

**STATE OF WISCONSIN
REAL ESTATE EXAMINING BOARD**

**IN THE MATTER OF RULEMAKING :
PROCEEDINGS BEFORE THE : REPORT TO THE LEGISLATURE
REAL ESTATE EXAMINING BOARD : CR 21-055
:
:**

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:

The proposed rule creates a provision to implement s. 440.09, Stats., as created by 2019 Wisconsin Act 143. Section 440.09, Stats., specifies the requirements for issuing reciprocal credentials to service members, former service members, and the spouses of service members and former service members.

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 August 19, 2021. No public comments were received.

VI. RESPONSE TO LEGISLATIVE COUNCIL STAFF RECOMMENDATIONS:

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

VII. REPORT FROM THE SBRRB AND FINAL REGULATORY FLEXIBILITY ANALYSIS: 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 : ADOPTING RULES
EXAMINING BOARD : (CLEARINGHOUSE RULE 21-055)

PROPOSED ORDER

An order of the Real Estate Examining Board to create REEB 12.012, and to amend REEB 12.013 (1) and (2) (intro) and REEB 12.017 (1), (2), and (3) (intro.), relating to reciprocal credentials for service members, former service members, and their spouses.

Analysis prepared by the Department of Safety and Professional Services.

ANALYSIS

Statutes interpreted: Section 440.09, Stats.

Statutory authority: Sections 15.08 (5) (b) and 440.09 (5), Stats.

Explanation of agency authority:

Section 15.08 (5) (b), Stats., provides an examining board “shall promulgate rules for its own guidance and for the guidance of the trade or profession to which it pertains. . .”

Section 440.09 (5), Stats., states that “[t]he department or credentialing board, as appropriate, may promulgate rules necessary to implement this section.”

Related statute or rule:

Section 440.09, Stats., specifies the requirements for issuing reciprocal credentials to service members, former service members, and the spouses of service members and former service members.

REEB 12.01 specifies the availability of applications for real estate credentials and how they are processed.

REEB 12.013 specifies the application procedures for real estate salespersons.

REEB 12.017 specifies the application procedures for real estate brokers.

Plain language analysis:

The proposed rule creates a provision to implement s. 440.09, Stats., as created by 2019 Wisconsin Act 143. Section 440.09, Stats., specifies the requirements for issuing reciprocal credentials to service members, former service members, and the spouses of service members and former service members.

Summary of, and comparison with, existing or proposed federal regulation: None.

Comparison with rules in adjacent states:

Illinois: The Illinois Statutes provide for the expedited licensure of service members and their spouses (20 ILCS 5/5-715). “Service member” includes a person whose active duty service concluded within the two years preceding application for licensure. A license issued to a service member or the spouse of a service member may be renewed.

Iowa: Rules of the Professional Licensing and Regulation Bureau of the Iowa Department of Commerce provide for the expedited reciprocal licensure of a veteran or a spouse of an active duty service member (193 IAC 193.14.3). A reciprocal license issued to a veteran or a spouse of an active duty service member may be renewed.

Michigan: The Michigan Statutes provide for temporary licensure of the spouse of an active duty service member (MCL 339.213). A temporary license is valid for six months and may be renewed for one additional six-month term if it is determined the licensee continues to meet the requirements for temporary licensure and needs additional time to fulfill the requirements for initial licensure.

Minnesota: The Minnesota Statutes provide for temporary licensure of an individual who is an active duty military member, the spouse of an active duty military member, or a veteran who has left service in the two years preceding the date of license application (2019 Minnesota Statutes, Section 197.4552). A temporary license allows a qualified individual to perform regulated professional services for a limited length of time as determined by the applicable licensing board. During the temporary license period, the individual must complete the full application procedure as required by applicable law.

Summary of factual data and analytical methodologies:

The proposed rule was developed by reviewing the provisions of s. 440.09, Stats., as created by 2019 Wisconsin Act 143, and obtaining input and feedback from the Real Estate Examining Board.

Fiscal estimate and economic impact analysis:

The fiscal estimate and economic impact analysis are attached.

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

The proposed rule was posted for a period of 14 days to solicit public comment on economic impact, including how the proposed rules may affect businesses, local governmental units, and individuals. No comments were received.

Effect on small business:

These rules do not have an economic impact on small businesses, as defined in s. 227.114 (1), Stats. The Department’s Regulatory Review Coordinator, Dan Hereth, may be contacted by calling (608) 267-2435.

Agency contact person:

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

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

Comments may be submitted to Nilajah Hardin, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, P.O. Box 8366, Madison, WI 53708-8366, or by email to DSPSAdminRules@wisconsin.gov. Comments must be received on or before the public hearing to be held at 10:00 AM on August 19, 2021 to be included in the record of rule-making proceedings.

TEXT OF RULE

SECTION 1. REEB 12.012 is created to read:

REEB 12.012 Application procedure for service members, former service members, and their spouses. (1) In this section:

- (a) “Former service member” has the meaning in s. 440.09 (1) (a), Stats.
- (b) “Service member” has the meaning in s. 440.09 (1) (b), Stats.
- (c) “Spouse” has the meaning in s. 440.09 (1) (c), Stats.

(2) Each applicant for reciprocal licensure as a real estate salesperson or real estate broker shall submit all of the following, notwithstanding the materials required under ss. REEB 12.013 and 12.017:

- (a) A Completed application form with the signature of the applicant
- (b) A fee as determined by the department under s. 440.05 (2), Stats.
- (c) A Statement that the applicant resides in this state.
- (d) Documentation that the applicant is a service member, former service member or the spouse of a service member. If an applicant is unable to provide the documentation, the applicant may submit an affidavit to the board stating that the individual is a service member, former service member, or the spouse of a service member or former service member.
- (e) Evidence of holding a license, in good standing, that was granted by a governmental authority in a jurisdiction outside of Wisconsin that qualifies the individual to perform acts authorized under a real estate salesperson or real estate broker license granted by the board.

(Note): Application forms are available from the Department of Safety and Professional Services’ website at <http://dsps.wi.gov>.

(3) A license granted under this subsection expires on the applicable renewal date specified in s. 440.08 (2) (a), Stats., except that if the first renewal date specified in s. 440.08 (2) (a) after the date on which the license is granted is within 180 days of the date on which the license is granted, the license expires on the 2nd renewal date specified in s. 440.08 (2) (a) after the date on which the license is granted.

SECTION 2. REEB 12.013 (1) and (2) (intro.) are amended to read:

REEB 12.013 (1) (intro.) Except as provided in sub. (3) and s. REEB 12.012, each applicant for a real estate salesperson's license shall submit satisfactory evidence of any of the following:

REEB 12.013(2) (intro.) Except as provided in sub. (3) and s. REEB 12.012, 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.

SECTION 3. REEB 12.017 (1), (2), and (3) (intro.) are amended to read:

REEB 12.017 (1) (intro.) Except as provided in sub. (4) and s. REEB 12.012, each applicant for a real estate broker's license shall submit satisfactory evidence of any of the following:

REEB 12.017 (2) (intro.) Except as provided in sub. (4) and s. REEB 12.012, 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.

REEB 12.017 (3) (intro.) Except as provided in sub. (4) and s. REEB 12.012:

SECTION 4. 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 submission to the Governor and Legislature.

Dated 9/28/21

Agency 
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 05/18/21
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) REEB 12	
4. Subject Reciprocal licensure for service members, former service members, and their spouses	
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 20.165(1)(g)
7. Fiscal Effect of Implementing the Rule <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 checked="" type="checkbox"/> Could Absorb Within Agency's Budget	
8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses (if checked, complete Attachment A)	
9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$	
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 type="checkbox"/> No	
11. Policy Problem Addressed by the Rule Implementation of 2019 Wisconsin Act 143	
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.	
13. Identify the Local Governmental Units that Participated in the Development of this EIA.	
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)	
15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule The benefits of implementing this rule is that it creates a pathway to licensure for service members, former services members, and their spouses. The alternative to implementing the rule is that the Real Estate Examining Board would be out of compliance with Wisconsin State Statute s. 440.09.	
16. Long Range Implications of Implementing the Rule Licensure in Wisconsin for service members, former service members, and their spouses in the real estate profession.	
17. Compare With Approaches Being Used by Federal Government There are no approaches currently being used by the Federal Government related to this rule.	
18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota) Illinois:	

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

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19. Contact Name

Nilajah Hardin

20. Contact Phone Number

(608) 267-7139

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
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