

STATE OF WISCONSIN
DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES

IN THE MATTER OF RULEMAKING : NOTICE OF TIME PERIOD
PROCEEDINGS BEFORE THE : FOR COMMENTS FOR THE
DEPARTMENT OF SAFETY AND : ECONOMIC IMPACT ANALYSIS
PROFESSIONAL SERVICES :

NOTICE IS HEREBY GIVEN of the time period for public comment on the economic impact of this proposed rule of the Department of Safety and Professional Services relating to Appraiser Experience Requirements, including how this proposed rule may affect businesses, local government units and individuals. The comments will be considered when the Department of Safety and Professional Services prepares the Economic Impact Analysis pursuant to § 227.137. Written comments may be submitted to:

Jake Pelegrin, Administrative Rules Coordinator
Division of Policy Development
Department of Safety and Professional Services
PO Box 8366
Madison, WI 53708-8935
DSPSAdminRules@wisconsin.gov

The deadline for submitting economic impact comments is March 6, 2025.

PROPOSED ORDER

A proposed order of the Department of Safety and Professional Services to **create** SPS 85.120 (20m), 85.700 (1) (cm), 85.700 (1) (dm), 85.700 (1) (em), and 85.700 (4) relating to Appraiser Experience Requirements.

Analysis prepared by the Department of Safety and Professional Services.

ANALYSIS

Statutes interpreted: Sections 458.06 (3) (e) and (4) (e), and 458.08 (3) (e), Stats.

Statutory authority: Sections 458.03 (1) (b) and 458.085, Stats.

Explanation of agency authority:

Section 458.03 (1) (b), Stats., provides that the department shall "...promulgate rules establishing criteria for the approval of educational and continuing educational programs and courses of study for appraisers and establishing criteria for the approval of the courses required under ss. 458.06 (2) (d) and 458.08 (2) (d)."

Section 458.085 Stats., provides that "The department shall promulgate rules establishing all of the following: (1) Educational requirements for general and residential appraiser certification and for appraiser licensure under this subchapter. (2) Experience requirements for general and residential appraiser certification and for appraiser licensure

under this subchapter. (3) Continuing education requirements for renewal of certificates issued under this subchapter.”

Related statute or rule: N/A

Plain language analysis:

The proposed rule implements the Practical Applications of Real Estate Appraisal (PAREA) program for partial experience credit for applicants seeking a credential to perform appraisals in Wisconsin. PAREA is designed to offer practical experience in a virtual environment combining appraisal theory and methodology in real-world simulations. This experience can be provided through a wide range of online and virtual reality technologies. PAREA provides an alternative to the traditional supervisor and trainee model for experience for credentialed appraisers which has been a barrier to entering this field.

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

The Financial Institutions Reform, Recovery, and Enforcement Act, 12 U.S.C. 3331 et seq., (Title XI) was enacted in 1989. As outlined in Section 1116 or 12 U.S.C. 3345, every state certified appraiser must meet the minimum criteria for certification issued by the Appraisal Qualifications Board which is empowered by the Appraisal Subcommittee. The criteria and guide for PAREA were adopted by the Appraisal Qualification Board in October 2020. All PAREA programs must follow the PAREA Implementation Policies which were adopted by the Appraisal Qualification Board in December 2020.

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: N/A

Comparison with rules in adjacent states:

Illinois: Rules of the Illinois Department of Financial and Professional Regulation address the practice of real estate appraisal in Illinois (68 Ill. Adm. Code 1455). The rules do not currently include PAREA to count as experience for certification.

Iowa: Rules of the Iowa Real Estate Appraiser Examining Board address the practice of real estate appraisal in Iowa [193F IAC 1 to 17]. The rules include PAREA to be used as experience for certification as residential and general appraisers, under the criteria of the Appraisal Qualifications Board [193F IAC 5.8(543D) and 6.8(543D)].

Michigan: Rules of the Michigan Department of Licensing and Regulatory Affairs address the practice of real estate appraisal in Michigan [Mich. Admin. Code, R 339.23101 to R 339.23405]. The rules include PAREA to be used as experience for certification as appraisers [Mich. Admin. Code, R 339.23203 (b)].

Minnesota: The Minnesota Statutes, Sections 82B.021 to 82B.24, address the practice of real estate appraisal in Minnesota. The statutes adopt all education, examination, and experience requirements established by the Appraiser Qualifications Board to apply to certified appraisers in Minnesota (Minnesota Statutes, Section 82B.095, Subd. 3).

PAREA is an option to be fully certified within those requirements. The applicant must complete the required qualifying education prior to starting the PAREA program and must also pass the national licensing and certification exam for the appropriate credential level.

Summary of factual data and analytical methodologies:

The proposed rules were developed, in consultation with the Real Estate Appraisers Board, by reviewing the education, examination, and experience requirements established by the Appraiser Qualifications Board as they relate to PAREA. SPS 85 to 87 were reviewed to determine the appropriate method to incorporate PAREA.

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

The proposed rules will be posted for a period of 14 days to solicit public comment on economic impact, including how the proposed rules may affect businesses, local government units, and individuals.

Fiscal Estimate and Economic Impact Analysis:

The Fiscal Estimate and Economic Impact Analysis will be attached upon completion.

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 may be contacted at Jennifer.garrett@wisconsin.gov or (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 608-267-0989; email at DSPSAdminRules@wisconsin.gov.

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

Comments may be submitted to 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, or by email to DSPSAdminRules@wisconsin.gov. Comments must be received on or before the public hearing to be included in the record of rule-making proceedings.

TEXT OF RULE

SECTION 1. SPS 85.120 (20m) is created to read:

SPS 85.120 (20m) “PAREA” means Practical Applications of Real Estate Appraisal, a virtual educational training program approved by the Appraiser Qualifications Board designed to offer practical experience in a simulated and controlled environment.

SECTION 2. SPS 85.700 (1) (cm) is created to read:

SPS 85.700 (1) (cm) For experience claimed under s. SPS 85.310, an applicant who has completed an AQB-approved Licensed Residential PAREA program may receive 33 percent of the required experience hours toward the certified general credential. An applicant who has completed an AQB-approved Certified Residential PAREA program may receive 50 percent of the required experience hours toward the certified general credential. In both of these cases, these hours are not eligible toward the non-residential property required experience hours.

SECTION 3. SPS 85.700 (1) (dm) is created to read:

SPS 85.700 (1) (dm) For experience claimed under s. SPS 85.410, an applicant who has completed an AQB-approved Licensed Residential PAREA program may receive 67 percent of the required experience hours toward the certified residential credential. An applicant who has completed an AQB-approved Certified Residential PAREA program may receive 100 percent of the required experience hours toward the certified residential credential. For experience claimed under s. SPS 85.510, an applicant who has completed an AQB-approved Licensed Residential or Certified Residential PAREA program may receive 100 percent of the required experience hours toward the licensed appraiser credential.

SECTION 4. SPS 85.700 (1) (em) is created to read:

SPS 85.700 (1) (em) Notwithstanding par. (e), a PAREA program may be claimed as experience hours that are either non-client or with a client.

SECTION 5. SPS 85.700 (4) is created to read:

SPS 85.700 (4) Notwithstanding sub. (3), experience hours claimed from a PAREA program do not need to be included in a roster of appraisal experience submitted to the department, since these will be summarized within the coursework of the program. An applicant applying for certification or licensure under s. SPS 85.310, 85.410, or 85.510 using experience hours from a PAREA program shall submit to the department the certificate of completion from each PAREA program.

SECTION 6. 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)
