

**STATE OF WISCONSIN
DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES**

IN THE MATTER OF RULEMAKING	:	REPORT TO THE LEGISLATURE
PROCEEDINGS BEFORE THE	:	CR 25-025
DEPARTMENT OF SAFETY AND	:	
PROFESSIONAL SERVICES	:	

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 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. The Wisconsin Real Estate Appraisers Board, the National Appraiser Qualifications Board, and the Appraisal Institute are in support of allowing PAREA to be used in Wisconsin. It has been shown to remove barriers for entry to the field and help the industry grow, while still being a robust training methodology.

V. SUMMARY OF PUBLIC COMMENTS AND THE BOARD’S RESPONSES, EXPLANATION OF MODIFICATIONS TO PROPOSED RULES PROMPTED BY PUBLIC COMMENTS:

The Department of Safety and Professional Services held a public hearing on June 3, 2025. The Department received the following written and verbal comment from Scott DiBiasio, Director of Government Affairs at the Appraisal Institute:

“On behalf of the 16,000 members of the Appraisal Institute, I am writing to express our strong support for Clearinghouse Rule 25-025. This rulemaking would formally recognize the Practical Applications of Real Estate Appraisal, or PAREA, as a qualifying pathway to licensure under Wisconsin’s administrative code.

This written testimony reflects and reiterates comments I submitted during the drafting of this rule, as well as testimony the Appraisal Institute provided at the preliminary hearing. We appreciate the Department's and Board's openness to stakeholder engagement throughout this process. Clearinghouse Rule 25-025 proposes essential updates to SPS Chapter 85, including:

- SPS 85.120 (20m): Defining “PAREA” in accordance with Appraiser Qualifications Board (AQB) standards.
- SPS 85.700 (1) (cm): Allowing 33% of the required experience for the Certified General credential to be earned via a Licensed Residential PAREA program, and 50% via completion of a Certified Residential PAREA program.
- SPS 85.700 (1) (dg) and (dr): Allowing 100% of the required experience for the Licensed Residential credential to be completed through an AQB-approved Licensed Residential PAREA program; 67% of the experience for the Certified Residential credential—equivalent to 1,000 of the 1,500 required hours—to be earned through that same Licensed Residential PAREA program; and 100% of the experience for the Certified Residential credential to be satisfied through an AQB-approved Certified Residential PAREA program.

PAREA: An Innovative Pathway for Aspiring Appraisers

Under current licensing models, aspiring appraisers must complete months or even years of supervised experience. Yet many face steep challenges securing a supervisory appraiser—a hurdle that has become one of the greatest barriers to entering the profession.

PAREA, approved by the AQB as a formal update to the Real Property Appraiser Qualification Criteria (RPAQC), effective January 1, 2022, provides a modern, technology-driven solution. The program delivers practical appraisal experience through virtual simulations, integrating appraisal theory with real-world assignments and replicating the types of scenarios appraisers face in practice. Because it is delivered through flexible online platforms, PAREA is accessible to candidates regardless of geography or personal circumstances.

The Appraisal Institute is proud to offer both the Licensed Residential and Certified Residential PAREA modules, approved by the AQB in May and October 2023, respectively. The Licensed Residential PAREA program has been available in the marketplace since late 2023, and I'm pleased to report that the Certified Residential PAREA program is now in its pilot phase, with six actively enrolled participants.

I would also like to share some encouraging national data on PAREA participation and progress. To date, 34 aspiring appraisers have successfully completed the Appraisal Institute's Licensed Residential PAREA program. Of those, 23 have taken the National Uniform Licensed Residential Exam, and all 23 passed on their first attempt. This 100% first-time pass rate significantly outperforms the national average for candidates following the traditional supervisor-trainee model. Notably, one graduate completed an additional 500 hours of supervised experience and has since earned the Certified

Residential credential, demonstrating the program's capacity to support advancement beyond the entry-level license.

Currently, there are 178 active participants in the Appraisal Institute's Licensed Residential PAREA program. An additional 98 individuals have passed the Readiness Exam and are eligible to register, and 182 more have completed their qualifying education and are preparing to take the Readiness Exam.

As the results demonstrate, the AI PAREA program produces exceptionally well-prepared appraisers who are entering the profession with a strong foundation in both theory and practice. The outcomes speak for themselves. We respectfully urge the Board to finalize Clearinghouse Rule 25-025 and position Wisconsin at the forefront of appraiser licensure modernization nationwide.

Scott DiBiasio
Director of Government Affairs
Appraisal Institute"

Response: The department appreciates the Appraisal Institute's support for the rule and looks forward to working together in the future.

VI. RESPONSE TO LEGISLATIVE COUNCIL STAFF RECOMMENDATIONS:

All Legislative Council comments except a part of comment 5e. have been accepted and incorporated into the proposed rules.

Comment: 5e. In SECTION 5, consider amending the first sentence to make the exception to the roster of appraisal experience depend on the experience hours being summarized within the coursework of the program. For example, consider stating that "...submitted to the department when the experience hours are summarized with the coursework of the program...", rather than "...since these will be summarized...". Also, consider inserting "who is" after "85.510" and replace "s." with "ss.".

Response: The department accepts all parts of the comment except the final part: "and replace "s." with "ss."" The department rejects this part of the comment because it goes contrary to the Administrative Rules Procedures Manual. [s. 1.15 (2) (d), Manual.] (Under the new numbering of the rule, SECTION 5 cited by the Clearinghouse Report in this comment is now SECTION 3.) In SECTION 3 of the rule, the three code sections cited are joined by an "or" statement, for which the Manual indicates the singular "s." should be used. An applicant will most likely only be applying for one credential at a time. See also the current s. SPS 85.700 (3) as an example. All other parts of the comment have been accepted and incorporated into the proposed rules.

VII. REPORT FROM THE SBRRB AND FINAL REGULATORY FLEXIBILITY ANALYSIS:

N/A

STATE OF WISCONSIN
DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES

IN THE MATTER OF RULEMAKING : PROPOSED ORDER OF THE
PROCEEDINGS BEFORE THE : DEPARTMENT OF SAFETY
DEPARTMENT OF SAFETY AND : AND PROFESSIONAL SERVICES
PROFESSIONAL SERVICES : ADOPTING RULES
: (CLEARINGHOUSE RULE 25-025)

PROPOSED ORDER

A proposed order of the Department of Safety and Professional Services to **create** SPS 85.120 (20m), 85.700 (1) (cm), (dg), (dr), (em), and (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 were 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. No comments were received.

Fiscal Estimate and Economic Impact Analysis:

The Fiscal Estimate and Economic Impact Analysis are attached.

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.

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 AQB designed to offer practical experience in a simulated and controlled environment.

SECTION 2. SPS 85.700 (1) (cm), (dg), (dr), and (em) are created to read:

SPS 85.700 (1) (cm) For experience claimed under s. SPS 85.310, an applicant who has completed a Licensed Residential PAREA program may receive 33 percent of the required experience hours toward the certified general credential. For experience claimed under s. SPS 85.310, an applicant who has completed a 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 experience hours required under s. SPS 85.330 (3).

SPS 85.700 (1) (dg) For experience claimed under s. SPS 85.410, an applicant who has completed a Licensed Residential PAREA program may receive 67 percent of the required experience hours toward the certified residential credential. For experience claimed under s. SPS 85.410, an applicant who has completed a Certified Residential PAREA program may receive 100 percent of the required experience hours toward the certified residential credential.

SPS 85.700 (1) (dr) For experience claimed under s. SPS 85.510, an applicant who has completed a Licensed Residential or Certified Residential PAREA program may receive 100 percent of the required experience hours toward the licensed appraiser credential.

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 3. SPS 85.700 (4) is created to read:

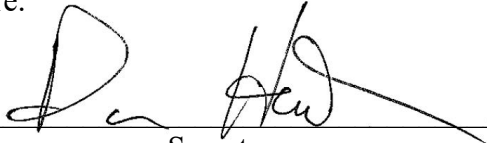
SPS 85.700 (4) Notwithstanding sub. (3), experience hours claimed from a PAREA program do not need to be included in a roster of appraisal experience submitted to the department when the experience hours are summarized within the coursework of the program. An applicant applying for certification or licensure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

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 Department of Safety and Professional Services is approved for submission to the Governor and Legislature.

Dated 12/4/2025

Agency 
Secretary
Department of Safety and Professional Services

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 April 4, 2025								
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) SPS 85									
4. Subject Appraiser Experience Requirements									
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 s20.165(1)(g)								
7. Fiscal Effect of Implementing the Rule <table style="width: 100%;"><tr><td><input type="checkbox"/> No Fiscal Effect</td><td><input type="checkbox"/> Increase Existing Revenues</td><td><input checked="" type="checkbox"/> Increase Costs</td><td><input type="checkbox"/> Decrease Costs</td></tr><tr><td><input type="checkbox"/> Indeterminate</td><td><input type="checkbox"/> Decrease Existing Revenues</td><td colspan="2"><input type="checkbox"/> Could Absorb Within Agency's Budget</td></tr></table>		<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 type="checkbox"/> Could Absorb Within Agency's Budget	
<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 type="checkbox"/> Could Absorb Within Agency's Budget							
8. The Rule Will Impact the Following (Check All That Apply) <table style="width: 100%;"><tr><td><input type="checkbox"/> State's Economy</td><td><input type="checkbox"/> Specific Businesses/Sectors</td></tr><tr><td><input type="checkbox"/> Local Government Units</td><td><input type="checkbox"/> Public Utility Rate Payers</td></tr><tr><td colspan="2"><input type="checkbox"/> Small Businesses (if checked, complete Attachment A)</td></tr></table>		<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)			
<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). \$0									
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 Department of Safety and Professional Services is responsible for updating department code governing real estate appraisers. 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.									
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. The proposed rules will be posted publicly on the DSPS website for economic impact comments. At the public hearing stage, an official public hearing will be held on the rule draft.									
13. Identify the Local Governmental Units that Participated in the Development of this EIA. None.									
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) DSPS estimates a total of \$3,155.00 in one-time staffing costs to implement the rule. The estimated need for 0.1 limited term employee (LTE) is for staff education, review and updating work guides, trainings, legal review and consultation with CLC and OOS. The one-time estimated costs cannot be absorbed in the currently appropriated agency budget.									
15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule The benefit of the rule is that licensure opportunities will be expanded by allowing partial or full credit for appraiser experience requirements from PAREA programs.									
16. Long Range Implications of Implementing the Rule									

ADMINISTRATIVE RULES

Fiscal Estimate & Economic Impact Analysis

The long range implication of implementing the rule is the field of real estate appraisal will benefit from expanded licensure opportunities in the state of Wisconsin, and the public will benefit from increased service from the industry.

17. Compare With Approaches Being Used by Federal Government

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.

18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

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)].

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19. Contact Name

Jake Pelegrin, Administrative Rules Coordinator

20. Contact Phone Number

(608) 267-0989

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
