.
  2. Start up.
  3. Capital budget.
  4. Operation budget.
  5. Marketing strategies.
- (c) Professional services, including all of the following:
1. Attorneys.
  2. Accountants.
- (d) Operational policies, including all of the following:
1. Policy and procedures manual.
  2. Independent contractors agreement.
- (5) FINANCIAL AND OFFICE MANAGEMENT.** Instruction relating to financial and office management shall include all of the following:
- (a) Financial management, including all of the following:
1. System of income and expense accounting.
  2. Accounts used for handling funds.
  3. Bank reconciliations.
  4. Financial reports.
- (b) Budgeting, including all of the following:

1. Definition of a budget.
  2. Purpose of the budget.
  3. Comparison of budget income and expenses.
  4. Preparing the budget.
- (c) Office management under ch. REEB 15 including retention of records.
- (6) PERSONNEL.** Instruction relating to personnel shall include all of the following:
- (a) Hiring, including all of the following:
1. Agents.
  2. Personal assistants.
  3. Difference between employee and independent contractor.
  4. Equal opportunity.
  5. Workers' compensation.
- (b) Policy manual, including all of the following:
1. Purpose.
  2. Recommended content.
  3. Maintenance.
  4. Access.
- (c) Training.
- (d) Licensure and supervision of employees under ch. REEB 17.
- (7) BUSINESS ETHICS.** Instruction relating to real estate business ethics shall include all of the following:
- (a) Dealing with the public, including all of the following:
1. Avoid discrimination under s. REEB 24.03(1).
  2. Competence in area of service under s. REEB 24.03(2).
  3. Legal counsel not to be discouraged under s. REEB 24.06.
  4. Tie-ins under s. REEB 24.075.
  5. Agreements in writing under s. REEB 24.08.
  6. Misleading market values under s. REEB 24.09.
  7. No net listings under s. REEB 24.10.
- (b) Advertising, including all of the following:
1. False advertisements.
  2. Disclosure to the public.
  3. Obtain permission.
  4. Advertised price.
- (c) Offers under ss. REEB 24.12 and 24.13, including all of the following:
1. Confidentiality.
  2. Draft and submit all offers.
  3. Submit promptly.
  4. Present fairly.
  5. Prompt notification
- (d) Disclosure of compensation and interest under s. REEB 24.05, including all of the following:
1. Disclosure of profits.
  2. Disclosure of intent.
  3. Property owned by licensee.
  4. Referral of service.
  5. Compensation from more than one party.

- (e) Disclosure under s. REEB 24.07, including all of the following:
  1. Material facts.
  2. Material adverse facts.
  3. Property inspection.
  4. Agency.
  5. “As-is” sales.
  6. Optional disclosure
- (f) Dealings with fellow licensees, including all of the following:
  1. Negotiations through listing broker under s. REEB 24.13(5).
  2. Obtain seller’s permission for subagent under s. REEB 24.07(8)(b)2.
  3. Confidentiality of offer under s. REEB 24.12.
  4. Disclose material adverse facts under s. REEB 24.07(2).
  5. False information under s. REEB 24.07(3).
  6. Disclose buyer agent and seller subagent under s. REEB 24.07(8).
- (g) Dealings with licensee and salespeople, including all of the following:
  1. Licensee supervision under s. REEB 17.08.
  2. Office supervision under s. REEB 17.08.
- (h) Commercial real estate broker’s commission under s. 779.32, Stats.
- (i) Agency relationships, including all of the following:
  1. Multiple representation with designated agency.
  2. Multiple representation without designated agency.
  3. Single agency.
- (8) CONSUMER PROTECTION.** Instruction relating to real estate consumer protection shall include all of the following:
  - (a) Disclosure, including all of the following:
    1. Property inspections under s. REEB 24.07(1)(a).
    2. Investigation of other facts under s. REEB 24.07(1)(b).
    3. Use of third party inspectors under s. REEB 24.07(2).
    4. Property condition under s. 452.23, Stats.
    5. Civil liability for misrepresentation.
    6. Seller’s disclosure duties under ch. 709, Stats.
    7. Buyer’s inspection obligation.
  - (b) Fair Housing, including all of the following:
    1. Federal law.
    2. State of Wisconsin law.
    3. Local fair housing law.
    4. Sanctions for violations.
    5. Testers and fair housing organizations.
    6. Conduct prohibited by fair housing law.
    7. Responding to fair housing questions.
    8. Instituting equal professional service procedures.
  - (c) Antitrust: conspiracy and group boycotts, including all of the following:
    1. Section 1 of the Sherman Act.
    2. “Conspiracy” requirement.
    3. “Restraint of trade” requirement.
    4. Compensation and “prices” which have been fixed.

5. Situations creating inferences of price fixing.
  6. How to respond to antitrust situations.
  7. Elements same as price fixing, including conspiracy and restraint of trade.
  8. Situations creating inference of boycott.
- (d) Complaint handling procedures, including all of the following:
1. Consumer satisfaction.
  2. Liability avoidance.
  3. Feedback on fair housing or other law violations.
  4. Prevent complaint through education.
  5. Document the compliant handling program in policy and procedures manual.
  6. Inform the parties of the complaint handling program.
  7. Dispute resolution systems.
- (e) Environmental factors, including all of the following:
1. Underground storage tanks, including registration and closure.
  2. Asbestos.
  3. Radon.
  4. Lead-based paint.
  5. Procedures for high risk properties.
  6. Wetlands and floodplain.
- (f) Education buyers and sellers, including all of the following:
1. Property inspection and disclosure of defects.
  2. Earnest money procedures.
  3. Licensees' responsibilities and expertise.
  4. Utilizing third party experts.
- (9) SPECIALTY AREAS.** Instruction relating to real estate specialty areas shall include all of the following:
- (a) Property management, including all of the following:
1. Management contracts.
  2. Insurance liability.
  3. Security deposits.
  4. Breach of lease.
  5. Property inspections.
  6. Tenant and landlord rights and obligations under ch. ATCP 134.
  7. Rules regarding negotiating leases.
- (b) Business opportunities, including all of the following:
1. Special expertise and licensing requirements under s. REEB 24.03.
  2. Approved forms.
- (c) Selling specialized properties as a brokerage activity.
- (d) Alternative marketing methods, including all of the following:
1. Exchanges.
  2. Installment sales.
  3. Cooperatives.
- (e) Mortgage banking, including all of the following:
1. Definitions of mortgage banker, loan originator and loan solicitor.
  2. When separate registration is needed.
  3. Real Estate Settlement Procedures Act.

- (f) Real estate appraisal.
  - (g) Farms.
  - (h) Auctions.
  - (i) Mobile homes.
  - (j) Time-Share, including familiarity with ch. 707, Stats, when selling time-shares.
- (10) NOTIFYING THE DEPARTMENT.** Instruction relating to notifying the department shall include all of the following:
- (a) Change of name, address or trade name under ch. REEB 23
  - (b) Criminal conviction under s. 440.03(13)(am), Stats.

SECTION 24. REEB 25.025 is repealed

SECTION 25. REEB 25.028 is created to read:

**REEB 25.028 Nonresident broker educational equivalency.** An applicant who has held an active real estate broker's license in another licensing jurisdiction within the 2 year period prior to filing an application for a real estate broker's license in this state is deemed to have met the equivalency to the business management and salesperson program education based upon their education required to obtain a license in the other licensing jurisdiction and completion of a Wisconsin specific course consisting of 19 hours and containing all of the following content:

(1) Business management education consisting of 6 hours, including all of the following:

- (a) Broker-only contracts and contract issues, including all of the following:
  1. Reynolds v. Dinger, 14 Wis. 2d 193.
  2. State bar forms under s. REEB 16.03(1).
  3. Uniform commercial code forms under s. REEB 16.03(1).
  4. Forms used in other states.
  5. Developing forms and contingency manual.
  6. Supervising salesperson's use of approved forms.
  7. Commercial real estate broker's commission under s. 779.32, Stats.
- (b) Agency relationships, including all of the following:
  1. Multiple representation with designated agency.
  2. Multiple representation without designated agency.
  3. Single agency.
- (c) Disclosure, including all of the following:
  1. Property inspections.
  2. "As-is" sales.
  3. Optional disclosure.
- (d) Trust accounts under ch. REEB 18, including all of the following:
  1. When is a trust account required.
  2. Registering a trust account.
  3. Procedure to open a trust account.
  4. Authorization to sign trust account checks.
  5. Deposit of trust funds.
  6. Disbursement of trust funds.
  7. Bookkeeping system.
  8. Closing a trust account.

- (e) Notifying the Department, including all of the following:
  - 1. Change of name, address or trade name under ch. REEB 23.
  - 2. Criminal conviction under s. 440.03(13)(am), Stats.
- (f) Wisconsin fair housing law under s. REEB 24.03(1), ss. 66.1011 and 106.50, Stats.
- (g) Licensure and supervision of employees under ch. REEB 17, including all of the following:
  - 1. Licensee supervision under s. REEB 17.08.
  - 2. Office supervision under s. REEB 17.08.
  - 3. Policy manual under s. REEB 17.08.
- (2) Salesperson education consisting of 13 hours, including all of the following:
  - (a) Contracts, including all of the following:
    - 1. Law of conveyances, including all of the following:
      - a. Conveyance defined under s. 706.01, Stats.
      - b. Requirements for a valid conveyance under ss. 706.02, 706.03, Stats.
    - 2. Chapter REEB 16.
    - 3. Review of forms approved by the board, including all of the following:
      - a. Listing contracts.
      - b. Offers to purchase.
      - c. Addenda.
      - d. Buyer agency agreements.
      - e. Counter offers.
      - f. Multiple counter proposals.
      - g. Amendment.
      - h. Notices.
      - i. Option.
      - j. Bill of sale.
      - k. Exchange.
      - l. Cancellation agreement and mutual release.
  - (b) Agency, including all of the following:
    - 1. Duties owed to parties and clients under s. 452.133, Stats.
    - 2. Requirement for an agency agreement and disclosure of agency under s. 452.135, Stats.
    - 3. Revisions to common law duties and responsibilities under s. 452.139, Stats.
  - (c) Agency relationship, including all of the following:
    - 1. Multiple representation with designated agency.
    - 2. Multiple representation without designated agency.
    - 3. Single agency.
  - (d) Business conduct.
    - 1. Direct contact with the public, including all of the following:
      - a. Competence in area of service under s. REEB 24.03.
      - b. Tie-ins under s. REEB 24.075.
      - c. Agreements in writing under s. REEB 24.08.
      - d. Misleading market values under s. REEB 24.09.
      - e. Net listings under s. REEB 24.10.
    - 2. Advertising under s. REEB 24.04.
    - 3. Completing and presenting written proposals under ss. REEB 24.12 and 24.13., including all of the following:

- a. Confidentiality.
  - b. Drafting and submitting offers.
  - c. Prompt delivery to buyer.
  - d. Fair presentation of offers.
  - e. Prompt notification.
4. Disclosure of compensation and interest under s. REEB 24.05
    - a. Disclosure of interest.
    - b. Referral services.
    - c. Disclosure of profits.
    - d. Disclosure of licensure.
- (e) Consumer Protection, including all of the following:
1. Property inspections under s. REEB 24.07(1)(a).
  2. Inquiry by listing broker under s. REEB 24.07(1)(b).
  3. Disclosure of material adverse facts under s. REEB 24.07(2).
  4. Disclosure of material suggesting adverse material facts under s. REEB 24.07(3).
  5. Disclosure of side agreements under s. REEB 24.07(4).
  6. Reliance upon third parties under s. REEB 24.07(5).
  7. Investigations and inspections under s. 452.23, Stats.
  8. Civil liability for misrepresentation.
  9. Seller's disclosure duties under ch. 709, Stats.
- (f) Wisconsin fair housing law under s. REEB 24.03(1), ss. 66.1011 and 106.50, Stats.
- (g) Environmental factors, including all of the following:
1. Underground storage tanks under ch. ATCP 93.
  2. Floodplains under s. 87.30, Stats., ss NR 116.01, 116.06.
  3. Wetlands under s. 23.32, Stats.
  4. Farmland preservation under ss. 91.60 to 91.70, Stats.
  5. Rental unit energy efficiency standards under ss. SPS 367.03 and 367.08.
- (h) Trust accounts and escrows, including all of the following:
1. Trust accounts under s. 452.13, Stats., ch. REEB 18, including all of the following:
    - a. Definition of trust account.
    - b. Interest-bearing and non-interest bearing accounts.
    - c. Definition of trust funds.
    - d. When a trust account is required.
    - e. Deposit of trust funds.
  2. Escrow agreement procedures, including all of the following:
    - a. Escrows requiring separate escrow agreements.
    - b. Pre-closing earnest money escrows.
    - c. Post-closing escrows.
    - d. Escrows not requiring separate escrow agreement.
    - e. Drafting escrow agreements.
- (i) Miscellaneous issues, including all of the following:
1. Condominiums under ss. 703.08, 703.21 and 703.33, Stats.
  2. Homestead under ss. 706.01(7), 766.605, Stats.
  3. Taxes under ss. 74.15, 74.47(1) and (2), Stats.
  4. Taxation and transfer fees under ss. 77.22, 77.27, Stats.
  5. Residential rental practices under ss. ATCP 134.02, 134.06, 134.09, Stats.

7. Documents and records under ch. REEB 15.
8. Licensure and supervision of employees under ch. REEB 17.
9. Property rights of married persons under ss. 766.31, 766.51, 766.60 and 766.63, Stats.
10. Mortgage banking under s. 224.71, Stats.

SECTION 26. REEB 25.03 is repealed.

SECTION 27. REEB 25.033 is created to read:

**REEB 25.033 Salesperson's pre-license program.** An education program for applicants for a real estate salesperson's license shall consist of 72 hours. The educational program shall contain all of the following topics:

**(1) REAL PROPERTY.** Instruction relating to real property shall include all of the following:

- (a) Land, real estate and real property.
- (b) The difference between real property and personal property.
- (c) Classification of fixtures.
- (d) Characteristics of real estate.
- (e) Types of home ownership.
- (f) Mobile homes under s. 70.043, Stats.
- (g) Ownership expenses.
- (h) Property features.
- (i) Investment considerations.
- (j) Tax benefits for home ownership.
- (k) Homeowner's insurance.

**(2) THE REAL ESTATE BUSINESS.** Instruction relating to the real estate business shall include all of the following:

- (a) Real estate specialties.
- (b) The real estate market.
- (c) Factors affecting supply and demand.
- (d) Business cycles.
- (e) Real estate practice under ch. 452, Stats.

**(3) REAL ESTATE BROKERAGE.** Instruction relating to real estate brokerage shall include all of the following:

- (a) Law of agency.
- (b) Creation and termination of agency.
- (c) Fiduciary duties.
- (d) Responsibilities to third parties.
- (e) Broker's and salesperson's compensation.
- (f) Antitrust laws.
- (g) The difference between independent contractor and employee.
- (h) Broker-to-broker relationships.
- (i) Sales associate-to-sales associate relationships.
- (j) Agency, including all of the following:
  1. Duties owed to parties and clients under s. 452.133, Stats.
  2. Requirement for an agency agreement and disclosure of agency under s. 452.135, Stats.

3. Revisions to common law duties and responsibilities under s. 452.139, Stats.
- (k) Agency relationship, including all of the following:
1. Multiple representation with designated agency.
  2. Multiple representation without designated agency.
  3. Single agency.
- (4) LISTING AGREEMENTS. Instruction relating to real estate listing agreements shall include all of the following:
- (a) Listing property.
  - (b) Listing agreements under ch. REEB 16.
  - (c) Special listing provisions.
  - (d) Termination of listings.
  - (e) Obtaining listings.
  - (f) Pricing the property.
  - (g) Disclosures.
  - (h) Home warranties.
- (5) INTERESTS IN REAL ESTATE. Instruction relating to interests in real estate shall include all of the following:
- (a) Government powers.
  - (b) Estates in land.
  - (c) Encumbrances.
  - (d) Water rights.
  - (e) Forms of ownership.
  - (f) Trusts.
  - (g) Ownership by business organizations.
  - (h) Cooperatives.
  - (i) Time-shares under ss. 70.095, 707.02, 707.05, 707.40, 707.47 and 707.49, Stats.
  - (j) Condominiums under ss. 703.08, 703.21 and 703.33, Stats.
  - (k) Homestead under ss. 706.01(7) and 766.605, Stats.
- (6) LEGAL DESCRIPTIONS. Instruction relating to real estate legal descriptions shall include all of the following:
- (a) Methods of describing real estate.
  - (b) Land units and measurements.
- (7) TAXES AND OTHER LIENS. Instruction relating to taxes and other liens shall include all of the following:
- (a) Liens.
  - (b) Tax liens.
  - (c) General tax assessment, equalization, and tax bills.
  - (d) Mortgage liens.
  - (e) Construction liens.
  - (f) Judgments.
  - (g) Estate and inheritance tax liens.
  - (h) Other liens.
  - (i) Taxes under ss. 74.15 and 74.47(1) and (2), Stats.
  - (j) Taxation and transfer fees under ss. 77.22 and 77.27, Stats.
- (8) REAL ESTATE CONTRACTS. Instruction relating to real estate contracts shall include all of the following:

- (a) Contract law.
- (b) Elements of a valid contract.
- (c) Performance of contract.
- (d) Discharge of contract.
- (e) Default or breach of contract.
- (f) Forms used in real estate under ch. REEB 16, including all of the following:
  - 1. Listing agreements under s. 240.10, Stats.
  - 2. Offers to purchase.
  - 3. Addenda.
  - 4. Buyer agency agreements.
  - 5. Counteroffers.
  - 6. Multiple counter proposals.
  - 7. Amendments.
  - 8. Notices.
  - 9. Understanding closing statements.
  - 10. Disclosure forms, including all of the following:
    - a. Seller condition report.
    - b. Agency.
    - c. Buyer and seller disclosure.
  - 11. Cancellation agreement and mutual release agreements.
  - 12. Option.
  - 13. Bill of sale.
  - 14. Exchange.
- (g) Agreement to arbitrate real estate transaction disputes under s. 788.015, Stats.
- (9) TITLE RECORDS AND TRANSFERS OF TITLE.** Instruction relating to real estate title records and transfers of title shall include all of the following:
  - (a) Requirements of a valid conveyance under ss. 240.10, 706.02 and 706.03, Stats.
  - (b) Types of deeds.
  - (c) Involuntary alienation.
  - (d) Probate.
  - (e) Transfer of title by will.
  - (f) Public records and recording.
  - (g) Evidence of title.
  - (h) Conveyance defined under s. 706.01, Stats.
- (10) REAL ESTATE FINANCE AND BASIC MATH.** Instruction relating to real estate finance and basic math shall include all of the following:
  - (a) Buyer qualification.
  - (b) Mortgage instruments.
  - (c) Payment plans.
  - (d) Provisions for default; assignment; release and subject to.
  - (e) Land contracts.
  - (f) Secondary mortgage market.
- (11) APPRAISAL AND MARKET ANALYSIS.** Instruction relating to real estate appraisal and market analysis shall include all of the following:
  - (a) Basic principles of value.
  - (b) Direct market comparison approach.

- (c) Cost approach.
- (d) Income approach.
- (e) Appraisal process.
- (12) FAIR HOUSING LAWS.** Instruction relating to real estate fair housing laws shall include all of the following:
  - (a) Equal opportunity in housing.
  - (b) Federal fair housing law.
  - (c) Blockbusting, steering and redlining.
  - (d) Equal rights under s. 106.50, Stats.
  - (e) Organizations.
- (13) ETHICAL REAL ESTATE PRACTICES.** Instruction relating to ethical real estate practices shall include all of the following:
  - (a) Chapter REEB 24.
  - (b) Ethical business conduct, including all of the following:
    - 1. Direct contact with the public, including all of the following:
      - a. Competence in area of service under s. REEB 24.03.
      - b. Tie-ins under s. REEB 24.075.
      - c. Agreements in writing under s. REEB 24.08.
      - d. Misleading market values under s. REEB 24.09.
      - e. Net listings under s. REEB 24.10.
    - 2. Advertising under s. REEB 24.04.
    - 3. Completing and presenting written proposals under ss. REEB 24.12 and 24.13., including all of the following:
      - a. Confidentiality.
      - b. Drafting and submitting offers.
      - c. Prompt delivery to buyer.
      - d. Fair presentation of offers.
      - e. Prompt notification.
    - 4. Disclosure of compensation and interest under s. REEB 24.05
      - a. Disclosure of interest.
      - b. Referral services.
      - c. Disclosure of profits.
      - d. Disclosure of licensure.
- (14) CONSUMER PROTECTION.** Instruction relating to consumer protection shall include all of the following:
  - (a) Property inspections under s. REEB 24.07(1)(a).
  - (b) Inquiry by listing broker under s. REEB 24.07(1)(b).
  - (c) Disclosure of material adverse facts under s. REEB 24.07(2).
  - (d) Disclosure of material suggesting adverse material facts under s. REEB 24.07(3).
  - (e) Disclosure of side agreements under s. REEB 24.07(4).
  - (f) Reliance upon third parties under s. REEB 24.07(5).
  - (g) Investigations and inspections under s. 452.23, Stats.
  - (h) Civil liability for misrepresentation.
  - (i) Seller's disclosure duties under ch. 709, Stats.
- (15) LEASES.** Instruction relating to real estate leases shall include all of the following:
  - (a) Leasehold estates.

- (b) Standard lease provisions.
  - (c) Lease documents.
  - (d) Legal principles of leases.
  - (e) Improvements.
  - (f) Maintenance.
  - (g) Breach.
  - (h) Residential rental practices under ss. ATCP 134.02, 134.06, and 134.09.
- (16) PROPERTY MANAGEMENT.** Instruction relating to property management shall include all of the following:
- (a) Functions of property manager.
  - (b) Management agreement.
  - (c) Management considerations.
  - (d) Renting and maintaining the property.
  - (e) Risk management.
- (17) LAND USE CONTROL AND DEVELOPMENT.** Instruction relating to land use control and development shall include all of the following:
- (a) Public controls.
  - (b) The master plan.
  - (c) Zoning.
  - (d) Subdivision regulations.
  - (e) Private land-use controls.
  - (f) Building codes.
  - (g) Land development.
  - (h) Subdividing.
- (18) ENVIRONMENTAL CONCERNS.** Instruction relating to real estate environmental concerns shall include all of the following:
- (a) Radon.
  - (b) Asbestos.
  - (c) Lead-based paint.
  - (d) Toxic waste.
  - (e) Underground storage tanks under ch. ATCP 93.
  - (f) Floodplains under s. 87.30, Stats and ss NR 116.01 and 116.06.
  - (g) Flood insurance.
  - (h) Wetlands under s. 23.32, Stats.
  - (i) Farmland preservation under ss. 91.01, 91.60 to 91.70, Stats.
  - (j) Rental unit energy efficiency standards under ss. SPS 367.03 and 367.08.
  - (k) Disclosure documents under s. 452.23 and ch. 709 Stats. and s. REEB 24.07.
- (19) MISCELLANEOUS WISCONSIN LICENSE LAWS.** Instruction relating to miscellaneous Wisconsin license laws shall include all of the following:
- (a) Chapter REEB 15.
  - (b) Chapter REEB 16.
  - (c) Chapter REEB 17.
  - (d) Chapter REEB 18, including all of the following:
    1. Definition of trust account.
    2. Interest-bearing and non-interest bearing accounts.
    3. Definition of trust funds.

4. When a trust account is required.
  5. Deposit of trust funds.
- (e) Chapter REEB 23.
- (f) Property rights of married persons under ss. 766.31, 766.51, 766.60 and 766.63, Stats.
- (g) Mortgage banking under s. 224.71, Stats.
- (h) Escrow agreement procedures, including all of the following:
1. Escrows requiring separate escrow agreements.
  2. Pre-closing earnest money escrows.
  3. Post-closing escrows.
  4. Escrows not requiring separate escrow agreement.
  5. Drafting escrow agreements.

SECTION 28. REEB 25.035 is repealed

SECTION 29. REEB 25.038 is created to read:

**REEB 25.038 Nonresident salesperson educational equivalency.** An applicant who has held an active real estate salesperson's license in another licensing jurisdiction within the 2 year period prior to filing an application for a real estate salesperson's license in this state is deemed to have met the equivalency to the salesperson program education based upon their education required to obtain a license in the other licensing jurisdiction and completion of a Wisconsin specific course consisting of 13 hours and containing the following content:

- (1) Contracts, including all of the following:
- (a) Law of conveyances, including all of the following:
    - a. Conveyance defined under s. 706.01, Stats.
    - b. Requirements for a valid conveyance under ss. 706.02 and 706.03, Stats.
  - (b) Chapter REEB 16.
  - (c) Review of forms approved by the board, including all of the following:
    1. Listing contracts.
    2. Offers to purchase.
    3. Addenda.
    4. Buyer agency agreements.
    5. Counter offers.
    6. Multiple counter proposals.
    7. Amendment.
    8. Notices.
    9. Option.
    10. Bill of sale.
    11. Exchange.
    12. Cancellation agreement and mutual release.
- (2) Agency, including all of the following:
- (a) Duties owed to parties and clients under s. 452.133, Stats.
  - (b) Requirement for an agency agreement and disclosure of agency under s. 452.135, Stats.
  - (c) Revisions to common law duties and responsibilities under s. 452.139, Stats.
- (3) Agency relationship, including all of the following:

- (a) Multiple representation with designated agency.
- (b) Multiple representation without designated agency.
- (c) Single agency.
- (4) Business conduct.**
  - (a) Direct contact with the public, including all of the following:
    1. Competence in area of service under s. REEB 24.03.
    2. Tie-ins under s. REEB 24.075.
    3. Agreements in writing under s. REEB 24.08.
    4. Misleading market values under s. REEB 24.09.
    5. Net listings under s. REEB 24.10.
  - (b) Advertising under s. REEB 24.04.
  - (c) Completing and presenting written proposals under ss. REEB 24.12 and 24.13., including all of the following:
    - a. Confidentiality.
    - b. Drafting and submitting offers.
    - c. Prompt delivery to buyer.
    - d. Fair presentation of offers.
    - e. Prompt notification.
  - (d) Disclosure of compensation and interest under s. REEB 24.05
    - a. Disclosure of interest.
    - b. Referral services.
    - c. Disclosure of profits.
    - d. Disclosure of licensure.
- (5) Consumer Protection, including all of the following:**
  - (a) Property inspections under s. REEB 24.07(1)(a).
  - (b) Inquiry by listing broker under s. REEB 24.07(1)(b).
  - (c) Disclosure of material adverse facts under s. REEB 24.07(2).
  - (d) Disclosure of material suggesting adverse material facts under s. REEB 24.07(3).
  - (e) Disclosure of side agreements under s. REEB 24.07(4).
  - (f) Reliance upon third parties under s. REEB 24.07(5).
  - (g) Investigations and inspections under s. 452.23, Stats.
  - (h) Civil liability for misrepresentation.
  - (i) Seller's disclosure duties under ch. 709, Stats.
- (6) Wisconsin fair housing law under s. REEB 24.03(1), ss. 66.1011 and 106.50, Stats.**
- (7) Environmental factors, including all of the following:**
  - (a) Underground storage tanks under ch. ATCP 93.
  - (b) Floodplains under s. 87.30, Stats., ss NR 116.01, 116.06.
  - (c) Wetlands under s. 23.32, Stats.
  - (d) Farmland preservation under ss. 91.60 to 91.70, Stats.
  - (e) Rental unit energy efficiency standards under ss. SPS 367.03 and 367.08.
- (8) Trust accounts and escrows, including all of the following:**
  - (a) Trust accounts under s. 452.13, Stats., ch. REEB 18, including all of the following:
    1. Definition of trust account.
    2. Interest-bearing and non-interest bearing accounts.
    3. Definition of trust funds.
    4. When a trust account is required.

5. Deposit of trust funds.
- (b) Escrow agreement procedures, including all of the following:
  1. Escrows requiring separate escrow agreements.
  2. Pre-closing earnest money escrows.
  3. Post-closing escrows.
  4. Escrows not requiring separate escrow agreement.
  5. Drafting escrow agreements.
- (9) Miscellaneous issues, including all of the following:
  - (a) Condominiums under ss. 703.08, 703.21 and 703.33, Stats.
  - (b) Homestead under ss. 706.01(7) and 766.605, Stats.
  - (c) Taxes under ss. 74.15, 74.47(1) and (2), Stats.
  - (d) Taxation and transfer fees under ss. 77.22 and 77.27, Stats.
  - (e) Residential rental practices under ss. ATCP 134.02, 134.06 and 134.09.
  - (f) Documents and records under ch. REEB 15.
  - (g) Licensure and supervision of employees under ch. REEB 17.
  - (h) Property rights of married persons under ss. 766.31, 766.51, 766.60 and 766.63, Stats.
  - (i) Mortgage banking under s. 224.71, Stats.

SECTION 30. REEB 25.05 is repealed.

SECTION 31. REEB 25.055 is created to read:

**REEB 25.055 Approval for pre-licensure educational programs or courses.**

- (1) GENERAL. (a) The board may approve a pre-licensure educational program if it covers all of the required content and hours in ss. REEB 25.023, 25.028, 25.033 or 25.038. The board may approve a pre-licensure educational course if it alone or in conjunction with one or more other courses covers the required content and hours ss. REEB 25.023, 25.028, 25.033 or 25.038.
- (b) Instructors shall be knowledgeable in the subject which they are teaching. An instructor whose real estate license has been limited, suspended or revoked may not instruct in a program or a course while the disciplinary action is in effect.
- (c) A school or organization may not discriminate against anyone on the basis of sex, race, color, sexual orientation as defined in s. 111.32(13m), Stats., handicap, religion, age, physical disability or national origin in their educational program or courses.
- (2) APPROVAL. A school or organization seeking approval of a pre-licensure educational program or course shall submit to the board at least 30 days prior to offering the program or course all of the following:
- (a) Application provided by the board.
  - (b) Organizational structure of the school or organization.
  - (c) Registration policies.
  - (d) Promotional materials.
  - (e) Detailed outline of each program or course with specific allocations of hours to each topic. A school or organization utilizing a curriculum, which has already been approved by the board, may provide verification of utilization of the approved curriculum to meet this requirement.
  - (f) Method of instruction.
  - (g) Method for ensuring the students who complete the course are the enrolled students.

- (h) Method for evaluating instructors and program.
  - (i) Names of all instructors.
  - (j) Evidence that each instructor meets one of the following qualifications:
    1. A person who is or has been engaged in the practice of teaching real estate courses at an accredited institution of higher education.
    2. A properly licensed or certified person by the board or other governmental agency who, for at least 5 years continuously, has been engaged in the real estate aspects of one of the following:
      - a. Appraising.
      - b. Financing.
      - c. Marketing.
      - d. Brokerage management.
      - e. Real property management.
      - f. Real estate counseling.
      - g. Real property law.
    3. A member of the Wisconsin state bar who is engaged in the field of real estate related law.
    4. A person who, in the judgment of the board, is qualified by experience or education to teach a course of study.
- (3) CHANGES TO PROGRAM OR COURSE.** A school or organization shall inform the board of any change in the information submitted in par. (2)(a) through (j) within 10 days following the date of the change.
- (4) EVIDENCE OF COMPLETION.** (a) A school or organization shall provide all students with evidence of completion of the educational program or course.
- (b) A certificate of completion may not be issued unless the student received all the required contents of the educational program and course. A certificate of completion shall include all of the following:
1. Name of the school or organization.
  2. Name of the student.
  3. Name of the program or course
  4. Number of hours.
  5. Date of completion.
  6. Signature of authorized person at the school or organization.
- (c) A school or organization shall maintain attendance and completion records for at least 5 years after a program or course has been conduct.

SECTION 32. REEB 25.06 is repealed.

SECTION 33. REEB 25.065(1), (1)(note) and (2), are amended to read:

**REEB 25.065 Continuing education requirements for brokers and salespersons.** (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.~~

~~(2) A licensee may only satisfy the continuing education requirement by successfully completing the continuing education program or courses which are approved by the board before the programs or courses are conducted, except that pursuant to s. 452.12 (5) (e) 2., Stats., the licensee may take the continuing education examination conducted by the department in lieu of the education.~~

SECTION 34. REEB 25.065(2)(note) is repealed.

SECTION 35. REEB 25.065(5) is amended to read:

**REEB 25.065 (5)** A person who receives an original salesperson's or broker's license ~~during a licensing biennium~~ is ~~not~~ required to satisfy the continuing education requirement during the biennium in which the person receives that license, except a person who receives an original salesperson's license after October 1 in an even year is not required to satisfy the continuing education requirement during that biennium.

SECTION 36. REEB 25.065(6m) and (7) are repealed.

SECTION 37. REEB 25.065(8) is amended to read:

**REEB 25.065(8)** A licensee who acts as an instructor of an approved continuing education program or course may receive credit toward satisfaction of the licensee's continuing education requirement, ~~provided the licensee successfully completes the program or course examination, as specified in s. REEB 25.05.~~ The licensee may not receive credit for teaching a specific course more than one time.

SECTION 38. REEB 25.065(9)(a) and (b) are amended to read:

**REEB 25.065(9)(a)** Health reasons which prevented attendance at continuing education courses ~~or the continuing education examination;~~

(b) Active duty in the military service with assignment to a duty station outside Wisconsin; ~~or.~~

SECTION 39. REEB 25.065(10) is created to read:

**REEB 25.065(10)** A licensee shall retain for a minimum period of 5 years and shall make available to the board, or its agent upon request, the evidence of completion issued by the school or organization for all continuing education programs for which the licensee claims credit for purposes of renewal of the license.

SECTION 40. REEB 25.066 is repealed.

SECTION 41. REEB 25.068 is created to read:

**REEB 25.068 Approval for continuing education programs or courses.**

(1) GENERAL. (a) A school or organization shall conduct an examination at the end of each continuing education program or course consisting of at least 15 multiple-choice questions for each program or course. The passing score shall be no less than 70%, unless the school or organization provides substantial justification to the board for a lower score and the board approves the lower passing score. A school or organization may not count examination time as part of the number of hours of the program or course.

(b) Instructors of continuing education programs or courses shall be knowledgeable in the subject which they are teaching. An instructor whose real estate license has been limited, suspended or revoked may not instruct in a program or a course while the disciplinary action is in effect.

(c) A school or organization may not discriminate against anyone on the basis of sex, race, color, sexual orientation as defined in s. 111.32(13m), Stats., handicap, religion, age, physical disability or national origin in their educational program or courses.

(2) APPROVAL. A school or organization seeking approval of a continuing education program or course shall submit to the board at least 30 days prior to offering the program or course all of the following:

(a) Application provided by the board.

(b) Organizational structure of the school or organization.

(c) Registration policies.

(d) Promotional materials.

(e) Detailed outline of each program or course with specific allocations of hours to each topic. A school or organization utilizing a curriculum which has already been approved by the board may provide verification of utilization of the approved curriculum to meet this requirement.

(f) Method of instruction.

(g) Method for ensuring the students who complete the course are the enrolled students.

(h) Method for evaluating instructors and program.

(i) Names of all instructors.

(j) Evidence that each instructor meets one of the following qualifications:

1. A person who is or has been engaged in the practice of teaching real estate courses at an accredited institution of higher education.

2. A properly licensed or certified person by the board or other governmental agency who, for at least 5 years continuously, has been engaged in the real estate aspects of one of the following:

a. Appraising.

b. Financing.

c. Marketing.

d. Brokerage management.

e. Real property management.

f. Real estate counseling.

g. Real property law.

3. A member of the Wisconsin state bar who is engaged in the field of real estate related law.

4. A person who, in the judgment of the board, is qualified by experience or education to teach a course of study.

(k) A minimum of 15 multiple-choice questions for each program or course, the answer to each question, the portion of the course outline to which the question relates and the passing score for the examination. The questions shall comply with reasonable standards of test development and relate to the substantive contents of the continuing education program or course.

(3) **CHANGES TO PROGRAM OR COURSE.** A school or organization shall inform the board of any change in the information submitted in par. (2)(a) through (k) within 10 days following the date of the change.

(4) **EVIDENCE OF COMPLETION.** (a) A school or organization shall provide all students with evidence of completion of the continuing education program or course.

(b) A certification of completion may not be issued unless the student received all the required contents of the educational program and course. A certificate of completion shall include all of the following:

1. Name of the school or organization.
2. Name of the student.
3. Name of the program or course
4. Number of hours.
5. Date of completion.
6. Signature of authorized person at the school or organization.

(c) A school or organization shall maintain attendance and completion records for at least 5 years after a program or course has been conduct.

SECTION 42. REEB 25.07, 25.075 and 25.08 are repealed.

SECTION 43. REEB 25.09 is created to read:

**REEB 25.09 Denial or withdrawal of approval.** The board may deny or withdraw approval of a program or course which had been approved pursuant to ss. REEB 25.055 or REEB 25.068.

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

**AGENDA REQUEST FORM**

1) Name and Title of Person Submitting the Request:  <b>Brittany Lewin</b>		2) Date When Request Submitted:  <b>November 26, 2014</b>	
		Items will be considered late if submitted after 12:00 p.m. and less than: ■ 8 work days before the meeting	
3) Name of Board, Committee, Council, Sections: <b>Real Estate Examining Board</b>			
4) Meeting Date:  <b>Dec. 4, 2014</b>	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page?  <b>Credentialing Matters – Renewal License Counts Report</b>	
7) Place Item in: <input type="checkbox"/> Open Session <input type="checkbox"/> Closed Session <input checked="" type="checkbox"/> Both	8) Is an appearance before the Board being scheduled? If yes, who is appearing?  <input type="checkbox"/> Yes by _____ (name)  <input checked="" type="checkbox"/> No	9) Name of Case Advisor(s), if required:	
10) Describe the issue and action that should be addressed:  <b>Report of renewals per license as of 11/26/14.</b>			
11) Signature of person making this request		Authorization	Date
Supervisor (if required)			Date
Bureau Director signature (indicates approval to add post agenda deadline item to agenda)			Date
Directions for including supporting documents: 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Board Services Bureau Director. 3. If necessary, Provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.			

**WISCONSIN DEPARTMENT OF  
SAFETY & PROFESSIONAL SERVICES  
RENEWAL LICENSE COUNTS REPORT**

**From 08/26/2014    Through 11/26/2014**

<b>Profession</b>	<b>License Type</b>	<b>Status</b>	<b>Count</b>
<b>Real Estate Broker (90)</b>	regular	active	4658
	limited	active	8
		<b>Total :</b>	<b>4666</b>
<b>Real Estate Salesperson (94)</b>	regular	active	3715
	limited	active	5
		<b>Total :</b>	<b>3720</b>
<b>Real Estate Business Entity (91)</b>	regular	active	1270
		<b>Total :</b>	<b>1270</b>