

STATEMENT OF SCOPE

Department of Safety and Professional Services

Rule No.: Chapter SPS 85

Relating to: Real estate appraisers

Rule Type: Permanent

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

N/A

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

The objectives of the rule are to 1) implement 2019 Wisconsin Act 143 and 2) adopt a change made to the real property appraiser classifications within the Appraiser Qualifications Board's *Real Property Appraiser Qualification Criteria*.

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:

Under prior law, the spouse of a service member could obtain a temporary reciprocal credential. 2019 Wisconsin Act 143 entitles service members, former service members who were discharged within the prior four years under conditions other than dishonorable, and spouses of service members or former service members to obtain a reciprocal credential if the person resides in Wisconsin and is in good standing with the governmental authorities in every jurisdiction outside Wisconsin that have granted the individual a credential that qualifies the individual to perform acts authorized under the appropriate credential granted by the department or credentialing board. The credential may be renewed indefinitely.

On May 15, 2020, the Appraiser Qualifications Board adopted a change to the real property appraiser classifications within the *Real Property Appraiser Qualification Criteria*. Specifically, the Licensed Residential Real Property Appraiser classification was changed from applying to complex one-to-four residential units having a transaction value of less than \$250,000 to those having a transaction value of less than \$400,000. The change will go into effect on January 1, 2021.

The proposed rule will update ch. SPS 85 to reflect the above-described changes to reciprocal credentials and real property appraiser classifications. The alternatives of either partially updating or not updating these rules to reflect the changes would be less beneficial to affected entities.

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

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

Section 458.03 (1) (e), Stats., requires the department to "[p]romulgate rules specifying the types of real estate that may be appraised by licensed appraisers."

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

80 hours

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

Wisconsin credentialed real estate appraisers and individuals applying for a Wisconsin credential as a real estate appraiser.

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:

The Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), 12 U.S.C. 3331 et seq., (Title XI) was enacted in 1989. Under FIRREA, insured financial institutions and insured credit unions are required to obtain the services of a state certified or licensed appraiser for appraisals conducted in connection with "federally related transactions."

Under FIRREA, all states that certify real estate appraisers for purposes of conducting appraisals in federally related transactions must assure compliance with the criteria established by the Appraiser Qualifications Board (AQB). The criteria established by the AQB are set forth in the *Real Property Appraiser Qualification Criteria and Interpretations of the Criteria* (Criteria). The AQB Criteria includes the minimum experience, examination, qualifying education, and continuing education requirements that must be satisfied by an individual in order to obtain and maintain a certified appraiser credential.

The regulations in the proposed rule will comply with the AQB Criteria.

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

The proposed rule is anticipated to have minimal to no economic impact on small businesses and the state's economy as a whole.

Contact Person: Dale Kleven, Administrative Rule Coordinator, DSPSAdminRules@wisconsin.gov, (608) 261-4472

Approved for publication:



Authorized Signature

Approved for implementation:

Authorized Signature

8/4/2020

Date Submitted

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