

# STATEMENT OF SCOPE

## REAL ESTATE EXAMINING BOARD

**Rule No.:** REEB 24

**Relating to:** Conduct and Ethical Practices for Real Estate Licensees

**Rule Type:** Permanent

### 1. Finding/nature of emergency (Emergency Rule only):

N/A

### 2. Detailed description of the objective of the proposed rule:

The objective of the proposed rule is to update and clarify provisions relating to conduct for real estate licensees. The Board has identified the need to clarify provisions covering disclosure duties due to stakeholder confusion and will make other updates deemed necessary in chapter REEB 24.

### 3. Description of the existing policies relevant to the rule, new policies proposed to be included in the rule, and an analysis of policy alternatives:

Wisconsin Administrative Code chapter REEB 24 covers conduct and ethical practices for real estate licensees. The Board has identified the need to review the chapter and propose changes to update and clarify provisions covering disclosure duties and to make other updates deemed necessary.

The alternative to making these updates is that provisions covering disclosure duties in chapter REEB 24 will remain ambiguous and continue to cause stakeholder confusion, and other provisions in the chapter could lack needed updates to keep in step with the industry.

### 4. Detailed explanation of statutory authority for the rule (including the statutory citation and language):

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."

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."

### 5. Estimate of amount of time that state employees will spend developing the rule and of other resources necessary to develop the rule:

Approximately 80 hours.

### 6. List with description of all entities that may be affected by the proposed rule:

Real estate brokers and salespersons licensed in Wisconsin and those looking to enter the profession.

**7. Summary and preliminary comparison with any existing or proposed federal regulation that is intended to address the activities to be regulated by the proposed rule:**

None.

**8. Anticipated economic impact of implementing the rule (note if the rule is likely to have a significant economic impact on small businesses):**

None to minimal. This rule is not likely to have a significant economic impact on small businesses.

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Approved for publication:



Authorized Signature

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Date Submitted

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