



**VIRTUAL/TELECONFERENCE
REAL ESTATE EXAMINING BOARD
Virtual, 4822 Madison Yards Way, Madison
Carl Hampton (608) 266-2112
December 10, 2020**

The following agenda describes the issues that the Board plans to consider at the meeting. At the time of the meeting, items may be removed from the agenda. Please consult the meeting minutes for a record of the actions of the Board.

AGENDA

10:00 A.M.

OPEN SESSION – CALL TO ORDER – ROLL CALL

- A. Adoption of Agenda (1-3)**
- B. Approval of Minutes of October 29, 2020 (4-8)**
- C. Introductions, Announcements and Recognition
- D. Administrative Matters**
 - 1) Department, Staff and Board Updates
 - 2) Board Members – Term Expiration Dates
- E. Legislative and Policy Matters – Discussion and Consideration
- F. Administrative Rules Matters – Discussion and Consideration (9)**
 - 1) REEB 12 Service Member, Former Service Member and Service Member Spouse Reciprocal License (2019 Act 143) **(10-12)**
 - 2) REEB 24 Relating to Conduct and Ethical Practices **(13-18)**
 - 3) Preparation of the Biennial Report Under s. 227.29, Wis. Stats. **(19-20)**
 - 4) Pending or Possible Rulemaking Projects
- G. Real Estate Contractual Forms Advisory Council Update – Discussion and Consideration**
- H. Real Estate Curriculum and Examination Council Update – Discussion and Consideration**
- I. COVID-19 – Discussion and Consideration**
- J. Newsletter Process and Planning – Discussion and Consideration**
- K. Discussion and Consideration of Items Added After Preparation of Agenda:
 - 1) Introductions, Announcements and Recognition

- 2) Administrative Matters
- 3) Election of Officers
- 4) Appointment of Liaisons and Alternates
- 5) Delegation of Authorities
- 6) Education and Examination Matters
- 7) Credentialing Matters
- 8) Practice Matters
- 9) Legislative and Policy Matters
- 10) Administrative Rule Matters
- 11) Liaison Reports
- 12) Board Liaison Training and Appointment of Mentors
- 13) Informational Items
- 14) Division of Legal Services and Compliance (DLSC) Matters
- 15) Presentations of Petitions for Summary Suspension
- 16) Petitions for Designation of Hearing Examiner
- 17) Presentation of Stipulations, Final Decisions and Orders
- 18) Presentation of Proposed Final Decisions and Orders
- 19) Presentation of Interim Orders
- 20) Petitions for Re-Hearing
- 21) Petitions for Assessments
- 22) Petitions to Vacate Orders
- 23) Requests for Disciplinary Proceeding Presentations
- 24) Motions
- 25) Petitions
- 26) Appearances from Requests Received or Renewed
- 27) Speaking Engagements, Travel, or Public Relation Requests, and Reports

L. Public Comments

CONVENE TO CLOSED SESSION to deliberate on cases following hearing (s. 19.85(1)(a), Stats.); to consider licensure or certification of individuals (s. 19.85(1)(b), Stats.); to consider closing disciplinary investigations with administrative warnings (ss. 19.85(1)(b), and 440.205, Stats.); to consider individual histories or disciplinary data (s. 19.85(1)(f), Stats.); and to confer with legal counsel (s. 19.85(1)(g), Stats.).

M. Deliberation on Department of Legal Services and Compliance (DLSC) Matters

- 1) Review of Administrative Warning**
 - a. 10:00 A.M. APPEARANCE – Renee Parton, DLSC Attorney, Debra Weiss, Meagher & Greer, PLLP, Attorney for Respondent, V.M.B.: 20 REB 004 – V.M.B. **(21-54)**
- 2) Consider Rescinding Administrative Warning**
 - a. 17 REB 122 – R.V.P.M. **(55-56)**
- 3) Case Closings**
 - a. 18 REB 143 – J.K., P.O., O.C. **(57-60)**

N. Deliberation of Items Added After Preparation of the Agenda

- 1) Education and Examination Matters
- 2) Credentialing Matters
- 3) DLSC Matters
- 4) Monitoring Matters

- 5) Professional Assistance Procedure (PAP) Matters
- 6) Petitions for Summary Suspensions
- 7) Petitions for Designation of Hearing Examiner
- 8) Proposed Stipulations, Final Decisions and Order
- 9) Proposed Interim Orders
- 10) Administrative Warnings
- 11) Review of Administrative Warnings
- 12) Proposed Final Decisions and Orders
- 13) Matters Relating to Costs/Orders Fixing Costs
- 14) Case Closings
- 15) Board Liaison Training
- 16) Petitions for Assessments and Evaluations
- 17) Petitions to Vacate Orders
- 18) Remedial Education Cases
- 19) Motions
- 20) Petitions for Re-Hearing
- 21) Appearances from Requests Received or Renewed

O. Consulting with Legal Counsel

RECONVENE TO OPEN SESSION IMMEDIATELY FOLLOWING CLOSED SESSION

P. Vote on Items Considered or Deliberated Upon in Closed Session, if Voting is Appropriate

Q. Open Session Items Noticed Above Not Completed in the Initial Open Session

ADJOURNMENT

NEXT MEETING: FEBRUARY 18, 2021

 MEETINGS AND HEARINGS ARE OPEN TO THE PUBLIC, AND MAY BE CANCELLED WITHOUT NOTICE.

Times listed for meeting items are approximate and depend on the length of discussion and voting. All meetings are held at 4822 Madison Yards Way, Madison, Wisconsin, unless otherwise noted. In order to confirm a meeting or to request a complete copy of the board's agenda, please call the listed contact person. The board may also consider materials or items filed after the transmission of this notice. Times listed for the commencement of disciplinary hearings may be changed by the examiner for the convenience of the parties. Requests for interpreters for the deaf or hard of hearing, or other accommodations, are considered upon request by contacting the Affirmative Action Officer, 608-266-2112, or the Meeting Staff at 608-266-5439.

**VIRTUAL/TELECONFERENCE
REAL ESTATE EXAMINING BOARD
MEETING MINUTES
OCTOBER 29, 2020**

PRESENT: Robert Larson, Cathy Lacy, Elizabeth Lauer, Dennis Pierce, Thomas Richie, Robert Webster

STAFF: Carl Hampton, Division Administrator; Jameson Whitney, Board Legal Counsel; Cassandra Walbrun, Administrative Rules Coordinator; Megan Glaeser, Bureau Assistant; and Other Department Staff

CALL TO ORDER

Thomas Richie, Chairperson, called the meeting to order at 10:05 a.m. A quorum was confirmed with six (6) members present.

ADOPTION OF AGENDA

MOTION: Dennis Pierce moved, seconded by Elizabeth Lauer, to adopt the Agenda as published. Motion carried unanimously.

APPROVAL OF MINUTES OF AUGUST 20, 2020

MOTION: Robert Larson moved, seconded by Cathy Lacy, to approve the Minutes of August 20, 2020 as published. Motion carried unanimously.

ADMINISTRATIVE RULES MATTERS

REEB 12 Service Member, Former Service Member and Service Member Spouse Reciprocal License (2019 Act 143)

MOTION: Robert Larson moved, seconded by Robert Webster, to table the discussion of preliminary rule draft of REEB 12, relating to reciprocal credentials for service members, former service members, and their spouses until the December 10, 2020 meeting. Motion carried unanimously.

REEB 12 Relating to Predetermination on Licenses and Obsolete Reference to Apprenticeships in Broker Application Requirements (Provisions Identified in Report Pursuant to S. 227.29)

MOTION: Robert Larson moved, seconded by Dennis Pierce, to authorize the Chairperson to approve the preliminary rule draft of REEB 12, relating to predetermination on licenses and obsolete reference to apprenticeships in broker application requirements, for posting for economic impact comments and submission to the Clearinghouse. Motion carried unanimously.

**REPORT AND POSSIBLE ACTION FROM THE REAL ESTATE CONTRACTUAL FORMS
ADVISORY COUNCIL**

WB-13 Vacant Land Offer to Purchase

MOTION: Elizabeth Lauer moved, seconded by Cathy Lacy, to approve the WB-13 Vacant Land Offer to Purchase forms as presented on pages 24-35 of the October 29, 2020 meeting agenda materials, and to designate the Chairperson to approve the final version of this form. Motion carried unanimously.

WB-15 Commercial Offer to Purchase

MOTION: Cathy Lacy moved, seconded by Elizabeth Lauer, to approve the WB-15 Commercial Offer to Purchase forms as presented on pages 36-47 of the October 29, 2020 meeting agenda materials, and to designate the Chairperson to approve the final version of this form. Motion carried unanimously.

PUBLIC COMMENTS

Future (December) topic: How many licensees have renewed, to allow WRA to make a final push reminder. Carl: work with credentialing to provide an update

CLOSED SESSION

MOTION: Robert Webster moved, seconded by Dennis Pierce, to convene to closed session to deliberate on cases following hearing (s. 19.85(1)(a), Stats.); to consider licensure or certification of individuals (s. 19.85(1)(b), Stats.); to consider closing disciplinary investigations with administrative warnings (ss. 19.85(1)(b), and 440.205, Stats.); to consider individual histories or disciplinary data (s. 19.85(1)(f), Stats.); and to confer with legal counsel (s. 19.85(1)(g), Stats.). Thomas Richie, Chairperson, read the language of the motion. The vote of each member was ascertained by voice vote. Roll Call Vote: Robert Larson-yes; Cathy Lacy -yes; Elizabeth Lauer-yes; Dennis Pierce-yes; Thomas Richie-yes; and Robert Webster-yes. Motion carried unanimously.

The Board convened into Closed Session at 11:51 a.m.

DIVISION OF LEGAL SERVICES AND COMPLIANCE (DLSC) MATTERS

Stipulations, Final Decisions and Orders

17 REB 122– Charles D. Olson, River Valley Realty, LLC

MOTION: Robert Larson moved, seconded by Cathy Lacy, to adopt the Findings of Fact, Conclusions of Law and Order in the matter of disciplinary proceedings against Charles D. Olson, River Valley Realty, LLC, DLSC Case Number 17 REB 122. Motion carried unanimously.

18 REB 024– Andrew M. Schmitt

MOTION: Dennis Pierce moved, seconded by Elizabeth Lauer, to adopt the Findings of Fact, Conclusions of Law and Order in the matter of disciplinary proceedings against Andrew M. Schmitt, DLSC Case Number 18 REB 024. Motion carried unanimously.

Administrative Warnings

MOTION: Robert Larson moved, seconded by Cathy Lacy, to issue an Administrative Warning in the matter of the following cases:

1. 17 REB 122 – D.J.O.
2. 17 REB 122 – R.V.P.M.
3. 18 REB 134 – E.R.M.
4. 20 REB 004 – V.M.B.

Motion carried unanimously.

Case Closings

MOTION: Elizabeth Lauer moved, seconded by Robert Larson, to close the following DLSC Cases for the reasons outlined below:

1. 18 REB 076 – D.R.S., W.D.K., A.C.S. – No Violation
2. 18 REB 085 – K.L.D., O.D.A. – Prosecutorial Discretion (P2)
3. 18 REB 092 – R.J.B., L.H., A.F.U. – No Violation
4. 18 REB 102 – A.D.J., C.E.F.B., E.R.G. – No Violation
5. 19 REB 054 – S.K.H., M.A.L., D.L.H., E.R. – Insufficient Evidence
6. 20 REB 004 – M.L.R., B.G., C.W.R.E.H. – No Violation

Motion carried unanimously.

Monitoring Matters

Austen Forbeck – Requesting Full Licensure

MOTION: Cathy Lacy moved, seconded by Elizabeth Lauer, to deny the request of Austen Forbeck for Full Licensure. **Reason for Denial:** Failure to demonstrate continuous and successful compliance with the order. Motion carried unanimously.

(Robert Webster recused himself and disconnected for deliberation and voting in the matter concerning Austen Forbeck.)

Clariss Funmaker – Compliance Review

MOTION: Robert Larson moved, seconded by Robert Webster, to grant the request of Clariss Funmaker for appointment of William Kessler as supervising broker. Motion carried unanimously.

R Timothy Harron Jr. – Compliance Review

MOTION: Robert Larson moved, seconded by Robert Webster, to refer the matter of R Timothy Harron Jr. to the Monitoring Liaison for follow-up. Motion carried unanimously.

Brett Jump – Requesting Full Licensure

MOTION: Cathy Lacy moved, seconded by Elizabeth Lauer, to grant the request of Brett Jump for Full Licensure. Motion carried unanimously.

Jamie Scholl – Requesting Full Licensure

MOTION: Elizabeth Lauer moved, seconded by Robert Larson, to deny the request of Jamie Scholl for Full Licensure. **Reason for Denial:** Failure to demonstrate continuous and successful compliance with the order. Motion carried unanimously.

DELIBERATION ON PROPOSED FINAL DECISION AND ORDERS

Joseph L. Hazelwood (DHA Case Number SPS- SPS-19-0062/DLSC Case Numbers 17 REB 101 and 18 REB 006)

MOTION: Cathy Lacy moved, seconded by Elizabeth Lauer, to adopt the Findings of Fact, Conclusions of Law, and Proposed Decision and Order in the matter of disciplinary proceedings against Joseph L. Hazelwood, DHA Case Number SPS-19-0062/DLSC Case Numbers 17 REB 101 and 18 REB 006. Motion carried unanimously.

(Robert Larson recused himself and disconnected for deliberation and voting in the matter concerning Joseph Hazelwood, Respondent – DHA Case Number SPS- SPS-19-0062/DLSC Case Numbers 17 REB 101 and 18 REB 006.)

Jennifer A. Holliday (DHA Case Number SPS-19-0045/DLSC Case Number 17 REB 124)

MOTION: Cathy Lacy moved, seconded by Thomas Richie, to adopt the Findings of Fact, Conclusions of Law, and Proposed Decision and Order in the matter of disciplinary proceedings against Jennifer A. Holliday, DHA Case Number SPS-19-0045/DLSC Case Number 17 REB 124. Motion carried unanimously.

(Robert Larson recused himself and disconnected for deliberation and voting in the matter concerning Jennifer A. Holliday, Respondent – DHA Case Number SPS-19-0045/DLSC Case Number 17 REB 124.)

RECONVENE TO OPEN SESSION

MOTION: Cathy Lacy moved, seconded by Dennis Pierce, to reconvene into Open Session. Motion carried unanimously.

The Board reconvened into Open Session at 1:07 p.m.

**VOTE ON ITEMS CONSIDERED OR DELIBERATED UPON IN CLOSED SESSION,
IF VOTING IS APPROPRIATE**

MOTION: Cathy Lacy moved, seconded by Dennis Pierce, to affirm all motions made and votes taken in Closed Session. Motion carried unanimously.

(Be advised that any recusals or abstentions reflected in the closed session motions stand for the purposes of the affirmation vote.)

ADJOURNMENT

MOTION: Cathy Lacy moved, seconded by Robert Larson, to adjourn the meeting. Motion carried unanimously.

The meeting adjourned at 1:08 p.m.

DRAFT

**State of Wisconsin
Department of Safety & Professional Services**

AGENDA REQUEST FORM

1) Name and title of person submitting the request: Cassandra Walbrun, Administrative Rules Coordinator		2) Date when request submitted: 11/18/2020 <small>Items will be considered late if submitted after 12:00 p.m. on the deadline date which is 8 business days before the meeting</small>									
3) Name of Board, Committee, Council, Sections: Real Estate Examining Board											
4) Meeting Date: 12/10/2020	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page? Administrative Rules Matters – Discussion and Consideration 1) REEB 12 Service Member, Former Service Member and Service Member Spouse Reciprocal License (2019 Act 143) 2) REEB 24 Relating to Conduct and Ethical Practices 3) Preparation of the Biennial Report under s. 227.29, Wis. Stats. 4) Pending or Possible Rulemaking Projects									
7) Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session	8) Is an appearance before the Board being scheduled? <i>(If yes, please complete Appearance Request for Non-DSPS Staff)</i> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	9) Name of Case Advisor(s), if required:									
10) Describe the issue and action that should be addressed: 1) Further discussion and consideration of rule draft. 2) Further review of REEB 24 for rule drafting purposes 3) Discuss the Biennial Report under s. 227.29, Stats. (2017 Act 108) <ul style="list-style-type: none"> a. Review prior 2019 report preparation b. Discuss timeline for completion b. Discuss board's preferred process for developing the report 											
11) <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%; border-bottom: 1px solid black; padding-bottom: 5px;"><i>Kassandra Walbrun</i></td> <td style="width: 40%; border-bottom: 1px solid black; padding-bottom: 5px; text-align: right;">11/18/2020</td> </tr> <tr> <td style="border-top: 1px solid black; padding-top: 5px;">Signature of person making this request</td> <td style="border-top: 1px solid black; padding-top: 5px; text-align: right;">Date</td> </tr> <tr> <td style="border-top: 1px solid black; padding-top: 5px;">Supervisor (if required)</td> <td style="border-top: 1px solid black; padding-top: 5px; text-align: right;">Date</td> </tr> <tr> <td colspan="2" style="border-top: 1px solid black; padding-top: 5px;">Executive Director signature (indicates approval to add post agenda deadline item to agenda) Date</td> </tr> </table>				<i>Kassandra Walbrun</i>	11/18/2020	Signature of person making this request	Date	Supervisor (if required)	Date	Executive Director signature (indicates approval to add post agenda deadline item to agenda) Date	
<i>Kassandra Walbrun</i>	11/18/2020										
Signature of person making this request	Date										
Supervisor (if required)	Date										
Executive Director signature (indicates approval to add post agenda deadline item to agenda) Date											
Directions for including supporting documents: 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Policy Development Executive Director. 3. If necessary, provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.											

TEXT OF RULE

SECTION 1. REEB 12.012 is created to read:

REEB 12.012 Application procedure for service members, former service members, and their spouses. (1) In this section:

- (a) “Former service member” has the meaning in s. 440.09 (1) (a), Stats.
- (b) “Service member” has the meaning in s. 440.09 (1) (b), Stats.
- (c) “Spouse” has the meaning in s. 440.09 (1) (c), Stats.

(2) A service member, a former service member, or the spouse of a service member shall submit all of the following:

- (a) Completed application form with the signature of the applicant and fee as determined by the department under s. 440.05 (2), Stats.
- (b) Statement that the individual resides in this state.
- (c) Documentation that the individual is a service member, former service member or the spouse of a service member. If an individual is unable to provide the documentation, the individual may submit an affidavit to the board stating that the individual is a service member, former service member, or the spouse of a service member or former service member.
- (d) Evidence of holding a license, in good standing, that was granted by a governmental authority in a jurisdiction outside of Wisconsin that qualifies the individual to perform acts authorized under a real estate salesperson and real estate broker license granted by the board.

(3) A license granted under this subsection expires on the applicable renewal date specified in s. 440.08 (2) (a), except that if the first renewal date specified in s. 440.08 (2) (a) after the date on which the license is granted is within 180 days of the date on which the license is granted, the license expires on the 2nd renewal date specified in s. 440.08 (2) (a) after the date on which the license is granted.

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.

(END OF TEXT OF RULE)

Wisconsin Legislative Council

ACT MEMO



Prepared by: Brian Larson, Senior Staff Attorney

June 22, 2020

2019 Wisconsin Act 143 [2019 Assembly Bill 731]

Reciprocal Credentials for Service Members and Spouses

2019 Wisconsin Act 143 specifies standards for issuing reciprocal credentials to service members, former service members, and their spouses. The reciprocity provisions apply to any occupational credential issued by the Department of Safety and Professional Services (DSPS), one of the credentialing boards housed by DSPS, or the Veterinary Examining Board.

BACKGROUND

Prior to the enactment of the act, the statutes provided that a spouse of a service member was entitled to receive a reciprocal credential if all of the following criteria applied:

- The person temporarily resided in Wisconsin as a result of the spouse's service in the U.S. armed forces, a reserve unit of the armed forces, or the national guard of any state.
- The person held a license, certification, registration, or permit granted by a different jurisdiction that qualifies the person to perform the acts that are authorized under the credential for which he or she is applying.
- The person satisfied any other requirements established by rule for the particular profession.

2019 WISCONSIN ACT 143

The act expands the authorization for reciprocal credentials to include service members, former service members, and spouses of service members or former service members. An applicant may submit an affidavit stating that he or she is a service member, former service member, or spouse of a service member or former service member, if no other documentation is available.

Additionally, the act provides that DSPS or the appropriate credentialing board must grant a reciprocal credential if the person pays a fee and satisfies all of the following requirements:

- Resides in Wisconsin.
- Holds a license, certification, registration, or permit granted by a different jurisdiction that qualifies the person to perform the acts authorized under the credential for which he or she is applying.
- Is in good standing in every other jurisdiction in which he or she holds the license, certification, registration, or permit upon which reciprocity is based.

The act requires DSPS or the applicable credentialing board to expedite the issuance of reciprocal credentials, and it provides that such credentials may be renewed indefinitely. If a reciprocal credential is granted within 180 days of the next renewal date, the credential holder is exempt from the first renewal period and the credential does not expire until the following renewal date.

Under the act, “service member” means a member of the U.S. armed forces, a reserve unit of the U.S. armed forces, or the national guard of any state. “Former service member” means a person who was discharged from the U.S. armed forces under conditions other than dishonorable within four years of the date on which the service member or spouse of the service member applies for a reciprocal credential. The term “spouse” includes the spouse of a person who died while in service in the U.S. armed forces or in forces incorporated as part of the U.S. armed forces.

The act authorizes DSPS or any applicable credentialing board to promulgate rules to implement the issuance of reciprocal credentials.

Effective date: The act took effect on March 5, 2020, and initially applied to any application for a reciprocal credential received on that date. With regard to the expiration and renewal of reciprocal credentials, the act initially applied to any reciprocal credential that was valid on March 5, 2020.

BL:mca;ty

Chapter REEB 24

CONDUCT AND ETHICAL PRACTICES FOR REAL ESTATE LICENSEES

REEB 24.01 Authority and intent.
REEB 24.02 Definitions.
REEB 24.03 Competent services.
REEB 24.04 Advertising.
REEB 24.05 Disclosure of compensation and interests.
REEB 24.06 Unauthorized practice of law.
REEB 24.07 Inspection and disclosure duties.
REEB 24.075 Tie-in arrangements.
REEB 24.08 Agreements to be in writing.

REEB 24.085 False portrayal of interest, prohibited.
REEB 24.09 Securing agency agreements.
REEB 24.10 Net listing prohibited.
REEB 24.12 Confidentiality of offers.
REEB 24.13 Drafting and submission of written proposals.
REEB 24.15 Adequate funds required.
REEB 24.16 Availability of rules.
REEB 24.17 Miscellaneous requirements.

Note: Chapter REB 15 as it existed on February 29, 1980 was repealed and a new chapter REB 15 was created effective March 1, 1980. Renumbered from chapter REB 15, effective March 1, 1983. Chapter RL 24 was renumbered chapter REEB 24 under s. 13.92 (4) (b) 1., Stats., Register November 2011 No. 671.

REEB 24.01 Authority and intent. (1) The rules in this chapter are adopted pursuant to ss. 227.11, 452.01, 452.07, 452.133, 452.138, 452.139 and 452.14, Stats.

(2) The intent of the board in adopting the rules in this chapter is to establish minimum standards of conduct for real estate licensees and to define that conduct ~~which that~~ may result in board discipline pursuant to s. 452.14, Stats.

(3) If a licensee violates rules in this chapter, the licensee has demonstrated incompetency to act as a broker or salesperson in such manner as to safeguard the interests of the public under s. 452.14 (3) (i), Stats. However, the term "incompetency" is not limited in its meaning to violations of this chapter.

(4) If a licensee violates the rules set forth in s. REEB 24.075, the licensee has engaged in improper, fraudulent or dishonest dealing as used in s. 452.14 (3) (k), Stats. However, the terms "improper, fraudulent or dishonest dealing" are not limited in their meaning to violations of s. REEB 24.075.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. (3) to be (5), renum. from REB 15.02 (2) and cr. (4), Register, December, 1980, No. 300, eff. 1-1-81; renum. from REB 15.01 and am. (2) to (4), Register, February, 1983, No. 326, eff. 3-1-83; am. (1) and (3), r. (5) (intro.) and (d), renum. (5) (a) to (c) to be RL 24.025, RL 24.03 (2) (b) and (c), Register, January, 1987, No. 373, eff. 2-1-87; correction in (4) made under s. 13.93 (2m) (b) 4., Stats., Register, May, 1988, No. 389; am. Register, April, 1995, No. 472, eff. 5-1-95; correction in (2), (4) made under s. (4) (b) 6., 7., Stats., Register November 2011 No. 671; EmR1620: emerg. am. (3), eff. 7-1-16; CR 16-042: am. (3) Register February 2017 No. 734, eff. 3-1-17.

REEB 24.02 Definitions. (1) "Adverse fact" means any of the following:

(a) A condition or occurrence that is generally recognized by a competent licensee as doing any of the following:

1. Significantly and adversely affecting the value of the property.
2. Significantly reducing the structural integrity of improvements to real estate.
3. Presenting a significant health risk to occupants of the property.

(b) Information that indicates that a party to a transaction is not able to or does not intend to meet his or her obligations under a contract or agreement made concerning the transaction.

(3) "Brokerage service" means any service described under s. 452.01 (2), Stats., provided to a person by a firm and

any licensees associated with the firm.

(4) "Builder" means any person engaged in the business of constructing homes without a buyer under contract or constructing homes under a contract with the buyer.

(5) "Buyer's firm" means a firm who has an agency agreement with a buyer.

(7) "Commonly controlled corporation" means one of 2 or more corporations in which the same person or persons own stock in each of the corporations, possessing at least 80% of the total combined voting power of all classes of stock entitled to vote and at least 80% of the total number of shares of all other classes of stock of the corporations.

(10) "Effectively controlled" means having the power or authority to cause the transfer of an interest in real estate for one-self or another but does not include the authority conferred by a real estate listing contract.

(12) "Material adverse fact" means an adverse fact that a party indicates is of such significance, or that is generally recognized by a competent licensee as being of such significance to a reasonable party, that it affects or would affect the party's decision to enter into a contract or agreement concerning a transaction or affects or would affect the party's decision about the terms of such a contract or agreement.

(13) "Party" means a person seeking to engage in a transaction.

(13m) "Principal firm" means a firm ~~who that~~ engages a subagent to provide brokerage services in a transaction.

(14) "Qualified third party" means a federal, state or local governmental agency, or any person whom the ~~broker, salesperson, licensee~~ or a party to the real estate transaction reasonably believes has the expertise necessary to meet the industry standards of practice for the type of inspection or investigation that has been conducted by the third party in order to prepare the written report described in s. 452.23 (2) (b), Stats.

(15) "Secured lender" means an individual or organization originating a loan in a real estate or business opportunity transaction secured by real estate or by the assets of a business or a business opportunity.

(16) "Real estate practice" means engaging in conduct ~~which that~~ requires a license under ch. 452, Stats.

~~(16)~~(17) "Right of first refusal" means the right of a person to have the first opportunity to purchase or lease real property.

(18) "Transaction" means the sale, exchange, purchase or rental of, or the granting or acceptance of an option ~~to sell~~, exchange, purchase or rent, an interest in real estate, a business or a business opportunity.

Published under s. 35.93, Stats. Updated on the first day of each month. Entire code is always current. The Register date on each page is the date the chapter was last published.

Register July 2018 No. 763

(19) "Written proposal" means any written document provided by one party to another during the course of a transaction, including but not limited to notices, offers, counter-offers, options, exchanges, rental agreements, and amendments.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. (1) to be (5); renum. (2) to be REB 15.01 (3), cr. (1) to (4) and (6), Register, December, 1980, No. 300, eff. 1-1-81; renum. from REB 15.02, Register, February, 1983, No. 326, eff. 3-1-83; renum. (4) to (6) to be (7) to (9) under s. 13.93 (2m) (b) 1., Stats., Register, September, 1990, No. 417; renum. (1) to (3) to be (2), (4) and (6); cr. (1), (3) and (5), Register, September, 1990, No. 417, eff. 10-1-90; am. (1), Register, January, 1992, No. 433, eff. 2-1-92; am. (1), Register, July, 1993, No. 451, eff. 8-1-93; r. and recr. (1), renum. (2) to (4) to be (4), (5), (7), (6) and (7) to be (8) and (10), (8) to be (11) and am., (a) to be (17), r. (5), cr. (2), (3), (6), (9), (12) to (16), (18), Register, April, 1995, No. 472, eff. 5-1-95; am. (7), r. (11), Register, July, 1998, No. 511, eff. 8-1-98; correction in (3) made under s. 13.92 (4) (b) 7., Stats., Register, November 2011 No. 671; CR 10-136: am. (2) to (5), r. (8), am. (13), cr. (13m), r. (17), cr. (19) Register, April 2012 No. 676, eff. 7-1-12; EmR1620: emerg. am. (2), am. (3), (5), (6), (9), (13m), eff. 7-1-16; CR 16-042: r. (2), am. (3), (5), renum. (6), (9) to REEB 11.02 (3m), (4m), am. (13m) February 2017 No. 734, eff. 3-1-17.

REEB 24.03 Competent services. (1) DISCRIMINATION PROHIBITED. Licensees may not discriminate against, nor deny equal services to, nor be a party to any plan or agreement to discriminate against any person in any manner unlawful under applicable federal, state or local fair housing law.

Note: The primary references for federal and state fair housing laws are the 1988 amendments to the Federal Housing Act (Title VII of the Civil Rights Act of 1968) and Chapter 106, Subchapter II, Stats.

(2) COMPETENCE REQUIRED. (a) Licensees shall not provide services which that the licensee is not competent to provide unless the licensee engages the assistance of one who is competent. Any person engaged to provide such assistance shall be identified and that person's contribution shall be described in the documents or records related to the transaction.

(b) Licensees shall act to protect the public against fraud, misrepresentation and unethical practices.

(c) Licensees shall be knowledgeable regarding laws, public policies and current market conditions on real estate matters and assist, guide and advise the buying or selling public parties based upon these factors.

(d) Licensees are not required to have the technical knowledge, skills or training possessed by competent third party inspectors and investigators of real estate and related areas.

Note: Paragraph (d) recognizes that licensees are not required to have the knowledge, skills or training possessed by, for example, persons such as home inspectors, plumbers, electricians or land surveyors.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; am. (1), Register, March, 1981, No. 303, eff. 4-1-81; renum. from REB 15.03, Register, February, 1983, No. 326, eff. 3-1-83; am. (1), renum. (2) to be (2) (a), (2) (b) and (c) renum. from RL 24.01 (5) (b) and (c) and am., Register, January, 1987, No. 373, eff. 2-1-87; am. (1), cr. (2) (d), Register, July, 1993, No. 451, eff. 8-1-93.

REEB 24.04 Advertising. (1) FALSE ADVERTISING. Licensees shall not advertise in a manner which is false, deceptive, or misleading.

(2) DISCLOSURE OF NAME. (a) Except for advertisements for the rental of real estate owned by the licensee, a licensee shall in all advertising disclose the firm name exactly as printed on the licensed individual broker or the licensed broker-business entity's license or disclose a trade name previously filed with the department, as required by s. REEB 23.03, and in either case clearly indicate that the firm is a business concern and not a private party.

(b) Except for advertisements for the rental of real estate owned by the licensee, a licensee associated with a firm shall advertise under the supervision of and in the name of the firm.

(c) A licensee may advertise the occasional sale of real estate owned by the licensee or the solicitation of real estate for purchase by the licensee without complying with pars. (a) and (b), provided that the licensee clearly identifies himself, herself or itself as a real estate licensee in the advertisement.

(3) ADVERTISING WITHOUT AUTHORITY PROHIBITED. Licensees

shall not advertise property without the consent of the owner.

(4) ADVERTISED PRICE. Licensees shall not advertise property at a price other than that agreed upon with the owner; however, the price may be stated as a range or in general terms if it reflects the agreed upon price.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; am. (4), Register, March, 1981, No. 303, eff. 4-1-81; renum. from REB 15.04 and am. (2), Register, February, 1983, No. 326, eff. 3-1-83; renum. (2) to be (2) (a) and am., cr. (2) (b) and (c), Register, January, 1987, No. 373, eff. 2-1-87; am. (2) (c), Register, April, 1995, No. 472, eff. 5-1-95; correction in (2) (a) made under s. 13.92 (4) (b) 7., Stats., Register, November 2011 No. 671; EmR1620: emerg. am. (2) (a), (b), (3), (4), eff. 7-1-16; CR 16-042: am. (2) (a), (b), (3), (4) Register, February 2017 No. 734, eff. 3-1-17.

REEB 24.05 Disclosure of compensation and interests. (1) COMPENSATION. (a) A licensee acting as an agent in a real estate or business opportunity transaction may not accept any fee or compensation related to the transaction from any person, other than the licensee's client, principal firm, or firm the licensee is associated with without prior written consent from all parties to the transaction.

(b) A licensee acting as an agent in a real estate or business opportunity transaction may not recommend or suggest to a party to the transaction the services of another individual or entity from which the licensee may receive compensation for a referral or in which the licensee has an interest, unless the licensee, prior to or at the time of the referral, discloses to the party in writing the fact that he or she may receive compensation for the referral or that he or she has an interest in the individual or entity providing the services. This paragraph does not apply when the licensee makes a referral to another licensee for real estate services under s. 452-19, Stats.

(2) DISCLOSURE OF INTEREST. A licensee acting as an agent in a real estate or business opportunity transaction may not act in the transaction on the licensee's own behalf, on behalf of the licensee's firm, on behalf of any member of the licensee's immediate family or any combination of members of the licensee's immediate family, or on behalf of any other organization or business entity in which the licensee has an interest without the prior written consent of all parties to the transaction. For the purpose of this subsection, a licensee shall obtain the written consent in the offer to purchase, option, lease or other transaction contract.

(3) DISCLOSURE TO SELLER. A listing firm may not pay any compensation or incentive to a licensee who is acting as a buyer in a transaction without prior written consent from the seller.

(4) DISCLOSURE OF LICENSURE. (a) A licensee acting as a principal in a real estate or business opportunity transaction shall disclose his, her, or its license status and intent to act in the transaction as a principal at the earliest of all of the following:

1. The first contact with the other party or an agent representing the other party where information regarding the other party or the transaction is being exchanged.
2. A showing of the property.
3. Any other negotiation with the seller or the listing firm or other party or firm representing the other party.

(b) The disclosure under this subsection shall be made in writing to the other party in a transaction or to an agent representing the other party.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. (3) and (4) to be (4) and (5), cr. (3), Register, December, 1980, No. 300, eff. 1-1-81; am. (5), Register, March, 1981, No. 303, eff. 4-1-81; renum. from REB 15.05, Register, February, 1983, No. 326, eff. 3-1-83; am. (1) and (5), Register, June, 1988, No. 390, eff. 7-1-88; r. and recr. Register, July, 1993, No. 451, eff. 8-1-93; am. (1), (2), (3), (5), Register, April, 1995, No. 472, eff. 5-1-95; renum. (5) to be (5) (a) (intro.), cr. (5) (a) 1. to 3., and (b), Register, January, 2001, No. 541, eff. 2-1-01; CR 10-136: am. (title), (1) (title), renum. (1) to be (1) (a) and am., am. (2), r. (3) (title), renum. (3) to be (1) (b) and am., r. and recr. (4), am. (5) (b) Register, April 2012 No. 676, eff. 7-1-12; EmR1620: emerg. am. (1) (a), (2), (4), (5) (a) 3., eff. 7-1-16; CR 16-042: am. (1) (a), (2), (4), (5) (a) 3. Register, February 2017 No. 734, eff. 3-1-17.

REEB 24.06 Unauthorized practice of law.

(1) UNAUTHORIZED PRACTICE OF LAW PROHIBITED. Licensees shall not engage in activities that constitute the unauthorized

Commented [CL1]: WRA Recommended Revision Per the REEB's discussion at the August 2020 meeting as to where the licensee should document engaging the services of a person competent, the WRA recommends adding "in the documents or records related to the transaction." at the end of the sentence.

The goal of this rule is for a licensee is to acknowledge their limitations and engage the help of someone who is competent. Arguably, it is not appropriate to have this contribution be noted in the document between the parties, but for the licensee to be able to show they engaged the services. Thus, this should be included in the documents or records related to the transaction.

practice of law.

(2) LEGAL COUNSEL NOT TO BE DISCOURAGED. Licensees shall not discourage any person from retaining an attorney.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. (4) from REB 15.06, Register, February, 1983, No. 326, eff. 3-1-83.

REEB 24.07 Inspection and disclosure duties.

(1) INSPECTION OF REAL ESTATE.

(a) **General requirement.** A licensee, when engaging in real estate practice which that involves real estate improved with a structure, shall conduct a reasonably competent and diligent inspection of accessible areas of the structure and immediately surrounding areas of the property to detect observable material adverse facts. A licensee, when engaging in real estate practice which that involves vacant land, shall, if the vacant land is accessible, conduct a reasonably competent and diligent inspection of the vacant land to detect observable material adverse facts.

(b) **Listing firm.** When listing real estate and prior to execution of the listing contract, a licensee shall inspect the real estate as required by sub. (1), and shall make inquiries of the seller on the condition of the structure, mechanical systems and other relevant aspects of the property as applicable. The licensee shall request that the seller provide a written response to the licensee's inquiry.

(c) **Other licensees.** Licensees, other than listing firms, shall inspect the real estate as required by sub. (1) prior to or during the showing of the property, unless the licensee is not given access, for a showing.

(d) **Specific conduct regarding inspections.** A reasonably competent and diligent inspection of real estate improved with a structure does not require the operation of mechanical equipment; the opening of panels, doors or covers for access to mechanical systems; or the moving of furniture, boxes or other property; nor does it require a licensee to observe areas of the property for which entry presents an unreasonable risk of injury or areas accessible only by ladder, by crawling or other equivalent means of access. A licensee is not required to retain third party inspectors or investigators to complete a reasonably competent and diligent inspection. A reasonably competent and diligent inspection of vacant land does not require an observation of the entire property, but shall include, if given access, an observation of the property from at least one point on or adjacent to the property.

(2) **DISCLOSURE OF MATERIAL ADVERSE FACTS.** A licensee may not exaggerate or misrepresent facts in the practice of real estate. A licensee, when engaging in real estate practice, shall disclose to each party, in writing and in a timely fashion, all material adverse facts that the licensee knows and that the party does not know or cannot discover through a reasonably vigilant observation, unless the disclosure of the material adverse fact is prohibited by law. This provision is not limited to the condition of the property, but includes other material adverse facts in the transaction.

Note: Certain "material adverse facts", as defined in s. REEB 24.02 (12), may not be disclosed by law. For example, unless specifically authorized by a seller, a licensee may not disclose to a potential buyer the actual minimum sales price the seller will accept. See s. 452.133 (1) (d), Stats.

(3) **DISCLOSURE OF INFORMATION SUGGESTING MATERIAL ADVERSE FACTS.** A licensee, when engaging in real estate practice, who becomes aware of information suggesting the possibility of material adverse facts to the transaction, shall be practicing competently if the licensee discloses to the parties the information suggesting the possibility of material adverse facts to the transaction in writing and in a timely fashion, recommends the parties obtain expert assistance to inspect or investigate for possible material adverse facts to the transaction, and, if directed by the parties, drafts appropriate inspection or investigation contingencies. This provision is not limited to the condition of the property, but includes other material adverse facts to the transaction, including but not limited to defects and conditions included within the report form under s. 703.33 and 709.03, Stats. A

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licensee is not required to retain third party inspectors or investigators to perform investigations of information suggesting the possibility of a material adverse fact to the transaction.

DISCLOSURE OF SIDE AGREEMENTS. A licensee, when engaging in real estate practice, who becomes aware of the fact that a party to the transaction has not disclosed that party's entire agreement regarding the transaction to that party's secured lender, shall disclose this fact, in writing and in a timely manner, to the party's secured lender.

(5) **RELIANCE UPON THIRD PARTY INSPECTIONS AND INVESTIGATIONS.** If a licensee or a party in a transaction engages the services of a qualified third party to conduct a property inspection or investigation of material facts, the licensee may rely on the results of the inspection or investigation providing the licensee obtains a written report of the inspection or investigation and delivers a copy of the report to all interested parties in a timely manner.

(6) **INCONSISTENCIES.** If a licensee's reasonably competent and diligent inspection reveals facts materially inconsistent with or materially contradictory to the seller's statements provided under sub. (1) (a), or the inspection or investigation report of a third party, the inconsistency shall be disclosed in writing and in a timely manner to the parties.

(7) **FALSE INFORMATION.** Licensees shall not knowingly give false information about another licensee or property listed with another licensee.

~~(8) DISCLOSURE OF AGENCY. (a) General requirements. 1. A firm may not negotiate on behalf of a party who is not the firm's client unless the firm provides to the party a copy of the disclosure to customers required under s. 452.135 (1), Stats. A licensee providing brokerage services, if the brokerage services are related to real estate primarily intended for use as a residential property containing one to 4 dwelling units, the firm shall request the party's signed acknowledgement that the party has received a copy of the written disclosure statement required under s. 452.135.~~

~~1(a) A firm may not negotiate on behalf of a party who is not the firm's client and who is not a client of another firm unless the firm provides to the party a copy of the disclosure to customers required under s. 452.135 (1), Stats.~~

~~(b) If a firm is negotiating on behalf of a party who is not the firm's client and who is not the client of another firm and the negotiations are related to real estate primarily intended for use as a residential property containing one to 4 dwelling units, the firm shall request the party's signed acknowledgement that the party has received a copy of the written disclosure statement.~~

~~1g. A firm may not negotiate on behalf of a client unless the firm gives the client a copy of the disclosure required under s. 452.135 (2), Stats.~~

~~1r. If a client enters into an agency agreement with a firm to receive brokerage services related to real estate primarily intended for use as a residential property containing one to 4 dwelling units, and the disclosure to clients is not incorporated into the agency agreement, the firm shall request the client's signed acknowledgement that the client has received a copy of the written disclosure statement required in s. 452.135 (2), Stats.~~

2. Licensees acting as agents of potential buyers of real estate that is used or intended to be used principally for one to 4 family residential purposes, who are negotiating directly with the seller or who are aware that the owner of the real estate has granted a listing firm the exclusive right to sell, shall notify the seller or the listing firm, as applicable, of the licensee's buyer agency relationship at the earlier of all of the following:

- The first contact with the seller or the listing firm where information regarding the seller or transaction is being exchanged.
- A showing of the property.
- Any other negotiation with the seller or the listing firm.

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Commented [CL2]: WRA Comment:

The REEB requested WRA find a definition of structure. While there is an example in Wis. Stat. sec. 59.692, the WRA would caution that historically the rule has not included a definition and has not raised many questions in the past and including a definition could create more problems than it would solve.

One example of structure defined in the statutes is: Wis. Stat. sec. 59.692 Zoning of shorelands on navigable waters.

(1) In this section: (e) "Structure" means a principal structure or any accessory structure including a garage, shed, boathouse, sidewalk, stairway, walkway, patio, deck, retaining wall, porch, or fire pit.

If the REEB wishes to pursue defining structure, the WRA would request the REEB provide more time to explore the discussion.

Commented [CL3]: WRA Comment:

The WRA is still struggling if the REEB should include a statement as to when a licensee must inspect the property if they are not given access. For example: If the licensee is not given access, the licensee shall inspect the real estate as required by sub. (1) prior to closing.

The WRA would request the REEB provide more time to explore this discussion.

Commented [CL4]: WRA Comment:

The WRA is concerned the current administrative language is overly complicated and would request the REEB provide more time to explore the discussion of trying to create clarity within this section for the rule. .

3. When the nature of a licensee's representation of a client or customer changes such that it makes the initial disclosure that was provided under s. 452.135, Stats., incomplete, misleading, or inaccurate, the licensee shall provide the customer or client with a new disclosure, as required in s. 452.135, Stats.

(c) Agency agreements.

1. Firms and the licensees associated with the firm shall explain to their clients the responsibilities of listing agents, buyer's agents, and subagents before entering into an agency agreement.

2. No firm or licensees associated with the firm may permit other firms to act as subagents in a transaction unless the firm's client has authorized the use of a subagent in the agency agreement.

(b) **Written proposals.** Licensees shall state, in the offer to purchase, the lease, the option ~~to purchase~~, or the exchange agreement, whom the licensee represents as an agent in a transaction.

(c) Subagency arrangements Disclosure statements.

1. A listing firm shall provide a disclosure statement to a customer as required in s. 452.135 (1), Stats., to the buyer if negotiations are being conducted directly with the buyer and not through a buyer's firm, unless the buyer's firm has an exclusive right to locate buyer agency agreement.

2. A buyer's firm shall provide a disclosure statement to a customer as required in s. 452.135 (1), Stats., to a seller if negotiations are being conducted directly with the seller and not through a seller's firm, unless the seller has a limited service listing with the seller's firm.

3. A subagent shall provide a disclosure statement to a customer as required in s. 452.135 (1), Stats., with whom he or she is working but not to the principal firm's client.

4. A principal firm is not required to provide a disclosure statement to a customer as required in s. 452.135 (1), Stats., to a customer of their subagents.

(e) Agency agreements for lease and property management contracts

1. A licensee who is entering into agency agreements for lease and property management contracts shall provide to ~~his or the client~~ her clients the disclosure statement as required in s. 452.135 (2), Stats.

2. A licensee shall provide to prospective tenants a disclosure statement as required in s. 452.135 (1), Stats., when negotiating the terms of a lease on behalf of the client.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; emerg. r. (2), eff. 10-14-80; cr. (3), Register, December, 1980, No. 300, eff. 1-1-81; r. (2), Register, March, 1981, No. 303, eff. 4-1-81; renum. from REB 15.07, Register, February, 1983, No. 326, eff. 3-1-83; cr. (2), Register, January, 1987, No. 373, eff. 2-1-87; am. (1), r. and recr. (2), cr. (4), Register, June, 1988, No. 390, eff. 7-1-88; am. (1), cr. (1) to (c) and (4) (d), r. and recr. (2), Register, September, 1990, No. 417, eff. 10-1-90; r. and recr. (1), renum. (2), (3), (4) to be (5), (6), (7), cr. (2), (3), (4), Register, July, 1993, No. 451, eff. 8-1-93; am. (1) (a), (d), (2), (3), (5), renum. (1) (a), (b) to be (1) (b), (c) and am. (6) to be (7), r. (1) (c), (7), r. and recr. (4), cr. (6), (8), Register, April, 1995, No. 472, eff. 5-1-95; am. (8) (a) 2, (intro.), a. and c., Register, January, 2001, No. 541, eff. 2-1-01; CR-136: r. and recr. (8) (a) 1., cr. (8) (a) 1g., 1r., am. (8) (a) 2, (intro.), 3., r. (8) (a) 4., am. (8) (b) (title), 1., 2., (c), r. and recr. (8) (d), (e) Register April 2012 No. 676, eff. 7-1-12; EmR1620: emerg. am. (1) (b) (title), (c), (3), (8) (a) 1. to 1r., 2, (intro.), a., c., (b), (d), (e), eff. 7-1-16; CR 16-042: am. (1) (b) (title), (c), (3), (8) (a) 1. to 1r., 2, (intro.), a., c., (b), (d), (e) Register February 2017 No. 734, eff. 3-1-17.

REEB 24.075 Tie-in arrangements. Licensees shall not:

(1) Condition the sale of real estate owned by the licensee or whose sale is effectively controlled by the licensee to a buyer upon the buyer's agreement to purchase another parcel or real estate.

(2) Condition the sale of real estate owned by the licensee or whose sale is effectively controlled by the licensee upon the buyer's agreement to list the real estate or other real estate owned by the buyer with the licensee.

Note: The following are 2 common examples of activities ~~which that~~ would violate this subsection: (1) requiring a builder to list a speculation home with the licensee; and (2) requiring a buyer to list a present home with the licensee.

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(3) Condition the sale of vacant real estate owned by the licensee or whose sale is effectively controlled by the licensee upon the buyer's agreement to employ one or more specific builders to make improvements on the real estate unless:

(a) The builder owns a bona fide interest in the real estate; and there is full disclosure as specified in s. REEB 24.05 (1) (b).

(b) The builder and the licensee or the builder and the owner of the real estate are the same person or are commonly controlled corporations and whose business is selling improved property and not vacant land; and there is full disclosure as in s. REEB 24.05 (1) (b).

(c) The agreement is a bona fide effort to maintain development quality or architectural uniformity and no consideration passes from ~~contractor~~ the builder to licensee for soliciting this agreement.

History: Cr. Register, December, 1980, No. 300, eff. 1-1-81; renum. from REB 15.075 and am. (3) (a) and (b), Register, February, 1983, No. 326, eff. 3-1-83; correction in (3) (a), (b) made under s. 13.92 (4) (b) 7., Stats., Register November 2011 No. 671; correction in (3) (a), (b) made under s. 13.92 (4) (b) 7., Stats., Register April 2012 No. 676.

REEB 24.08 Agreements to be in writing. A licensee shall put in writing all listing contracts, guaranteed sales agreements, buyer agency agreements, offers to purchase, property management agreements, options ~~contracts~~, financial obligations and any other ~~commitments~~ written proposals regarding transactions, expressing the exact agreement of the parties unless the writing is completed by the parties or their attorneys or the writing is outside the scope of the licensee's authority under ch. REEB 16.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. from REB 15.08, Register, February, 1983, No. 326, eff. 3-1-83; am. Register, January, 1987, No. 373, eff. 2-1-87; am. Register, June, 1988, No. 390, eff. 7-1-88; am. 24.08, Register, July, 1993, No. 451, eff. 8-1-93; correction made under s. 13.92 (4) (b) 7., Stats., Register November 2011 No. 671.

REEB 24.085 False portrayal of interest, prohibited. No licensee shall draft or use any document ~~which that~~ the licensee knows falsely portrays an interest in real estate.

History: Cr. Register, December, 1980, No. 300, eff. 1-1-81; renum. from REB 15.085, Register, February, 1983, No. 326, eff. 3-1-83.

REEB 24.09 Securing agency agreements. Licensees may not mislead a potential client regarding the benefits ~~which that~~ might be realized through the use of the licensee's services. A licensee also may not mislead a potential client regarding the market value of real estate or a business opportunity to be leased, rented, purchased, optioned, or sold under an agency agreement.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. from REB 15.09, Register, February, 1983, No. 326, eff. 3-1-83; r. and recr. Register, April, 1995, No. 472, eff. 5-1-95; CR 10-136: am. Register April 2012 No. 676, eff. 7-1-12.

REEB 24.10 Net listing prohibited. Licensees shall not obtain, negotiate or attempt to obtain or negotiate any listing contract providing for a stipulated net price to the owner with the excess over the stipulated net price to be received by the firm as commission.

History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. from REB 15.10, Register, February, 1983, No. 326, eff. 3-1-83; EmR1620: emerg. am., eff. 7-1-16; CR 16-042: am. Register February 2017 No. 734, eff. 3-1-17.

REEB 24.12 Confidentiality of offers. (1) Except as provided in sub. (2), a licensee acting as a principal or an agent in a real estate or business opportunity transaction shall not disclose any of the terms of one prospective buyer's offer to purchase, exchange agreement or option ~~contract proposal~~ to any other prospective buyer or to any person with the intent that this information be disclosed to any other prospective buyer. Licensees shall encourage all prospective buyers to submit their best offers. A licensee may, but is not required to, disclose information known by the licensee regarding the existence of other offers on the property, the fact that a seller has accepted an offer, that the offer is subject to contingencies and that the offer is subject to a clause requiring removal of certain contingencies upon the occurrence of an event such as receipt, acceptance or conditional acceptance of another offer.

Commented [CL5]: WRA Comment:
The WRA is concerned about creating an onerous burden on licensees to provide a separate disclosure to customer form to a consumer who has already received a disclosure to client statement in a buyer or seller's agency agreement even though the buyer or seller client has waived the firm's duty to negotiate.

The WRA would request the REEB provide more time to explore this discussion.

Commented [CL6]: WRA comment:
The REEB wanted to explore the discussion of the rule clarifying a principal firm could ask for a copy of the disclosure statement to a customer with whom the subagent is working. For instance, "A principal firm may ask a subagent to provide a copy of a disclosure statement to a customer, as required in s. 452.135(1), Stats., with whom the subagent is working." However, the WRA is concerned that including such a statement could create more issues because there may be areas that such clarification has not been contemplated in the rules and by including the clarification in this section could create more problems.

If the REEB wishes to move forward with the clarification in the rule, the WRA would request the REEB provide more time to explore this discussion.

Commented [CL7]: WRA Comment:
The REEB recommended exploring disclosure of permitted agents to disclose the number of hours in the offer to purchase bump clause. However, bump clause is not a defined term in statute or rule. Therefore while potential language could be added to the end of the rule such as "A licensee may disclose the number of hours in a bump clause in the terms of an accepted offer.", the term bump clause would have to be defined.

If the REEB wishes to allow agents to disclose bump clause hours in the rule, the WRA would request the REEB provide more time to explore this discussion.

~~(2) As used in this subsection, "right of first refusal" means the right of a person to have the first opportunity to purchase or lease real property. "Right of first refusal" does not mean a so-called "bump clause" which is a contingency provision in a purchase agreement that requires the prospective buyer to remove certain contingencies in the buyer's purchase agreement or to relinquish the buyer's primary status to a secondary offer. If a licensee is providing brokerage services in a transaction and the licensee has knowledge that the property is subject to a right of first refusal, the licensee shall disclose the right of first refusal, in writing and in a timely manner, to all persons seeking to acquire an interest subject to the right of first refusal. After disclosure of the right of first refusal to a party seeking to acquire an interest in the property, the licensee may deliver a copy of that party's subsequent offer to purchase, exchange agreement, option contract or lease proposal to the party holding the right of first refusal.~~

~~History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; am. Register, March, 1981, No. 303, eff. 4-1-81; renum. from REB 15.12, Register, February, 1983, No. 326, eff. 3-1-83; am. Register, July, 1993, No. 451, eff. 8-1-93; renum. RL 24.12 to be (1), cr. (2), Register, January, 2001, No. 541, eff. 2-1-01.~~

REEB 24.13 Drafting and submission of written proposals. (1) REFUSAL PROHIBITED. Licensees shall not refuse to draft or submit any written proposal unless the terms of the written proposal would be contrary to specific written instructions of the other party.

~~(2) WITHHOLDING ACCESS TO PROPERTY WRITTEN PROPOSALS PROHIBITED. (a) Listing firms shall permit access to listed property for showing purposes, to all buyers and persons assisting or advising buyers, without unreasonable delay, unless the buyer's or other person's access is contrary to specific written instructions of the seller.~~

~~(b) Licensees shall promptly present all written proposals received to the licensee's client or customer. Licensees shall not withhold any written proposal from presentation pending the party's action on a written proposal previously presented.~~

(2) FAIR PRESENTATION OF WRITTEN PROPOSALS. (a) Licensees shall present all written proposals in an objective and unbiased manner to their clients and customers. Licensees shall inform their clients and customers of the advantages and disadvantages of all submitted written proposals.

(3) (b) Licensees shall promptly present all written proposals received to the licensee's client or customer unless the presentation would be contrary to specific written instructions from the licensee's client or customer. Licensees shall not withhold any written proposal from presentation pending the party's action on a written proposal previously presented.

(b) A listing licensed individual broker acting as a sole proprietor or licensee associated with a listing firm may not submit his or her own personal written proposal or offer to purchase a property ~~which that~~ the firm has listed if the licensee has knowledge of the terms of any pending offer, except that a firm may arrange for a guaranteed sale at the time of listing.

~~(2)(4) NOTIFICATION OF ACTION ON WRITTEN PROPOSAL. Licensees shall promptly inform their clients and customers whether the other party has accepted, rejected, or countered their written proposal. A licensee shall immediately provide a written statement to the other party's firm that includes the date and time when the written proposal was presented when such a statement is requested by the other party or the other party's firm. A licensee shall immediately provide a written statement to the other party's firm that includes the date and time when the written proposal was rejected or had expired without acceptance when such a statement is requested by the other party or the other party's firm.~~

(3)(5) NEGOTIATION THROUGH FIRM. A licensee may not negotiate a sale or lease of real estate directly with a party if the licensee knows that the party has an unexpired Published under s. 35.93, Stats. Updated on the first day of each month. Entire code is always current. The Register date on each page s the date the chapter was last published.

written contract in connection with the real estate ~~which that~~ grants to another licensee an exclusive right to sell, lease, or negotiate. All negotiations shall be conducted with the firm holding the exclusive right to sell, lease, or negotiate, and not with the party, except with the consent of the firm or where the absence of the firm, or other similar circumstances, reasonably compels direct negotiation with the party. A listing firm has no duty to investigate whether a buyer has granted a buyer's agent an exclusive right to negotiate.

~~Note: The Department of Safety and Professional Services' approved form, WB-36, does not grant the buyer's agent an exclusive right to negotiate.~~

~~History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; cr. (5) Register, March, 1981, No. 303, eff. 4-1-81; renum. from REB 15.13, Register, February, 1983, No. 326, eff. 3-1-83; renum. (3) to be (3) (a), cr. (3) (b), am. (4), Register, January, 1987, No. 373, eff. 2-1-87; am. (3) (a), Register, June, 1988, No. 390, eff. 7-1-88; am. (3) (b), r. and recr. (2), Register, July, 1993, No. 451, eff. 8-1-93; am. (3) (b) and (5), Register, January, 2001, No. 541, eff. 2-1-01; CR 10-136: am. (title), (1), (2) (title), (b), (3) (title), (a), (4), (5) Register April 2012 No. 676, eff. 7-1-12; EmR1620: emerg. am. (2) (a), (3) (b), (4), (5), eff. 7-1-16; CR 16-042: am. (2) (a), (3) (b), (4), (5) Register February 2017 No. 734, eff. 3-1-17.~~

REEB 24.15 Adequate funds required. Licensees shall not issue checks upon business or trust accounts ~~which that~~ contain insufficient funds.

~~History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. from REB 15.15, Register, February, 1983, No. 326, eff. 3-1-83.~~

REEB 24.16 Availability of rules. Firms shall have the rules of the department readily available in all offices for the use of all licensees.

~~History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; renum. from REB 15.16, Register, February, 1983, No. 326, eff. 3-1-83; am. Register, January, 1987, No. 373, eff. 2-1-87; correction made under s. 13.92 (4) (b) 6., Stats., Register November 2014 No. 674; CR 10-136: am. Register April 2012 No. 676, eff. 7-1-12; EmR1620: emerg. am. eff. 7-1-16; CR 16-042: am. Register February 2017 No. 734, eff. 3-1-17.~~

REEB 24.17 Miscellaneous requirements. (1) VIOLATIONS OF LAW. Licensees may not violate, or aid or abet the violation of, any law the circumstances of which substantially relate to the practices of a real estate licensee. A licensee who has been convicted of a crime shall send to the board within 48 hours after the judgment of conviction a copy of the complaint or other information ~~which that~~ describes the nature of the crime and the judgment of conviction ~~in order that so~~ the board may determine whether the circumstances of the crime of which the licensee was convicted are substantially related to the practice of a real estate licensee, pursuant to s. 111.335 (3) (a), Stats.

(2) CONVICTION. The board may discipline a licensee on the basis of a conviction of any crime, the circumstances of which substantially relate to the practice of real estate. A certified copy of a judgment of a court of record showing such conviction, within this state or without, shall be presumptive evidence of conviction.

(2m) FELONY CONVICTION. The board may revoke a license ~~or registration~~ on the basis of a conviction of a felony that is a bar to licensure ~~or registration~~ under s. 452.25 (1) (a), Stats.

(3) VIOLATION OF STATUTES, ADMINISTRATIVE CODE AND 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 order of, the board.

(4) IMPAIRED PRACTICE. Licensees shall not render services while the ability of the licensee to competently perform duties is impaired by mental or emotional disorder, drugs or alcohol.

(5) DUTY TO COOPERATE WITH THE BOARD AND THE DEPARTMENT. Licensees and applicants shall respond to the department and the board regarding any request for information within 30 days of the date of the request

~~History: Cr. Register, February, 1980, No. 290, eff. 3-1-80; am. (2), Register, December, 1980, No. 300, eff. 1-1-81; renum. from REB 15.17 and am. (2), Register, February, 1983, No. 326, eff. 3-1-83; am. (1), Register, January, 1986, No. 373, eff. 2-1-87; renum. (2) and (3) to be~~

Commented [CL8]: WRA Recommended Revision: The REEB wanted to try and require agents to get written direction in circumstances where their clients or customers are telling them not to present written proposals. For example, seller says no offers to be presented until X day and time. The language highlighted in yellow is a recommended revision to address the concern.

(3) and (4), cr. (2), [Register, June, 1988, No. 390](#), eff. 7-1-88; am. (3), [Register, July, 1998, No. 511](#), eff. 8-1-98; correction in (1), (3) made under s. 13.92 (4) (b) 6., 7., Stats., [Register November 2011 No. 671](#); CR 10-136: am. (1), cr. (5) [Register April 2012 No. 676](#), eff. 7-1-12; CR 15-051: cr. (2m) [Register January 2016 No. 721](#), eff. 2-1-16, correction in (3) made under s. 13.92 (4) (b) 7., Stats., [Register January 2014 No. 721](#); EmR1620: emerg. am. (1), eff. 7-1-16;

CR 16-042: am. (1) [Register February 2017 No. 734](#), eff. 3-1-17; correction in (1) made under s. 13.92 (4) (b) 7., Stats., [Register December 2018 No. 756](#); CR 18-051: am. (3) [Register July 2019 No. 763](#), eff. 8-1-19.

Vacant
Chairperson

Robert Webster
Vice Chairperson

Dennis Pierce
Secretary

REAL ESTATE EXAMINING BOARD



4822 Madison Yards Way
PO Box 8366
Madison WI 53708-8366

Email: dsps@wisconsin.gov
Voice: 608-266-2112
FAX: 608-251-3032

March 27, 2019

Senator Stephen Nass, Senate Co-Chairperson
Joint Committee for Review of Administrative Rules
Room 10 South, State Capitol
Madison, WI 53702

Representative Joan Ballweg, Assembly Co-Chairperson
Joint Committee for Review of Administrative Rules
Room 210 North, State Capitol
Madison, WI 53702

RE: Report Submitted in Compliance with s. 227.29 (1), Stats.

Dear Senator Nass and Representative Ballweg:

This report has been prepared and submitted in compliance with s. 227.29 (1), Stats.

I. Unauthorized rules, as defined in s. 227.26 (4) (a), Stats.:

After careful review of the Board’s administrative rules, the Board has determined that no promulgated rules are unauthorized, as defined in s. 227.26 (4) (a), Stats.

II. Rules for which the authority to promulgate has been restricted:

After careful review of the Board’s administrative rules, the Board has determined that no promulgated rules have restricted authority.

III. Rules that are obsolete or that have been rendered unnecessary:

Rule	Description of why the rule is obsolete or has been rendered unnecessary.	Action taken to address or reason for not taking an action
REEB 12.017(3)(a)	Apprenticeships no longer exist.	Board will be drafting a scope.

IV. Rules that are duplicative of, superseded by, or in conflict with another rule, a state statute, a federal statute or regulation, or a ruling of a court of competent jurisdiction:

Rule	Citation or the text of the statute, regulation, or ruling.	Action taken to address or reason for not taking an action
REEB 12.011	Duplicative with s. SPS 4.035	Board will be drafting a scope.

REEB 24.04	Duplicative and superseded by s. 452.136, Stats.	Board has a published scope.
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V. Rules that are economically burdensome:

After careful review of the Board's administrative rules, the Board has determined that no promulgated rules are economically burdensome.

Thank you.

Cordially,

Robert Webster
Vice Chairperson