



**TELECONFERENCE/VIRTUAL
REAL ESTATE EXAMINING BOARD
Virtual, 4822 Madison Yards Way, Madison
Will Johnson (608) 266-2112
December 4, 2025**

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

AGENDA

10:00 A.M.

OPEN SESSION – CALL TO ORDER – ROLL CALL

- A. Adoption of Agenda (1-4)**
- B. Approval of Minutes of October 30, 2025 (5-8)**
- C. Introductions, Announcements, and Recognition
- D. Reminders: Conflicts of Interest, Scheduling Concerns
- E. Administrative Matters – Discussion and Consideration**
 - 1. Department, Staff and Board Updates
 - 2. Elections, Appointment of Liaisons and Alternates, Delegation of Authorities
 - 3. Board Members – Term Expiration Dates
 - a. Berry, Jeffery K. – 7/1/2026
 - b. Kaleka, Gurmit S. – 7/1/2029
 - c. Lauer, Elizabeth A. – 7/1/2026
 - d. Mays, Sonya G. – 7/1/2028
 - e. McKinney, Stacey J. – 7/1/2029
 - f. Pierce, Dennis M. – 7/1/2013
 - g. Richie, Thomas J. – 7/1/2026
- F. Administrative Rules Matters – Discussion and Consideration (9-31)**
 - 1. Progress Update on Rule REEB 12 **(10-19)**
 - 2. Progress Update on Rule REEB 24 **(20-30)**
 - 3. Pending or Possible Rulemaking Projects **(31)**
- G. Legislative and Policy Matters – Discussion and Consideration
- H. Disciplinary Trends in Real Estate – Discussion and Consideration
- I. Practice Considerations – Antitrust Settlement

- J. Report and Possible Action from the Real Estate Contractual Forms Advisory Council – Discussion and Consideration
- K. Newsletter Matters – Discussion and Consideration
- L. Discussion and Consideration of Items Added After Preparation of Agenda:
 - 1. Introductions, Announcements and Recognition
 - 2. Administrative Matters
 - 3. Election of Officers
 - 4. Appointment of Liaisons and Alternates
 - 5. Delegation of Authorities
 - 6. Education and Examination Matters
 - 7. Credentialing Matters
 - 8. Practice Matters
 - 9. Legislative and Policy Matters
 - 10. Public Health Emergencies
 - 11. Administrative Rule Matters
 - 12. Liaison Reports
 - 13. Board Liaison Training and Appointment of Mentors
 - 14. Informational Items
 - 15. Division of Legal Services and Compliance (DLSC) Matters
 - 16. Presentations of Petitions for Summary Suspension
 - 17. Petitions for Designation of Hearing Examiner
 - 18. Presentation of Stipulations, Final Decisions and Orders
 - 19. Presentation of Proposed Final Decisions and Orders
 - 20. Presentation of Interim Orders
 - 21. Petitions for Re-Hearing
 - 22. Petitions for Assessments
 - 23. Petitions to Vacate Orders
 - 24. Requests for Disciplinary Proceeding Presentations
 - 25. Motions
 - 26. Petitions
 - 27. Appearances from Requests Received or Renewed
 - 28. Speaking Engagements, Travel, or Public Relation Requests, and Reports

M. 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.).

- N. **Deliberation on Department of Legal Services and Compliance (DLSC) Matters**
 - 1. **Administrative Warnings**
 - a. 25 REB 0168 – T.J.J. **(32-35)**
 - 2. **Case Closings**
 - a. 22 REB 059 – J.H., M.R., S.R. **(36-41)**
 - b. 24 REB 022 – S.M.P. and S.P.R.G. **(42-48)**

O. Deliberation of Items Added After Preparation of the Agenda

1. Education and Examination Matters
2. Credentialing Matters
3. DLSC Matters
4. Monitoring Matters
5. Professional Assistance Procedure (PAP) Matters
6. Petitions for Summary Suspensions
7. Petitions for Designation of Hearing Examiner
8. Proposed Stipulations, Final Decisions and Order
9. Proposed Interim Orders
10. Administrative Warnings
11. Review of Administrative Warnings
12. Proposed Final Decisions and Orders
13. Matters Relating to Costs/Orders Fixing Costs
14. Case Closings
15. Board Liaison Training
16. Petitions for Assessments and Evaluations
17. Petitions to Vacate Orders
18. Remedial Education Cases
19. Motions
20. Petitions for Re-Hearing
21. Appearances from Requests Received or Renewed

P. Consulting with Legal Counsel

RECONVENE TO OPEN SESSION IMMEDIATELY FOLLOWING CLOSED SESSION

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

R. Open Session Items Noticed Above Not Completed in the Initial Open Session

ADJOURNMENT

NEXT MEETING: FEBRUARY 19, 2026

MEETINGS AND HEARINGS ARE OPEN TO THE PUBLIC, AND MAY BE CANCELLED WITHOUT NOTICE.

Times listed for meeting items are approximate and depend on the length of discussion and voting. All meetings are held virtually unless otherwise indicated. In-person meetings are typically conducted at 4822 Madison Yards Way, Madison, Wisconsin, unless an alternative location is listed on the meeting notice. In order to confirm a meeting or to request a complete copy of the board's agenda, please visit the Department website at <https://dsps.wi.gov>. The board may also consider materials or items filed after the transmission of this notice. Times listed for the commencement of any agenda item may be changed by the board for the convenience of the parties. The person credentialed by the board has the right to demand that the meeting at which final action may be taken against the credential be held in open session. Requests for interpreters for the hard of hearing, or other accommodations, are considered upon request by contacting the Affirmative Action Officer or reach the Meeting Staff by calling 608-267-7213.

at which final action may be taken against the credential be held in open session. Requests for interpreters for the hard of hearing, or other accommodations, are considered upon request by contacting the Affirmative Action Officer or reach the Meeting Staff by calling 608-267-7213.

**VIRTUAL/TELECONFERENCE
REAL ESTATE EXAMINING BOARD
MEETING MINUTES
OCTOBER 30, 2025**

PRESENT: Jeffery Berry, Gurmit Kaleka, Elizabeth Lauer, Sonya Mays, Stacey McKinney
Dennis Pierce

ABSENT: Thomas Richie

STAFF: Will Johnson, Executive Director; Jameson Whitney, Legal Counsel; Jake
Pelegrin, Administrative Rule Coordinator; Ashley Sarnosky, Board
Administrative Specialist; and Other Department Staff

CALL TO ORDER

Elizabeth Lauer, Vice Chairperson, called the meeting to order at 10:02 a.m. A quorum was confirmed with six (6) members present.

ADOPTION OF AGENDA

MOTION: Dennis Pierce moved, seconded by Jeffrey Berry, to adopt the Agenda as published. Motion carried unanimously.

APPROVAL OF MINUTES OF AUGUST 28, 2025

MOTION: Dennis Pierce moved, seconded by Elizabeth Lauer, to approve the Minutes of August 28, 2025 as published. Motion carried unanimously.

Recognition: Cathy Lacy – Real Estate Member (Resigned: 7/1/2025)

MOTION: Elizabeth Lauer moved, seconded by Jeffrey Berry, to recognize and thank Cathy Lacy for their years of dedicated service to the Board and State of Wisconsin. Motion carried unanimously.

**10:00 A.M. PUBLIC HEARING ON RULE REEB 12 RELATING TO BROKER
APPLICATION REQUIREMENTS**

MOTION: Elizabeth Lauer moved, seconded by Dennis Pierce, to affirm the Board has provided an opportunity for public comments on REEB 12 relating to Broker Application Requirements and that no comments were received. Motion carried unanimously.

**10:00 A.M. PUBLIC HEARING ON RULE REEB 24 RELATING TO CONDUCT AND
ETHICAL PRACTICES**

MOTION: Elizabeth Lauer moved, seconded by Stacey McKinney, to affirm the Board has provided an opportunity for public comments on rule REEB 24 relating to Conduct and Ethical Practices and that no comments were received. Motion carried unanimously.

ADMINISTRATIVE RULES MATTERS

Discussion of Public Comments and Clearinghouse Comments for Rule REEB 12 on Broker Application Requirements

MOTION: Elizabeth Lauer moved, seconded by Jeffrey Berry, to accept all Clearinghouse comments for rule REEB 12 relating to Broker Application Requirement. Motion carried unanimously.

MOTION: Jeffrey Berry moved, seconded by Sonya Mays, to authorize the Chairperson or Vice Chairperson to approve the Final Rule Draft and Report to the Legislature for rule REEB 12 relating to Broker Application Requirements for submittal to the Governor's Office and Legislature. The board also authorizes the Chairperson or Vice Chairperson to approve the Adoption Order for rule REEB 12 after Governor's approval of the Final Rule Draft. Motion carried unanimously.

Discussion of Public Comments and Clearinghouse Comments for Rule REEB 24 on Conduct and Ethical Practices

MOTION: Sonya Mays moved, seconded by Stacey McKinney, to authorize the Chairperson or Vice Chairperson to approve the Final Rule Draft and Report to the Legislature for rule REEB 24 relating to Conduct and Ethical Practices for submittal to the Governor's Office and Legislature. The board also authorizes the Chairperson or Vice Chairperson to approve the Adoption Order for rule REEB 24 after Governor's approval of the Final Rule Draft. Motion carried unanimously.

CLOSED SESSION

MOTION: Elizabeth Lauer moved, seconded by Jeffrey Berry, 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.). Elizabeth Lauer, Vice Chairperson, read the language of the motion. The vote of each member was ascertained by voice vote. Roll Call Vote: Jeffery Berry-yes; Gurmit Kaleka-yes; Elizabeth Lauer-yes; Sonya Mays-yes; Stacey McKinney-yes; and Dennis Pierce-yes. Motion carried unanimously.

The Board convened into Closed Session at 10:43 a.m.

DIVISION OF LEGAL SERVICES AND COMPLIANCE (DLSC) MATTERS

Proposed Stipulations, Final Decisions and Orders

21 REB 099, 22 REB 060, 23 REB 125 – Tamairo A. Moutry and Milwaukee's Best Real Estate Services LLC

MOTION: Sonya Mays moved, seconded by Stacey McKinney, to adopt the Findings of Fact, Conclusions of Law and Order in the matter of disciplinary proceedings against Tamairo A. Moutry and Milwaukee's Best Real Estate Services LLC, DLSC Case Numbers 21 REB 099, 22 REB 060, 23 REB 125. Motion carried unanimously.

23 REB 011 – Paul J. Schieldt and Guge LLC

MOTION: Stacey McKinney moved, seconded by Elizabeth Lauer, to adopt the Findings of Fact, Conclusions of Law and Order in the matter of disciplinary proceedings against Paul J. Schieldt and Guge LLC, DLSC Case Number 23 REB 011. Motion carried unanimously.

24 REB 0062 – Jorge Munoz

MOTION: Sonya Mays moved, seconded by Stacey McKinney, to adopt the Findings of Fact, Conclusions of Law and Order in the matter of disciplinary proceedings against Jorge Munoz, DLSC Case Number 24 REB 0062. Motion carried unanimously.

Administrative Warnings

MOTION: Elizabeth Lauer moved, seconded by Dennis Pierce, to issue an Administrative Warning in the following DLSC cases:

1. 21 REB 058 and 21 REB 076 – J.M.D., and E.R.G.L.
2. 22 REB 016 – J.I.A. and J.A.R.E.
3. 24 REB 008 – R.L.C.
4. 25 REB 0098 – I.K.

Motion carried unanimously.

Case Closings

MOTION: Jeffrey Berry moved, seconded by Elizabeth Lauer, to close the following DLSC Cases for the reasons outlined below:

1. 21 REB 058 and 21 REB 076 – E.R.G.L. – No Violation
2. 22 REB 067 – D.K., J.P., J.C., J.H., J.I., M.S., J.R.E., and S.R. – Insufficient Evidence
3. 23 REB 040 – J.G., J.B., and P.P.R. – Insufficient Evidence
4. 23 REB 045 – R.D.J., and R.B. – Insufficient Evidence
5. 23 REB 149 – J.Q. – Prosecutorial Discretion (P5)
6. 25 REB 0006 – S.A.S. – No Violation
7. 25 REB 0058 – T.A.M., and M.B.R.E.S. – Prosecutorial Discretion (P7)
8. 25 REB 0135 – J.S. – No Violation

Motion carried unanimously.

RECONVENE TO OPEN SESSION

MOTION: Elizabeth Lauer moved, seconded by Sonya Mays, to reconvene into Open Session. Motion carried unanimously.

The Board reconvened into Open Session at 11:14 a.m.

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

MOTION: Elizabeth Lauer moved, seconded by Sonya Mays, to affirm all motions made and votes taken in Closed Session. Motion carried unanimously.

(Be advised that any recusals or abstentions reflected in the closed session motions stand for the purposes of the affirmation vote.)

ADJOURNMENT

MOTION: Elizabeth Lauer moved, seconded by Jeffrey Berry, to adjourn the meeting. Motion carried unanimously.

The meeting adjourned at 11:16 a.m.

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

AGENDA REQUEST FORM

1) Name and title of person submitting the request: Jake Pelegrin Administrative Rules Coordinator		2) Date when request submitted: 11/21/25 <small>Items will be considered late if submitted after 12:00 p.m. on the deadline date which is 8 business days before the meeting</small>											
3) Name of Board, Committee, Council, Sections: Real Estate Examining Board													
4) Meeting Date: 12/4/25	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page? Administrative Rule Matters – Discussion and Consideration 1. Progress update on rule REEB 12 2. Progress update on rule REEB 24 3. Pending or possible rulemaking projects											
7) Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session	8) Is an appearance before the Board being scheduled? <i>(If yes, please complete Appearance Request for Non-DSPP Staff)</i> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	9) Name of Case Advisor(s), if required: N/A											
10) Describe the issue and action that should be addressed: Attachments: -Final Rule Drafts -Rule Progress Chart													
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border-bottom: 1px solid black; vertical-align: bottom;"> 11) <i>Jake Pelegrin</i> </td> <td style="width: 40%; border-bottom: 1px solid black; vertical-align: bottom; text-align: right;"> Authorization 11/21/25 </td> </tr> <tr> <td style="border-bottom: 1px solid black; vertical-align: bottom;"> Signature of person making this request </td> <td style="border-bottom: 1px solid black; vertical-align: bottom; text-align: right;"> Date </td> </tr> <tr> <td style="border-bottom: 1px solid black; vertical-align: bottom;"> Supervisor (if required) </td> <td style="border-bottom: 1px solid black; vertical-align: bottom; text-align: right;"> Date </td> </tr> <tr> <td colspan="2" style="border-bottom: 1px solid black; vertical-align: bottom;"> Executive Director signature (indicates approval to add post agenda deadline item to agenda) </td> </tr> <tr> <td colspan="2" style="border-bottom: 1px solid black; vertical-align: bottom;"> Date </td> </tr> </table>				11) <i>Jake Pelegrin</i>	Authorization 11/21/25	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	
11) <i>Jake Pelegrin</i>	Authorization 11/21/25												
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.													

**STATE OF WISCONSIN
REAL ESTATE EXAMINING BOARD**

IN THE MATTER OF RULEMAKING	:	REPORT TO THE LEGISLATURE
PROCEEDINGS BEFORE THE	:	CR 25-053
REAL ESTATE EXAMINING BOARD	:	

I. THE PROPOSED RULE:

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

II. REFERENCE TO APPLICABLE FORMS:

N/A

III. FISCAL ESTIMATE AND EIA:

The Fiscal Estimate and EIA are attached.

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

Experience requirements to apply for a real estate broker license are in s. 452.09 (4) (a) to (d), Stats., and are mirrored in Wis. Admin. Code s. REEB 12.017 (3) (a) to (d). The proposed rule creates a provision that allows the board to waive those experience requirements if the board determines the applicant has equivalent experience as a real estate salesperson or broker licensed in another state. This waiver provision is allowed by s. 452.09 (4) (e), Stats. The board believes this rule may help expedite the licensing process for real estate broker license applicants coming from another state. If the applicant has equivalent experience as a real estate salesperson and/or broker in another state, they would not be required to repeat the experience in Wisconsin as a Wisconsin-licensed real estate salesperson, and would be able to apply for a broker license.

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

The Real Estate Examining Board held a public hearing on October 30, 2025. No comments were received.

VI. RESPONSE TO LEGISLATIVE COUNCIL STAFF RECOMMENDATIONS:

All Legislative Council comments have been accepted and incorporated into the proposed rules.

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

N/A

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 25-053)

PROPOSED ORDER

An order of the Real Estate Examining Board to **amend** REEB 12.017 (3) (intro.); and to **create** REEB 12.017 (5) relating to broker application requirements.

Analysis prepared by the Department of Safety and Professional Services.

ANALYSIS

Statutes interpreted: Section 452.09 (4) (a) to (e), Stats.

Statutory authority: Sections 15.08 (5) (b), 227.11 (2) (a), 452.07 (1), and 452.09 (4) (e), Stats.

Explanation of agency authority:

Section 15.08 (5) (b), Stats., states that each examining board “[s]hall 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., states that an agency “may promulgate rules interpreting the provisions of any statute enforced or administered by the agency, if the agency considers it necessary to effectuate the purpose of the statute, but a rule is not valid if the rule exceeds the bounds of correct interpretation.”

Section 452.07 (1), Stats.: “The board shall promulgate rules for the guidance of the real estate profession...”

Section 452.09 (4) (e), Stats.: “The board may waive any requirement under par. (a), (b), (c), or (d) for any applicant based on standards established by the board by rule.”

Related statute or rule: Section 452.09 (4) (a) to (e), Stats.

Plain language analysis: Experience requirements to apply for a real estate broker license are in s. 452.09 (4) (a) to (d), Stats., and are mirrored in Wis. Admin. Code s. REEB 12.017 (3) (a) to (d). The proposed rule creates a provision that allows the board to waive those experience requirements if the board determines the applicant has equivalent

experience as a real estate salesperson or broker licensed in another state. This waiver provision is allowed by s. 452.09 (4) (e), Stats. The board believes this rule may help expedite the licensing process for real estate broker license applicants coming from another state. If the applicant has equivalent experience as a real estate salesperson and/or broker in another state, they would not be required to repeat the experience in Wisconsin as a Wisconsin-licensed real estate salesperson, and would be able to apply for a broker license.

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

None.

Summary of public comments received on statement of scope and a description of how and to what extent those comments and feedback were taken into account in drafting the proposed rule: None.

Comparison with rules in adjacent states:

Illinois: Illinois requires an applicant for a broker's license to be at least 18 years of age, graduated from high school or equivalent, complete 75 hours of education in real estate courses or be licensed to practice law in Illinois, and pass an examination. An applicant for a managing broker's license is required to be at least 20 years of age, graduated from high school or equivalent, complete 165 hours of specified education or be licensed to practice law in Illinois, be actively licensed as a broker for 2 of the last 3 years, and pass an examination. An out of state applicant is required to take an Illinois-specific real estate brokerage laws exam. Reciprocity is granted to brokers who hold an active broker license, or its equivalent, by examination in a state with a reciprocal agreement with the Department, if the broker has been actively engaged in licensed activities as a broker during the preceding 2 years in the state of licensure, and the broker's licensing standards are substantially equivalent to Illinois's [225 ILCS 454].

Iowa: Iowa requires an applicant for a salesperson's license to be at least 18 years of age, complete 96 hours of specified education and pass an examination. An applicant for a broker's license is required to complete 60 hours of live instruction in addition to the required salesperson's education, have engaged in real estate practice for a period of at least 24 months and pass an examination. An applicant for a broker license may use active experience as a former Iowa salesperson or active salesperson experience in another state or jurisdiction, or a combination of both, to satisfy the experience requirement for a broker license only if the former Iowa salesperson or applicant from another state or jurisdiction was actively licensed for not less than 24 months and if the license on which the experience is based has not been expired for more than three years prior application [IA 193E-3.1-193E5.12 (543B)].

Michigan: Michigan requires an applicant for a salesperson's license to complete 40 hours of education and pass an examination. An applicant for a broker's license must complete 90 hours of education (a law degree counts towards 60 hours and a master's degree in business administration counts as 60 hours of education, respectively), have 3

years of real estate experience, and pass an examination. The 3 years of real estate experience can have taken place in any state or jurisdiction, as long as proof is provided. Reciprocity may be achieved by conforming to the prevailing licensing rules for real estate salespersons and brokers [MCL 339.2502-339.2514].

Minnesota: An applicant for a broker's license is required to complete 30 hours of education, 3 years of experience as a licensed salesperson, and pass an examination. The 3-year experience requirement may be waived for applicants who have a degree in real estate from an accredited college or university, are a licensed practicing attorney whose practice involves real estate law, or are a public officer whose official duties involve real estate law or real estate transactions. Real estate salespersons and brokers seeking license reciprocity with the State of Minnesota may be granted provided (1) there is a written reciprocal licensing agreement in effect between Minnesota and the licensing officials of that jurisdiction, (2) the individual is licensed and in good standing in that jurisdiction, and (3) the licensing requirements of that jurisdiction are substantially similar to existing Minnesota provisions [Minnesota Statutes 2023, section 82].

Summary of factual data and analytical methodologies: The proposed rule was developed by reviewing the statutes in 452.09 (4) (a) to (e), reviewing the provisions of ch. REEB 12, and determining what changes the board wished to make.

Analysis and supporting documents used to determine effect on small business or in preparation of economic impact analysis: The proposed rules were posted for 14 days to solicit public comment on economic impact, including how the proposed rules may affect businesses, local government units, and individuals. No comments were received.

Fiscal Estimate and Economic Impact Analysis: The Fiscal Estimate and Economic Impact Analysis are 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 Jennifer.Garrett@wisconsin.gov, or by calling (608) 266-2112.

Agency contact person:

Jake Pelegrin, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 4822 Madison Yards Way, P.O. Box 8366, Madison, Wisconsin 53708-8366; telephone 608-267-7139; email at DSPSAdminRules@wisconsin.gov.

TEXT OF RULE

SECTION 1. REEB 12.017 (3) (intro.) is amended to read:

REEB 12.017 (3) EXPERIENCE REQUIREMENTS. Except as provided in ~~sub.~~ subs. (4) and (5) and s. REEB 12.012:

SECTION 2. REEB 12.017 (5) is created to read:

REEB 12.017 (5) If the board determines that an applicant for a real estate broker's license has experience equivalent to the requirements in one of the options in sub. (3) (a) to (d), through experience as a real estate salesperson or broker licensed in another state, the board may waive the requirements under sub. (3) for that applicant.

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

(END OF TEXT OF RULE)

This Proposed Order of the Real Estate Examining Board is approved for submittal to the Governor and Legislature.

Dated 11/06/2025



Vice Chairperson
Real Estate Examining Board

ADMINISTRATIVE RULES

Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	2. Date June 27, 2025								
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) REEB 12									
4. Subject Broker Application Requirements									
5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	6. Chapter 20, Stats. Appropriations Affected s.20.165(1)(g)								
7. Fiscal Effect of Implementing the Rule <table style="width: 100%;"><tr><td><input type="checkbox"/> No Fiscal Effect</td><td><input type="checkbox"/> Increase Existing Revenues</td><td><input checked="" type="checkbox"/> Increase Costs</td><td><input type="checkbox"/> Decrease Costs</td></tr><tr><td><input type="checkbox"/> Indeterminate</td><td><input type="checkbox"/> Decrease Existing Revenues</td><td colspan="2"><input type="checkbox"/> Could Absorb Within Agency's Budget</td></tr></table>		<input type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs	<input type="checkbox"/> Decrease Costs	<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Could Absorb Within Agency's Budget	
<input type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs	<input type="checkbox"/> Decrease Costs						
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Could Absorb Within Agency's Budget							
8. The Rule Will Impact the Following (Check All That Apply) <table style="width: 100%;"><tr><td><input type="checkbox"/> State's Economy</td><td><input type="checkbox"/> Specific Businesses/Sectors</td></tr><tr><td><input type="checkbox"/> Local Government Units</td><td><input type="checkbox"/> Public Utility Rate Payers</td></tr><tr><td colspan="2"><input type="checkbox"/> Small Businesses (if checked, complete Attachment A)</td></tr></table>		<input type="checkbox"/> State's Economy	<input type="checkbox"/> Specific Businesses/Sectors	<input type="checkbox"/> Local Government Units	<input type="checkbox"/> Public Utility Rate Payers	<input type="checkbox"/> Small Businesses (if checked, complete Attachment A)			
<input type="checkbox"/> State's Economy	<input type="checkbox"/> Specific Businesses/Sectors								
<input type="checkbox"/> Local Government Units	<input type="checkbox"/> Public Utility Rate Payers								
<input type="checkbox"/> Small Businesses (if checked, complete Attachment A)									
9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$0									
10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No									
11. Policy Problem Addressed by the Rule Experience requirements to apply for a real estate broker license are in s. 452.09 (4) (a) to (d), Stats., and are mirrored in Wis. Admin. Code s. REEB 12.017 (3) (a) to (d). The proposed rule creates a provision that allows the board to waive those experience requirements if the board determines the applicant has equivalent experience as a real estate salesperson or broker licensed in another state. This waiver provision is allowed by s. 452.09 (4) (e), Stats. The board believes this rule may help expedite the licensing process for real estate broker license applicants coming from another state. If the applicant has equivalent experience as a real estate salesperson and/or broker in another state, they would not be required to repeat the experience in Wisconsin as a Wisconsin-licensed real estate salesperson, and would be able to apply for a broker license.									
12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. The rule was posted to the public for Economic Impact Analysis comments as required, and will be subject to an official public hearing, along with other steps of the rule process.									
13. Identify the Local Governmental Units that Participated in the Development of this EIA. None.									
14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred) DSPS estimates a total of \$3,700.00 in one-time costs to implement the rule. The estimated need for 0.1 limited term employee (LTE) is for promulgating rules, training, consultation, and updating of website and forms. The one-time and annual estimated costs cannot be absorbed in the currently appropriated agency budget.									
15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule The benefit of this rule is that it will streamline the application process for some real estate broker license applicants coming from another state. Under current rules, an applicant could have significant experience as a real estate									

ADMINISTRATIVE RULES

Fiscal Estimate & Economic Impact Analysis

salesperson and/or broker licensed in another state, but if they have not been licensed as a broker for at least 2 years, they have to repeat their experience as a specifically Wisconsin-licensed salesperson in order to apply for a broker license here. If the rule does not go forward, this situation will continue, which discourages some applicants from moving to Wisconsin to practice real estate.

16. Long Range Implications of Implementing the Rule

The long range implication of implementing the rule is that it will allow more real estate broker license applicants in Wisconsin and it will help grow the industry.

17. Compare With Approaches Being Used by Federal Government

None.

18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Illinois: Illinois requires an applicant for a broker's license to be at least 18 years of age, graduated from high school or equivalent, complete 75 hours of education in real estate courses or be licensed to practice law in Illinois, and pass an examination. An applicant for a managing broker's license is required to be at least 20 years of age, graduated from high school or equivalent, complete 165 hours of specified education or be licensed to practice law in Illinois, be actively licensed as a broker for 2 of the last 3 years, and pass an examination. An out of state applicant is required to take an Illinois-specific real estate brokerage laws exam. Reciprocity is granted to brokers who hold an active broker license, or its equivalent, by examination in a state with a reciprocal agreement with the Department, if the broker has been actively engaged in licensed activities as a broker during the preceding 2 years in the state of licensure, and the broker's licensing standards are substantially equivalent to Illinois's [225 ILCS 454].

Iowa: Iowa requires an applicant for a salesperson's license to be at least 18 years of age, complete 96 hours of specified education and pass an examination. An applicant for a broker's license is required to complete 60 hours of live instruction in addition to the required salesperson's education, have engaged in real estate practice for a period of at least 24 months and pass an examination. An applicant for a broker license may use active experience as a former Iowa salesperson or active salesperson experience in another state or jurisdiction, or a combination of both, to satisfy the experience requirement for a broker license only if the former Iowa salesperson or applicant from another state or jurisdiction was actively licensed for not less than 24 months and if the license on which the experience is based has not been expired for more than three years prior application [IA 193E-3.1-193E5.12 (543B)].

Michigan: Michigan requires an applicant for a salesperson's license to complete 40 hours of education and pass an examination. An applicant for a broker's license must complete 90 hours of education (a law degree counts towards 60 hours and a master's degree in business administration counts as 60 hours of education, respectively), have 3 years of real estate experience, and pass an examination. The 3 years of real estate experience can have taken place in any state or jurisdiction, as long as proof is provided. Reciprocity may be achieved by conforming to the prevailing licensing rules for real estate salespersons and brokers [MCL 339.2502-339.2514].

Minnesota: An applicant for a broker's license is required to complete 30 hours of education, 3 years of experience as a licensed salesperson, and pass an examination. The 3-year experience requirement may be waived for applicants who have a degree in real estate from an accredited college or university, are a licensed practicing attorney whose practice involves real estate law, or are a public officer whose official duties involve real estate law or real estate transactions. Real estate salespersons and brokers seeking license reciprocity with the State of Minnesota may be granted provided (1) there is a written reciprocal licensing agreement in effect between Minnesota and the licensing officials of that jurisdiction, (2) the individual is licensed and in good standing in that jurisdiction, and (3) the licensing requirements of that jurisdiction are substantially similar to existing Minnesota provisions [Minnesota Statutes 2023, section 82].

19. Contact Name

Jake Pelegrin, Administrative Rules Coordinator

20. Contact Phone Number

(608) 267-0989

ADMINISTRATIVE RULES
Fiscal Estimate & Economic Impact Analysis

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

ADMINISTRATIVE RULES
Fiscal Estimate & Economic Impact Analysis

ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- ☐ Less Stringent Compliance or Reporting Requirements
☐ Less Stringent Schedules or Deadlines for Compliance or Reporting
☐ Consolidation or Simplification of Reporting Requirements
☐ Establishment of performance standards in lieu of Design or Operational Standards
☐ Exemption of Small Businesses from some or all requirements
☐ Other, describe:

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

5. Describe the Rule's Enforcement Provisions

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

☐ Yes ☐ No

**STATE OF WISCONSIN
REAL ESTATE EXAMINING BOARD**

IN THE MATTER OF RULEMAKING	:	REPORT TO THE LEGISLATURE
PROCEEDINGS BEFORE THE	:	CR 25-077
REAL ESTATE EXAMINING BOARD	:	

I. THE PROPOSED RULE:

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

II. REFERENCE TO APPLICABLE FORMS:

N/A

III. FISCAL ESTIMATE AND EIA:

The Fiscal Estimate and EIA are attached.

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

Current rules for conduct and ethical practices for real estate licensees are in Wisconsin Administrative Code chapter REEB 24. This chapter contains subject matters such as inspection requirements, disclosure of material adverse facts, right of first refusal, and others. The proposed rule amends a provision regarding inspection requirements to make clear that a licensee must inspect the real estate prior to submitting a written offer unless the licensee is not given access to the real estate or is instructed to submit an offer before being able to access the real estate. The proposed rule repeals a provision regarding disclosure of information suggesting material adverse facts. The proposed rule adds a provision to clarify that licensees are not responsible for implementation of any right of first refusal terms. The board believes these changes are necessary for clarity, to prevent stakeholder confusion, and to keep the code up to date with current trends in the industry.

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

The Real Estate Examining Board held a public hearing on October 30, 2025. No comments were received.

VI. RESPONSE TO LEGISLATIVE COUNCIL STAFF RECOMMENDATIONS:

No Legislative Council comments were received.

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

N/A

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 25-077)

PROPOSED ORDER

An order of the Real Estate Examining Board to **repeal** REEB 24.07 (3); and to **amend** REEB 24.07 (1) (c), 24.075 (3) (intro.), and 24.12 (2) relating to Conduct and Ethical Practices.

Analysis prepared by the Department of Safety and Professional Services.

ANALYSIS

Statutes interpreted: Section 452.07 (1), Stats.

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

Explanation of agency authority:

Section 15.08 (5) (b), Stats., states that each examining board “[s]hall 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., states that an agency “may promulgate rules interpreting the provisions of any statute enforced or administered by the agency, if the agency considers it necessary to effectuate the purpose of the statute, but a rule is not valid if the rule exceeds the bounds of correct interpretation.”

Section 452.07 (1), Stats.: “The board shall promulgate rules for the guidance of the real estate profession and define professional conduct and unethical practice.”

Related statute or rule: None.

Plain language analysis: Current rules for conduct and ethical practices for real estate licensees are in Wisconsin Administrative Code chapter REEB 24. This chapter contains subject matters such as inspection requirements, disclosure of material adverse facts, right of first refusal, and others. The proposed rule amends a provision regarding inspection requirements to make clear that a licensee must inspect the real estate prior to submitting a written offer unless the licensee is not given access to the real estate or is instructed to submit an offer before being able to access the real estate. The proposed rule

repeals a provision regarding disclosure of information suggesting material adverse facts. The proposed rule adds a provision to clarify that licensees are not responsible for implementation of any right of first refusal terms. The board believes these changes are necessary for clarity, to prevent stakeholder confusion, and to keep the code up to date with current trends in the industry.

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

None.

Comparison with rules in adjacent states:

Illinois: In Illinois, licensees representing clients have the duty to disclose to the client material facts concerning the transaction of which the licensee has actual knowledge, unless that information is confidential information. Material facts do not include the following when located on or related to real estate that is not the subject of the transaction: (i) physical conditions that do not have a substantial adverse effect on the value of the real estate, (ii) fact situations, or (iii) occurrences and acts at the property.

No cause of action shall arise against a licensee for the failure to disclose: (ii) that the property was the site of an act or occurrence that had no effect on the physical condition of the property or its environment or the structures located thereon; (iii) fact situations on property that is not the subject of the transaction; or (iv) physical conditions located on property that is not the subject of the transaction that do not have a substantial adverse effect on the value of the real estate that is the subject of the transaction.

Licensees must act in a manner consistent with promoting the client's best interests as opposed to a licensee's or any other person's self-interest. Licensees must treat all customers honestly and must not negligently or knowingly give them false information. A licensee engaged by a seller client shall timely disclose to customers who are prospective buyers all latent material adverse facts pertaining to the physical condition of the property that are actually known by the licensee and that could not be discovered by a reasonably diligent inspection of the property by the customer.

Real estate licensees may be disciplined for any of the following, among others:

- (10) Making any substantial misrepresentation or untruthful advertising.
- (11) Making any false promises of a character likely to influence, persuade, or induce.
- (12) Pursuing a continued and flagrant course of misrepresentation or the making of false promises through licensees, employees, agents, advertising, or otherwise.
- (21) Engaging in dishonorable, unethical, or unprofessional conduct of a character likely to deceive, defraud, or harm the public, including, but not limited to, conduct set forth in rules adopted by the Department.
- (25) Any other conduct, whether of the same or a different character from that specified in this Section, that constitutes dishonest dealing [225 ILCS 454].

Iowa: In Iowa, all transfers of real estate require the seller to complete a form which includes the disclosure of all known conditions materially affecting the property. It must

be signed by the seller and the buyer. The licensee is responsible for ensuring the seller fills out and signs the form, and responsible for providing it to the buyer [IA 193E (543B)].

Michigan: In Michigan, all transfers of real estate require the seller to complete a form which includes the disclosure of all known conditions materially affecting the property. It must be signed by the seller and the buyer. The licensee is responsible for ensuring the seller fills out and signs the form, and responsible for providing it to the buyer.

The transferor or his or her agent is not liable for any error, inaccuracy, or omission in any information delivered if the error, inaccuracy, or omission was not within the personal knowledge of the transferor, or was based entirely on information provided by public agencies or inspectors, and ordinary care was exercised in transmitting the information. It is not a violation if the transferor fails to disclose information that could be obtained only through inspection or observation of inaccessible portions of real estate or could be discovered only by a person with expertise in a science or trade beyond the knowledge of the transferor.

A licensee that is acting under the terms of a service provision agreement owes, at a minimum, the following duties to a client:

- (a) The exercise of reasonable care and skill in representing the client and carrying out the responsibilities of the agency relationship.
- (c) Loyalty to the interest of the client.
- (e) Referral of the client to other licensed professionals for expert advice related to material matters that are not within the expertise of the broker [MCL 339.2512d, 565.951-966].

Minnesota: A licensee shall disclose to a prospective purchaser all material facts of which the licensee is aware, which could adversely and significantly affect an ordinary purchaser's use or enjoyment of the property, or any intended use of the property of which the licensee is aware.

A licensee is not required to disclose information relating to the physical condition of the property or any other information relating to the real estate transaction, if a written report that discloses the information has been prepared by a qualified third party and provided to the person. "Qualified third party" means a federal, state, or local governmental agency, or any person whom the broker, salesperson, or a party to the real estate transaction reasonably believes has the expertise necessary to meet the industry standards of practice for the type of inspection or investigation that has been conducted by the third party in order to prepare the written report and who is acceptable to the person to whom the disclosure is being made.

A licensee shall disclose to the parties to a real estate transaction any facts known by the broker or salesperson that contradict any information included in a written report if a copy of the report is provided to the licensee [Minnesota Statutes 2023, section 82].

Summary of factual data and analytical methodologies: The proposed rule was developed by reviewing the provisions of ch. REEB 24 and determining what changes the Board wished to make.

Analysis and supporting documents used to determine effect on small business or in preparation of economic impact analysis: The proposed rules were posted for 14 days to solicit public comment on economic impact, including how the proposed rules may affect businesses, local government units, and individuals. No comments were received.

Fiscal Estimate and Economic Impact Analysis: The Fiscal Estimate and Economic Impact Analysis are 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 Jennifer.Garrett@wisconsin.gov, or by calling (608) 266-2112.

Agency contact person:

Jake Pelegrin, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 4822 Madison Yards Way, P.O. Box 8366, Madison, Wisconsin 53708-8366; telephone 608-267-7139; email at DSPSAdminRules@wisconsin.gov.

TEXT OF RULE

SECTION 1. REEB 24.07 (1) (c) is amended to read:

REEB 24.07 (1) (C) *Other licensees.* Licensees, other than listing ~~firms~~ licensees, shall inspect the real estate as required by sub. (1) ~~prior to or during a showing of the property, unless the licensee is not given access for a showing.~~ prior to submitting a written proposal, unless the licensee is not given access to the real estate or is instructed by a party to submit a written proposal prior to being able to access the real estate, in which case the licensee shall inspect the real estate promptly after submitting the written proposal if the licensee is given access.

SECTION 2. REEB 24.07 (3) is repealed.

SECTION 3. REEB 24.075 (3) (intro.) is amended to read:

REEB 24.075 (3) Condition the sale of vacant real estate owned by the licensee or whose sale is effectively controlled by the licensee upon the buyer's agreement to employ one or more specific builders to make improvements on the real estate unless one or more of the following apply:

SECTION 4. REEB 24.12 (2) is amended to read:

REEB 24.12 (2) If a licensee is providing brokerage services in a transaction and the licensee has knowledge that the property is subject to a right of first refusal, the licensee shall disclose the right of first refusal, in writing and in a timely manner, to all persons seeking to acquire an interest subject to the right of first refusal. After disclosure of the right of first refusal to a party seeking to acquire an interest in the property, the licensee may deliver a copy of that party's offer to purchase, exchange agreement, option, or lease to the party holding the right of first refusal. Licensees are not responsible for implementation of any right of first refusal terms.

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)

This Proposed Order of the Real Estate Examining Board is approved for submittal to the Governor and Legislature.

Dated 11/06/2025



Vice Chairperson
Real Estate Examining Board

ADMINISTRATIVE RULES

Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	2. Date August 28, 2025								
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) REEB 24									
4. Subject Conduct and Ethical Practices									
5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	6. Chapter 20, Stats. Appropriations Affected s.20.165(1)(g)								
7. Fiscal Effect of Implementing the Rule <table style="width: 100%;"><tr><td><input type="checkbox"/> No Fiscal Effect</td><td><input type="checkbox"/> Increase Existing Revenues</td><td><input checked="" type="checkbox"/> Increase Costs</td><td><input type="checkbox"/> Decrease Costs</td></tr><tr><td><input type="checkbox"/> Indeterminate</td><td><input type="checkbox"/> Decrease Existing Revenues</td><td colspan="2"><input type="checkbox"/> Could Absorb Within Agency's Budget</td></tr></table>		<input type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs	<input type="checkbox"/> Decrease Costs	<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Could Absorb Within Agency's Budget	
<input type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs	<input type="checkbox"/> Decrease Costs						
<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Could Absorb Within Agency's Budget							
8. The Rule Will Impact the Following (Check All That Apply) <table style="width: 100%;"><tr><td><input type="checkbox"/> State's Economy</td><td><input type="checkbox"/> Specific Businesses/Sectors</td></tr><tr><td><input type="checkbox"/> Local Government Units</td><td><input type="checkbox"/> Public Utility Rate Payers</td></tr><tr><td colspan="2"><input type="checkbox"/> Small Businesses (if checked, complete Attachment A)</td></tr></table>		<input type="checkbox"/> State's Economy	<input type="checkbox"/> Specific Businesses/Sectors	<input type="checkbox"/> Local Government Units	<input type="checkbox"/> Public Utility Rate Payers	<input type="checkbox"/> Small Businesses (if checked, complete Attachment A)			
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9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$0									
10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No									
11. Policy Problem Addressed by the Rule Current rules for conduct and ethical practices for real estate licensees are in Wisconsin Administrative Code chapter REEB 24. This chapter contains subject matters such as inspection requirements, disclosure of material adverse facts, right of first refusal, and others. The proposed rule amends a provision regarding inspection requirements to make clear that a licensee must inspect the real estate prior to submitting a written offer unless the licensee is not given access to the real estate or is instructed to submit an offer before being able to access the real estate. The proposed rule repeals a provision regarding disclosure of information suggesting material adverse facts. The proposed rule adds a provision to clarify that licensees are not responsible for implementation of any right of first refusal terms. The board believes these changes are necessary for clarity, to prevent stakeholder confusion, and to keep the code up to date with current trends in the industry.									
12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. The rule will be posted to the public for Economic Impact Analysis comments as required, and will be subject to an official public hearing, along with other steps of the rule process.									
13. Identify the Local Governmental Units that Participated in the Development of this EIA. None.									
14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred) DSPS estimates a total of \$7,100.00 in one-time costs to implement the rule. The estimated need for 0.1 limited term employee (LTE) is for training, promulgation of rules, legal consultation and review. The one-time estimated costs cannot be absorbed in the currently appropriated agency budget.									
15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule									

ADMINISTRATIVE RULES

Fiscal Estimate & Economic Impact Analysis

The benefit of this rule is that it clarifies and updates certain code language that the board considers to be vague, unclear, or obsolete. It will increase clarity and prevent confusion for stakeholders, the board, and the public.

16. Long Range Implications of Implementing the Rule

The long range implication of implementing the rule is that the regulations for conduct and ethical practices in the industry will be clarified and updated.

17. Compare With Approaches Being Used by Federal Government

None.

18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Illinois: In Illinois, licensees representing clients have the duty to disclose to the client material facts concerning the transaction of which the licensee has actual knowledge, unless that information is confidential information. Material facts do not include the following when located on or related to real estate that is not the subject of the transaction: (i) physical conditions that do not have a substantial adverse effect on the value of the real estate, (ii) fact situations, or (iii) occurrences and acts at the property.

No cause of action shall arise against a licensee for the failure to disclose: (ii) that the property was the site of an act or occurrence that had no effect on the physical condition of the property or its environment or the structures located thereon; (iii) fact situations on property that is not the subject of the transaction; or (iv) physical conditions located on property that is not the subject of the transaction that do not have a substantial adverse effect on the value of the real estate that is the subject of the transaction.

Licensees must act in a manner consistent with promoting the client's best interests as opposed to a licensee's or any other person's self-interest. Licensees must treat all customers honestly and must not negligently or knowingly give them false information. A licensee engaged by a seller client shall timely disclose to customers who are prospective buyers all latent material adverse facts pertaining to the physical condition of the property that are actually known by the licensee and that could not be discovered by a reasonably diligent inspection of the property by the customer.

Real estate licensees may be disciplined for any of the following, among others:

- (10) Making any substantial misrepresentation or untruthful advertising.
- (11) Making any false promises of a character likely to influence, persuade, or induce.
- (12) Pursuing a continued and flagrant course of misrepresentation or the making of false promises through licensees, employees, agents, advertising, or otherwise.
- (21) Engaging in dishonorable, unethical, or unprofessional conduct of a character likely to deceive, defraud, or harm the public, including, but not limited to, conduct set forth in rules adopted by the Department.
- (25) Any other conduct, whether of the same or a different character from that specified in this Section, that constitutes dishonest dealing [225 ILCS 454].

Iowa: In Iowa, all transfers of real estate require the seller to complete a form which includes the disclosure of all known conditions materially affecting the property. It must be signed by the seller and the buyer. The licensee is responsible for ensuring the seller fills out and signs the form, and responsible for providing it to the buyer [IA 193E (543B)].

Michigan: In Michigan, all transfers of real estate require the seller to complete a form which includes the disclosure of all known conditions materially affecting the property. It must be signed by the seller and the buyer. The licensee is responsible for ensuring the seller fills out and signs the form, and responsible for providing it to the buyer.

The transferor or his or her agent is not liable for any error, inaccuracy, or omission in any information delivered if the error, inaccuracy, or omission was not within the personal knowledge of the transferor, or was based entirely on information provided by public agencies or inspectors, and ordinary care was exercised in transmitting the information. It

ADMINISTRATIVE RULES

Fiscal Estimate & Economic Impact Analysis

is not a violation if the transferor fails to disclose information that could be obtained only through inspection or observation of inaccessible portions of real estate or could be discovered only by a person with expertise in a science or trade beyond the knowledge of the transferor.

A licensee that is acting under the terms of a service provision agreement owes, at a minimum, the following duties to a client:

- (a) The exercise of reasonable care and skill in representing the client and carrying out the responsibilities of the agency relationship.
- (c) Loyalty to the interest of the client.
- (e) Referral of the client to other licensed professionals for expert advice related to material matters that are not within the expertise of the broker [MCL 339.2512d, 565.951-966].

Minnesota: A licensee shall disclose to a prospective purchaser all material facts of which the licensee is aware, which could adversely and significantly affect an ordinary purchaser's use or enjoyment of the property, or any intended use of the property of which the licensee is aware.

A licensee is not required to disclose information relating to the physical condition of the property or any other information relating to the real estate transaction, if a written report that discloses the information has been prepared by a qualified third party and provided to the person. "Qualified third party" means a federal, state, or local governmental agency, or any person whom the broker, salesperson, or a party to the real estate transaction reasonably believes has the expertise necessary to meet the industry standards of practice for the type of inspection or investigation that has been conducted by the third party in order to prepare the written report and who is acceptable to the person to whom the disclosure is being made.

A licensee shall disclose to the parties to a real estate transaction any facts known by the broker or salesperson that contradict any information included in a written report if a copy of the report is provided to the licensee [Minnesota Statutes 2023, section 82].

19. Contact Name

Jake Pelegrin, Administrative Rules Coordinator

20. Contact Phone Number

(608) 267-0989

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ADMINISTRATIVE RULES
Fiscal Estimate & Economic Impact Analysis

ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- ☐ Less Stringent Compliance or Reporting Requirements
☐ Less Stringent Schedules or Deadlines for Compliance or Reporting
☐ Consolidation or Simplification of Reporting Requirements
☐ Establishment of performance standards in lieu of Design or Operational Standards
☐ Exemption of Small Businesses from some or all requirements
☐ Other, describe:

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

5. Describe the Rule's Enforcement Provisions

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

☐ Yes ☐ No

Real Estate Examining Board
Rule Project Chart

Clearinghouse Rule Number	Scope #	Scope Expiration	Code Chapter Affected	Relating clause	Current Step	Next Step
25-053	076-24	1/22/2027	REEB 12	Application Requirements	Final rule is approved by Governor and ready for submittal to Legislature.	Legislative review.
25-077	077-24	1/22/2027	REEB 24	Conduct and Ethical Practices	Final rule is approved by Governor and ready for submittal to Legislature.	Legislative review.