

STATE OF WISCONSIN  
REAL ESTATE EXAMINING BOARD

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

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PROPOSED ORDER

An order of the Real Estate Examining Board to amend REEB 24.17 (3) relating to violation of board orders.

Analysis prepared by the Department of Safety and Professional Services.

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ANALYSIS

**Statutes interpreted:** s. 452.14, Stats.

**Statutory authority:** ss. 15.08 (5) (b) and 452.07 (1), Stats.

**Explanation of agency authority:**

Each examining board shall promulgate rules for its own guidance and for the guidance of the profession to which it pertains and define and enforce professional conduct and unethical practices not inconsistent with the law relating to the particular profession. [s. 15.08 (5) (b), Stats.]

The board shall promulgate rules for the guidance of the real estate profession and define professional conduct and unethical practice. [s. 452.07 (1), Stats.]

**Related statute or rule:** Chapter REEB 24

**Plain language analysis:**

Section 1 removes the word “disciplinary” in order to clarify it is unprofessional conduct to violate terms of any board order.

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

**Comparison with rules in adjacent states:**

**Illinois:** Illinois does not enumerate violation of a board order as unprofessional conduct.

**Iowa:** Failure to comply with an order of the commission imposing discipline is grounds for discipline in Iowa.

**Michigan:** Michigan does not enumerate violation of a board order as unprofessional conduct.

**Minnesota:** Minnesota may take disciplinary action if the licensee has violated or failed to comply with any provision of the statute governing real estate or any rule or order.

**Summary of factual data and analytical methodologies:**

The Board issues a variety of orders, for example issuing a limited license order to allow an applicant to practice with certain limitations in place instead of denying the license entirely. This proposed order clarifies that is unprofessional conduct to violate any provisions or terms or conditions of any order of the Board and not just disciplinary orders.

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

This rule was posted for economic comments and none were received. This rule clarifies an unprofessional conduct provision.

**Fiscal Estimate and Economic Impact Analysis:**

The Fiscal Estimate and Economic Impact Analysis is attached.

**Effect on small business:**

These proposed rules do not have an economic impact on small businesses, as defined in s. 227.114 (1), Stats. The Department's Regulatory Review Coordinator may be contacted by email at [Kirsten.Reader@wisconsin.gov](mailto:Kirsten.Reader@wisconsin.gov), or by calling (608) 267-2435.

**Agency contact person:**

Sharon Henes, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, P.O. Box 8366, Madison, Wisconsin 53708; telephone 608-261-2377; email at [DSPSAdminRules@wisconsin.gov](mailto:DSPSAdminRules@wisconsin.gov).

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

Comments may be submitted to Sharon Henes, 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](mailto:DSPSAdminRules@wisconsin.gov). Comments must be received at or before the public hearing to be held on August 16, 2018 to be included in the record of rule-making proceedings.

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TEXT OF RULE

SECTION 1. REEB 24.17 (3) is amended to read:

REEB 24.17 (3) VIOLATION OF STATUTES, ADMINISTRATIVE CODE AND ~~DISCIPLINARY BOARD~~ DISCIPLINARY BOARD ORDERS. Licensees shall not violate any provisions or terms or conditions of, or aid or abet the violation of ch. 452, Stats., chs. REEB 11 to 25 or any ~~disciplinary~~ order of, the board.

SECTION 2. 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.

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(END OF TEXT OF RULE)  
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## 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 28, 2018
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) REEB 24.17 (3)	
4. Subject Violation of Board orders	
5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	6. Chapter 20, Stats. Appropriations Affected
7. Fiscal Effect of Implementing the Rule <input checked="" type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs <input type="checkbox"/> 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) <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 <b>(if checked, complete Attachment A)</b>	
9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$0.00	
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 The Board issues a variety of orders. The proposed rule clarifies that it is unprofessional conduct to violate any provision or term or condition of any order of the Board and not just disciplinary orders.	
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. This rule was posted for economic comments and none were received.	
13. Identify the Local Governmental Units that Participated in the Development of this EIA. No local governmental units participated in the development of the EIA. This rule does not affect any governmental units.	
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) This rule will not have any economic or fiscal impact on specific businesses, business sectors, public utility rate payers, local governmental units or the State's economy as a whole. There are no implementation or compliance costs expected to be incurred.	
15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule The benefit of the implementing the rule is creating clarity regarding the unprofessional practice of violating terms or conditions of a Board order.	
16. Long Range Implications of Implementing the Rule The long range implication of the implementing the rule is clarity regarding the unprofessional practice of violating terms or conditions of a Board order.	
17. Compare With Approaches Being Used by Federal Government None	
18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)	

**ADMINISTRATIVE RULES**  
**Fiscal Estimate & Economic Impact Analysis**

Illinois and Michigan do not enumerate violation of a board order as unprofessional conduct. In Iowa, failure to comply with an order imposing discipline is grounds for discipline. In Minnesota, a violation or failure to comply with any order is grounds for discipline.

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19. Contact Name Sharon Henes	20. Contact Phone Number (608) 261-2377
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This document can be made available in alternate formats to individuals with disabilities upon request.

**ADMINISTRATIVE RULES**  
**Fiscal Estimate & Economic Impact Analysis**

**ATTACHMENT A**

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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)

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

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

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5. Describe the Rule's Enforcement Provisions

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

- Yes    No
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