

1 ***-0377/P10.310* *-4294/P1.290* SECTION 460.** 77.66 of the statutes is
2 amended to read:

3 **77.66 Certification for collection of sales and use tax.** The secretary of
4 revenue shall determine and periodically certify to the secretary of administration
5 the names of persons, and affiliates, as defined in s. 16.70 (1b), of persons, who make
6 sales of tangible personal property, or items, property, or goods under s. 77.52 (1) (b),
7 (c), or (d), and taxable services that are subject to the taxes imposed under this
8 subchapter but who are not registered to collect and remit such taxes to the
9 department or, if registered, do not collect and remit such taxes.

10 ***-0377/P10.311* *-4294/P1.291* SECTION 461.** 77.67 of the statutes is created
11 to read:

12 **77.67 Amnesty for new registrants. (1)** A seller is not liable for uncollected
13 and unpaid taxes, including penalties and interest, imposed under this subchapter
14 and subch. V on sales made to purchasers in this state before the seller registers
15 under par. (a), if all of the following apply:

16 (a) The seller registers with the department, in a manner that the department
17 prescribes, to collect and remit the taxes imposed under this subchapter and subch.
18 V on sales to purchasers in this state in accordance with the agreement, as defined
19 in s. 77.65 (2) (a).

20 (b) The seller registers under par. (a) no later than 365 days after the effective
21 date of this state's participation in the agreement under s. 77.65 (2) (a), as
22 determined by the department.

23 (c) The seller was not registered to collect and remit the taxes imposed under
24 this subchapter and subch. V during the 365 consecutive days immediately before

1 the effective date of this state's participation in the agreement under s. 77.65 (2) (a),
2 as determined by the department.

3 (d) The seller has not received a notice of the commencement of an audit from
4 the department or, if the seller has received a notice of the commencement of an audit
5 from the department, the audit has been fully resolved, including any related
6 administrative and judicial processes, at the time that the seller registers under par.
7 (a).

8 (e) The seller has not committed or been involved in a fraud or an intentional
9 misrepresentation of a material fact.

10 (f) The seller collects and remits the taxes imposed under this subchapter and
11 subch. V on sales to purchasers in this state for at least 3 consecutive years after the
12 date on which the seller's collection obligation begins.

13 (2) Subsection (1) does not apply to taxes imposed under this subchapter and
14 subch. V that are due from the seller for purchases made by the seller.

15 ***-0377/P10.312* *-4294/P1.292* SECTION 462.** 77.70 of the statutes is
16 amended to read:

17 **77.70 Adoption by county ordinance.** Any county desiring to impose county
18 sales and use taxes under this subchapter may do so by the adoption of an ordinance,
19 stating its purpose and referring to this subchapter. The county sales and use taxes
20 may be imposed only for the purpose of directly reducing the property tax levy and
21 only in their entirety as provided in this subchapter. That ordinance shall be
22 effective on the first day of January, the first day of April, the first day of July or the
23 first day of October. A certified copy of that ordinance shall be delivered to the
24 secretary of revenue at least 120 days prior to its effective date. The repeal of any
25 such ordinance shall be effective on December 31. A certified copy of a repeal

1 ordinance shall be delivered to the secretary of revenue at least ~~60~~ 120 days before
2 the effective date of the repeal.

3 ***-0377/P10.313* *-4294/P1.293* SECTION 463.** 77.705 of the statutes is
4 amended to read:

5 **77.705 Adoption by resolution; baseball park district.** A local
6 professional baseball park district created under subch. III of ch. 229, by resolution
7 under s. 229.68 (15), may impose a sales tax and a use tax under this subchapter at
8 a rate of no more than 0.1% of the ~~gross receipts or sales price~~ or purchase price.
9 Those taxes may be imposed only in their entirety. The resolution shall be effective
10 on the first day of the first month January 1, April 1, July 1, or October 1 that begins
11 at least ~~30~~ 120 days after the adoption of the resolution. Any moneys transferred
12 from the appropriation account under s. 20.566 (1) (gd) to the appropriation account
13 under s. 20.835 (4) (gb) shall be used exclusively to retire the district's debt.

14 ***-0377/P10.314* *-4294/P1.294* SECTION 464.** 77.706 of the statutes is
15 amended to read:

16 **77.706 Adoption by resolution; football stadium district.** A local
17 professional football stadium district created under subch. IV of ch. 229, by
18 resolution under s. 229.824 (15), may impose a sales tax and a use tax under this
19 subchapter at a rate of 0.5% of the ~~gross receipts or sales price~~ or purchase price.
20 Those taxes may be imposed only in their entirety. The imposition of the taxes under
21 this section shall be effective on the first day of the first month January 1, April 1,
22 July 1, or October 1 that begins at least ~~30~~ 120 days after the certification of the
23 approval of the resolution by the electors in the district's jurisdiction under s. 229.824
24 (15). Any moneys transferred from the appropriation account under s. 20.566 (1) (ge)

1 to the appropriation account under s. 20.835 (4) (ge) shall be used exclusively to retire
2 the district's debt.

3 ***-0377/P10.315* *-4294/P1.295* SECTION 465.** 77.707 (1) of the statutes is
4 amended to read:

5 77.707 (1) Retailers and the department of revenue may not collect a tax under
6 s. 77.705 for any local professional baseball park district created under subch. III of
7 ch. 229 after the last day of the calendar quarter during that is at least 120 days from
8 the date on which the local professional baseball park district board makes a
9 certification to the department of revenue under s. 229.685 (2), except that the
10 department of revenue may collect from retailers taxes that accrued before the day
11 after the last day of that calendar quarter and fees, interest and penalties that relate
12 to those taxes.

13 ***-0377/P10.316* *-4294/P1.296* SECTION 466.** 77.707 (2) of the statutes is
14 amended to read:

15 77.707 (2) Retailers and the department of revenue may not collect a tax under
16 s. 77.706 for any local professional football stadium district created under subch. IV
17 of ch. 229 after the last day of the calendar quarter during that is at least 120 days
18 from the date on which the local professional football stadium district board makes
19 all of the certifications to the department of revenue under s. 229.825 (3), except that
20 the department of revenue may collect from retailers taxes that accrued before the
21 day after the last day of that calendar quarter and fees, interest and penalties that
22 relate to those taxes.

23 ***-0377/P10.317* *-4294/P1.297* SECTION 467.** 77.71 (1) of the statutes is
24 amended to read:

1 77.71 (1) For the privilege of selling, licensing, leasing or renting tangible
2 personal property and the items, property, and goods specified under s. 77.52 (1) (b),
3 (c), and (d), and for the privilege of selling, licensing, performing or furnishing
4 services a sales tax is imposed upon retailers at the rate of 0.5% in the case of a county
5 tax or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the
6 ~~gross receipts~~ sales price from the sale, license, lease or rental of tangible personal
7 property and the items, property, and goods specified under s. 77.52 (1) (b), (c), and
8 (d), except property taxed under sub. (4), sold, licensed, leased or rented at retail in
9 the county or special district or from selling, licensing, performing or furnishing
10 services described under s. 77.52 (2) in the county or special district.

11 ***-0377/P10.318* *-4294/P1.298* SECTION 468.** 77.71 (2) of the statutes is
12 amended to read:

13 77.71 (2) An excise tax is imposed at the rate of 0.5% in the case of a county tax
14 or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales
15 purchase price upon every person storing, using or otherwise consuming in the
16 county or special district tangible personal property, or items, property, or goods
17 specified under s. 77.52 (1) (b), (c), or (d), or services if the tangible personal property,
18 item, property, good, or service is subject to the state use tax under s. 77.53, except
19 that a receipt indicating that the tax under sub. (1), (3) or (4) has been paid relieves
20 the buyer of liability for the tax under this subsection and except that if the buyer
21 has paid a similar local tax in another state on a purchase of the same tangible
22 personal property, item, property, good, or services that tax shall be credited against
23 the tax under this subsection and except that for motor vehicles that are used for a
24 purpose in addition to retention, demonstration or display while held for sale in the

1 regular course of business by a dealer the tax under this subsection is imposed not
2 on the sales purchase price but on the amount under s. 77.53 (1m).

3 ***-0377/P10.319* *-4294/P1.299* SECTION 469.** 77.71 (3) of the statutes is
4 amended to read:

5 77.71 (3) An excise tax is imposed upon a contractor engaged in construction
6 activities within the county or special district, at the rate of 0.5% in the case of a
7 county tax or at the rate under s. 77.705 or 77.706 in the case of a special district tax
8 of the sales purchase price of tangible personal property or items, property, or goods
9 under s. 77.52 (1) (b), (c), or (d) that is are used in constructing, altering, repairing
10 or improving real property and that ~~becomes~~ became a component part of real
11 property in that county or special district, except that if the contractor has paid the
12 sales tax of a county in the case of a county tax or of a special district in the case of
13 a special district tax in this state on that tangible personal property, item, property,
14 or good, or has paid a similar local sales tax in another state on a purchase of the same
15 tangible personal property, item, property, or good, that tax shall be credited against
16 the tax under this subsection.

17 ***-0377/P10.320* *-4294/P1.300* SECTION 470.** 77.71 (4) of the statutes is
18 amended to read:

19 77.71 (4) An excise tax is imposed at the rate of 0.5 percent in the case of a
20 county tax or at the rate under s. 77.705 or 77.706 in the case of a special district tax
21 of the sales purchase price upon every person storing, using or otherwise consuming
22 a motor vehicle, boat, ~~snowmobile~~, recreational vehicle, as defined in s. 340.01 (48r),
23 ~~trailer, semitrailer, all-terrain vehicle~~ or aircraft, if that property must be registered
24 or titled with this state and if that property is to be customarily kept in a county that
25 has in effect an ordinance under s. 77.70 or in a special district that has in effect a

1 resolution under s. 77.705 or 77.706, except that if the buyer has paid a similar local
2 sales tax in another state on a purchase of the same property that tax shall be
3 credited against the tax under this subsection.

4 ***-0377/P10.321* *-4294/P1.301* SECTION 471.** 77.72 (title) of the statutes is
5 repealed.

6 ***-0377/P10.322* *-4294/P1.302* SECTION 472.** 77.72 (1) of the statutes is
7 renumbered 77.72 and amended to read:

8 **77.72 General rule for property.** For the purposes of this subchapter, all
9 retail sales of tangible personal property are completed at the time when, and the
10 place where, the seller or the seller's agent transfers possession to the buyer or the
11 buyer's agent. In this subsection, a common carrier or the U.S. postal service is the
12 agent of the seller, regardless of any f.o.b. point and regardless of the method by
13 which freight or postage is paid. Rentals and leases of property, except property
14 under sub. (2), have a situs at the location of that property, and items, property, and
15 goods specified under s. 77.52 (1) (b), (c), and (d), and taxable services occur as
16 provided in s. 77.522. *are sourced
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17 ***-0377/P10.323* *-4294/P1.303* SECTION 473.** 77.72 (2) and (3) of the
18 statutes are repealed.

19 ***-0377/P10.324* *-4294/P1.304* SECTION 474.** 77.73 (2) of the statutes is
20 amended to read:

21 77.73 (2) Counties and special districts do not have jurisdiction to impose the
22 tax under s. 77.71 (2) in regard to items, property, and goods under s. 77.52 (1) (b),
23 (c), and (d), and tangible personal property, except snowmobiles, trailers,
24 semitrailers, and all-terrain vehicles, purchased in a sale that is consummated in
25 another county or special district in this state that does not have in effect an

1 ordinance or resolution imposing the taxes under this subchapter and later brought
2 by the buyer into the county or special district that has imposed a tax under s. 77.71
3 (2).

4 ***-0377/P10.325* *-4294/P1.305* SECTION 475.** 77.73 (3) of the statutes is
5 created to read:

6 77.73 (3) Counties and special districts have jurisdiction to impose the taxes
7 under this subchapter on retailers who file an application under s. 77.52 (7) or who
8 register under s. 77.53 (9) or (9m), regardless of whether such retailers are engaged
9 in business in the county or special district, as provided in s. 77.51 (13g). A retailer
10 who files an application under s. 77.52 (7) or who registers under s. 77.53 (9) or (9m)
11 shall collect, report, and remit to the department the taxes imposed under this
12 subchapter for all counties and special districts that have an ordinance or resolution
13 imposing the taxes under this subchapter.

14 ***-0377/P10.326* *-4294/P1.306* SECTION 476.** 77.75 of the statutes is
15 amended to read:

16 **77.75 Reports.** Every person subject to county or special district sales and use
17 taxes shall, for each reporting period, record that person's sales made in the county
18 or special district that has imposed those taxes separately from sales made
19 elsewhere in this state and file a report of the measure of the county or special district
20 sales and use taxes and the tax due thereon separately as prescribed by the
21 department of revenue.

22 ***-0377/P10.327* *-4294/P1.307* SECTION 477.** 77.77 (1) of the statutes is
23 renumbered 77.77 (1) (a) and amended to read:

24 77.77 (1) (a) The gross receipts sales price from services subject to the tax under
25 s. 77.52 (2) are not or the lease, rental, or license of tangible personal property and

1 property, items, and goods specified under s. 77.52 (1) (b), (c), and (d), is subject to
2 the taxes under this subchapter, and the incremental amount of tax caused by a rate
3 increase applicable to those services, leases, rentals, or licenses is not due, if those
4 services are billed to the customer and paid for before beginning with the first billing
5 period starting on or after the effective date of the county ordinance, special district
6 resolution, or rate increase, regardless of whether the service is furnished or the
7 property, item, or good is leased, rented, or licensed to the customer before or after
8 that date.

9 ***-0377/P10.328* *-4294/P1.308* SECTION 478.** 77.77 (1) (b) of the statutes is
10 created to read:

11 77.77 (1) (b) The sales price from services subject to the tax under s. 77.52 (2)
12 or the lease, rental, or license of tangible personal property and property, items, and
13 goods specified under s. 77.52 (1) (b), (c), and (d), is not subject to the taxes under this
14 subchapter, and a decrease in the tax rate imposed under this subchapter on those
15 services first applies, beginning with bills rendered on or after the effective date of
16 the repeal or sunset of a county ordinance or special district resolution imposing the
17 tax or other rate decrease, regardless of whether the service is furnished or the
18 property, item, or good is leased, rented, or licensed to the customer before or after
19 that date.

20 ***-0377/P10.329* *-4294/P1.309* SECTION 479.** 77.77 (2) of the statutes is
21 repealed.

22 ***-0377/P10.330* *-4294/P1.310* SECTION 480.** 77.785 (1) of the statutes is
23 amended to read:

1 77.785 (1) All retailers shall collect and report the taxes under this subchapter
2 on the ~~gross receipts~~ sales price from leases and rentals of property or items,
3 property, and goods under s. 77.52 (1) (b), (c), and (d) under s. 77.71 (4).

4 *~~-0377/P10.331*~~ *~~-4294/P1.311*~~ SECTION 481. 77.785 (2) of the statutes is
5 amended to read:

6 77.785 (2) Prior to registration or titling, a retailer of a boat, ~~all-terrain vehicle,~~
7 ~~trailer and semi-trailer dealers and licensed~~ aircraft, motor vehicle, manufactured
8 home, as defined in s. 101.91 (2), or recreational vehicle, as defined in s. 340.01 (48r),
9 ~~and snowmobile dealers~~ shall collect the taxes under this subchapter on sales of
10 items under s. 77.71 (4). The ~~dealer~~ retailer shall remit those taxes to the
11 department of revenue along with payments of the taxes under subch. III.

12 *~~-1942/P1.28*~~ SECTION 482. 77.92 (4) of the statutes is amended to read:

13 77.92 (4) "Net business income," with respect to a partnership, means taxable
14 income as calculated under section 703 of the Internal Revenue Code; plus the items
15 of income and gain under section 702 of the Internal Revenue Code, including taxable
16 state and municipal bond interest and excluding nontaxable interest income or
17 dividend income from federal government obligations; minus the items of loss and
18 deduction under section 702 of the Internal Revenue Code, except items that are not
19 deductible under s. 71.21; plus guaranteed payments to partners under section 707
20 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
21 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), ~~(3s)~~, (3n), (3p), (3t), (3w),
22 (5e), (5f), (5g), (5h), (5i), (5j), and (5k); and plus or minus, as appropriate, transitional
23 adjustments, depreciation differences, and basis differences under s. 71.05 (13), (15),
24 (16), (17), and (19); but excluding income, gain, loss, and deductions from farming.
25 "Net business income," with respect to a natural person, estate, or trust, means profit

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1 from a trade or business for federal income tax purposes and includes net income
2 derived as an employee as defined in section 3121 (d) (3) of the Internal Revenue
3 Code.

4 ***-1948/P1.14* SECTION 483.** 77.92 (4) of the statutes is amended to read:

5 77.92 (4) "Net business income," with respect to a partnership, means taxable
6 income as calculated under section 703 of the Internal Revenue Code; plus the items
7 of income and gain under section 702 of the Internal Revenue Code, including taxable
8 state and municipal bond interest and excluding nontaxable interest income or
9 dividend income from federal government obligations; minus the items of loss and
10 deduction under section 702 of the Internal Revenue Code, except items that are not
11 deductible under s. 71.21; plus guaranteed payments to partners under section 707
12 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),
13 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (3g), (3h), (3s), (3n), (3p), (3r), (3s), (3t),
14 (3w), (5e), (5f), (5g), (5h), (5i), (5j), and (5k); and plus or minus, as appropriate,
15 transitional adjustments, depreciation differences, and basis differences under s.
16 71.05 (13), (15), (16), (17), and (19); but excluding income, gain, loss, and deductions
17 from farming. "Net business income," with respect to a natural person, estate, or
18 trust, means profit from a trade or business for federal income tax purposes and
19 includes net income derived as an employee as defined in section 3121 (d) (3) of the
20 Internal Revenue Code.

21 ***-0377/P10.332* *-4294/P1.312* SECTION 484.** 77.98 of the statutes is
22 amended to read:

23 **77.98 Imposition.** A local exposition district under subch. II of ch. 229 may
24 impose a tax on the retail sale, except sales for resale, within the district's
25 jurisdiction under s. 229.43 of products that are subject to a tax under s. 77.54 (20)

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1 ~~(e) 1. to 3. and not~~ candy, as defined in s. 77.51 (1fm), prepared food, as defined in s.
2 77.51 (10m), and soft drinks, as defined in s. 77.51 (17w), unless exempt from the
3 sales tax under s. 77.54 (1), (4), (7) (a), (7m), (9), (9a) or (20) (e) 5., (20n) (b) and (c),
4 and (20r).

5 ***-0377/P10.333* *-4294/P1.313* SECTION 485.** 77.981 of the statutes is
6 amended to read:

7 **77.981 Rate.** The tax under s. 77.98 is imposed on the sale of taxable products
8 at the rate of 0.25% of the ~~gross receipts~~ sales price, except that the district, by a vote
9 of a majority of the authorized members of its board of directors, may impose the tax
10 at the rate of 0.5% of the ~~gross receipts~~ sales price. A majority of the authorized
11 members of the district's board may vote that, if the balance in a special debt service
12 reserve fund of the district is less than the requirement under s. 229.50 (5), the tax
13 rate under this subchapter is 0.5%. The 0.5% rate shall be effective on the next
14 January 1, April 1, July 1 or October 1, and this tax is irrevocable if any bonds issued
15 by the district and secured by the special debt service reserve fund are outstanding.

16 ***-0377/P10.334* *-4294/P1.314* SECTION 486.** 77.982 (2) of the statutes is
17 repealed and recreated to read:

18 77.982 (2) Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (1b), (3), (4),
19 (13), (14), (18), and (19), 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2),
20 (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under subch.
21 III, apply to the tax under this subchapter. Section 77.73, as it applies to the taxes
22 under subch. V, applies to the tax under this subchapter.

23 ***-0377/P10.335* *-4294/P1.315* SECTION 487.** 77.99 of the statutes is
24 amended to read:

1 **77.99 Imposition.** A local exposition district under subch. II of ch. 229 may
2 impose a tax at the rate of 3% of the ~~gross receipts~~ sales price on the rental, but not
3 for rental and not for rental as a service or repair replacement vehicle, within the
4 district's jurisdiction under s. 229.43, of Type 1 automobiles, as defined in s. 340.01
5 (4) (a), by establishments primarily engaged in short-term rental of passenger cars
6 without drivers, for a period of 30 days or less, unless the sale is exempt from the sales
7 tax under s. 77.54 (1), (4), (7) (a), (7m), (9) or (9a). If the state makes a payment under
8 s. 229.50 (7) to a district's special debt service reserve fund, a majority of the district's
9 authorized board of directors may vote to increase the tax rate under this subchapter
10 to 4%. A resolution to adopt the taxes imposed under this section, or an increase in
11 the tax rate, shall be effective on the first January 1, April 1, July 1, or October 1
12 following the adoption of the resolution or tax increase.

13 ***-0377/P10.336* *-4294/P1.317d* SECTION 488.** 77.991 (2) of the statutes is
14 repealed and recreated to read:

15 77.991 (2) Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (1b), (3), (4),
16 (13), (14), (18), and (19), 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61 (2),
17 (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under subch.
18 III, apply to the tax under this subchapter. Section 77.73, as it applies to the taxes
19 under subch. V, applies to the tax under this subchapter. The renter shall collect the
20 tax under this subchapter from the person to whom the passenger car is rented.

21 ***-0377/P10.337* *-4294/P1.316* SECTION 489.** 77.994 (1) (intro.) of the
22 statutes is amended to read:

23 77.994 (1) (intro.) Except as provided in sub. (2), a municipality or a county all
24 of which is included in a premier resort area under s. 66.1113 may, by ordinance,
25 impose a tax at a rate of 0.5% of the ~~gross receipts~~ sales price from the sale, license,

1 lease, or rental in the municipality or county of goods or services that are taxable
2 under subch. III made by businesses that are classified in the standard industrial
3 classification manual, 1987 edition, published by the U.S. office of management and
4 budget, under the following industry numbers:

5 ***-0377/P10.338* *-4294/P1.317* SECTION 490.** 77.9941 (4) of the statutes is
6 amended to read:

7 77.9941 (4) Sections 77.72 (1), (2) (a) and (3) (a), 77.73, 77.74, 77.75, 77.76 (1),
8 (2), and (4), 77.77 (1) and (2), 77.785 (1), and 77.79, as they apply to the taxes under
9 subch. V, apply to the tax under this subchapter.

10 ***-0377/P10.339* *-4294/P1.318* SECTION 491.** 77.995 (2) of the statutes is
11 amended to read:

12 77.995 (2) There is imposed a fee at the rate of 5 percent of the gross receipts
13 sales price on the rental, but not for rental and not for rental as a service or repair
14 replacement vehicle of Type 1 automobiles, as defined in s. 340.01 (4) (a); of
15 recreational vehicles, as defined in s. 340.01 (48r); of motor homes, as defined in s.
16 340.01 (33m); and of camping trailers, as defined in s. 340.01 (6m) by establishments
17 primarily engaged in short-term rental of vehicles without drivers, for a period of 30
18 days or less, unless the sale is exempt from the sales tax under s. 77.54 (1), (4), (7)
19 (a), (7m) or (9a). There is also imposed a fee at the rate of 5 percent of the gross
20 receipts sales price on the rental of limousines.

21 ***-0377/P10.340* *-4294/P1.319* SECTION 492.** 77.9951 (2) of the statutes is
22 repealed and recreated to read:

23 77.9951 (2) Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (1b), (3),
24 (4), (13), (14), (18), and (19), 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61
25 (2), (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under

1 subch. III, apply to the fee under this subchapter. The renter shall collect the fee
2 under this subchapter from the person to whom the vehicle is rented.

3 ***-0377/P10.341* *-4294/P1.320* SECTION 493.** 77.996 (6) of the statutes is
4 amended to read:

5 77.996 (6) “Gross receipts” ~~has the meaning given in s. 77.51 (4) (a), (b) 1. and~~
6 ~~5., (e) 1. to 4., and (d)~~ means the sales price, as defined in s. 77.51 (15b), of tangible
7 personal property and taxable services sold by a dry cleaning facility. “Gross
8 receipts” does not include the license fee imposed under s. 77.9961 (1m) that is passed
9 on to customers.

10 ***-0377/P10.342* *-4294/P1.321* SECTION 494.** 77.9972 (2) of the statutes is
11 repealed and recreated to read:

12 77.9972 (2) Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (1b), (3),
13 (4), (13), (14), (18), and (19), 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61
14 (2), (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under
15 subch. III, apply to the fee under this subchapter. Section 77.73, as it applies to the
16 taxes under subch. V, applies to the fee under this subchapter. The renter shall
17 collect the fee under this subchapter from the person to whom the passenger car is
18 rented.

19 ***-2008/P1.1* SECTION 495.** 84.03 (2) (a) 1. of the statutes is amended to read:

20 84.03 (2) (a) 1. “Amount of federal funds” means the sum of federal revenues
21 received under the federal Intermodal Surface Transportation Efficiency Act of 1991,
22 as amended, or under a substantially similar federal legislative act. “Amount of
23 federal funds” does not include the first \$300,000,000 of federal moneys received by
24 the state, pursuant to federal legislation enacted during the 111th Congress, for the

1 purpose of reviving the economy of the United States, which moneys are intended to
2 be used for transportation purposes.

3 ***-0377/P10.343*** ***-4294/P1.322*** SECTION 496. 86.195 (3) (b) 3. of the statutes
4 is amended to read:

5 86.195 (3) (b) 3. Fifty percent of the ~~gross receipts~~ sales price, as defined in s.
6 77.51 (15b), of the business ~~are is~~ from ~~meal, food, the sale of food product and~~
7 beverage sales and food ingredients, as defined in s. 77.51 (3t), that are taxable under
8 s. 77.54 (20) (e) subch. III of ch. 77; and

9 ***-1896/1.6*** SECTION 497. 100.55 (1) (d) 3. of the statutes is amended to read:

10 100.55 (1) (d) 3. A mortgage banker, ~~loan originator~~, or mortgage broker
11 ~~registered~~ licensed under s. 224.72 or a mortgage loan originator licensed under s.
12 224.725.

13 ***-1152/P8.42*** SECTION 498. 146.99 of the statutes is repealed.

14 ***-1152/P8.43*** SECTION 499. 149.10 (3m) (intro.) of the statutes is amended to
15 read:

16 149.10 (3m) (intro.) "Health care coverage revenue" means any of the
17 following, but does not include payments to health maintenance organizations under
18 s. 49.45 (59) (a):

19 ***-1890/1.1*** SECTION 500. 165.25 (4) (ar) of the statutes is amended to read:

20 165.25 (4) (ar) The department of justice shall furnish all legal services
21 required by the department of agriculture, trade and consumer protection relating
22 to the enforcement of ss. 100.171, 100.173, 100.174, 100.175, 100.177, 100.18,
23 100.182, 100.195, 100.20, 100.205, 100.207, 100.209, 100.21, 100.28, 100.37, 100.42,
24 100.50, ~~and~~ 100.51, ~~and~~ 100.55, and 846.45 and chs. 126, 136, 344, 704, 707, and 779,
25 together with any other services as are necessarily connected to the legal services.

1 ***-0377/P10.344* *-4294/P1.323* SECTION 501.** 218.0171 (2) (cq) of the
2 statutes is amended to read:

3 218.0171 (2) (cq) Upon payment of a refund to a consumer under par. (b) 2. b.,
4 the manufacturer shall provide to the consumer a written statement that specifies
5 the trade-in amount previously applied under s. 77.51 (4) (b) 3. ~~or 3m. or (15) (b) 4.~~
6 ~~or 4m. (12m) (b) 5. or 6. or (15b) (b) 5. or 6.~~ toward the sales price of the motor vehicle
7 having the nonconformity and the date on which the manufacturer provided the
8 refund.

9 ***-1896/1.7* SECTION 502.** 220.02 (2) (g) of the statutes is amended to read:

10 220.02 (2) (g) Mortgage bankers, mortgage loan originators, and mortgage
11 brokers under subch. III of ch. 224.

12 ***-1896/1.8* SECTION 503.** 220.02 (3) of the statutes is amended to read:

13 220.02 (3) It is the intent of sub. (2) to give the division jurisdiction to enforce
14 and carry out all laws relating to banks or banking in this state, including those
15 relating to state banks, savings banks, savings and loan associations, and trust
16 company banks, and also all laws relating to small loan companies or other loan
17 companies or agencies, finance companies, insurance premium finance companies,
18 motor vehicle dealers, adjustment service companies, community currency
19 exchanges, mortgage bankers, mortgage loan originators, mortgage brokers, and
20 collection agencies and those relating to sellers of checks under ch. 217, whether
21 doing business as corporations, individuals, or otherwise, but to exclude laws
22 relating to credit unions.

23 ***-1896/1.9* SECTION 504.** 220.06 (1) of the statutes is amended to read:

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1 220.06 (1) In this section, "licensee" means a person licensed by the division
2 under ch. 138, 217 or 218 or under s. 224.72, 224.725, or 224.92 or registered by the
3 division under s. 224.72.

4 ***-1896/1.10*** SECTION 505. 220.285 (1) of the statutes is amended to read:

5 220.285 (1) Any state bank, trust company bank, licensee under ss. 138.09,
6 138.12, 218.0101 to 218.0163, 218.02, 218.04 or, 218.05, 224.72, or 224.725 or ch. 217,
7 or person registered under s. 224.72 may cause any or all records kept by such bank,
8 licensee, or registered person to be recorded, copied or reproduced by any photostatic,
9 photographic or miniature photographic process or by optical imaging if the process
10 employed correctly, accurately and permanently copies, reproduces or forms a
11 medium for copying, reproducing or recording the original record on a film or other
12 durable material. A bank, licensee, or registered person may thereafter dispose of
13 the original record after first obtaining the written consent of the division. This
14 section, excepting that part of it which requires written consent of the division, is
15 applicable to national banking associations insofar as it does not contravene federal
16 law.

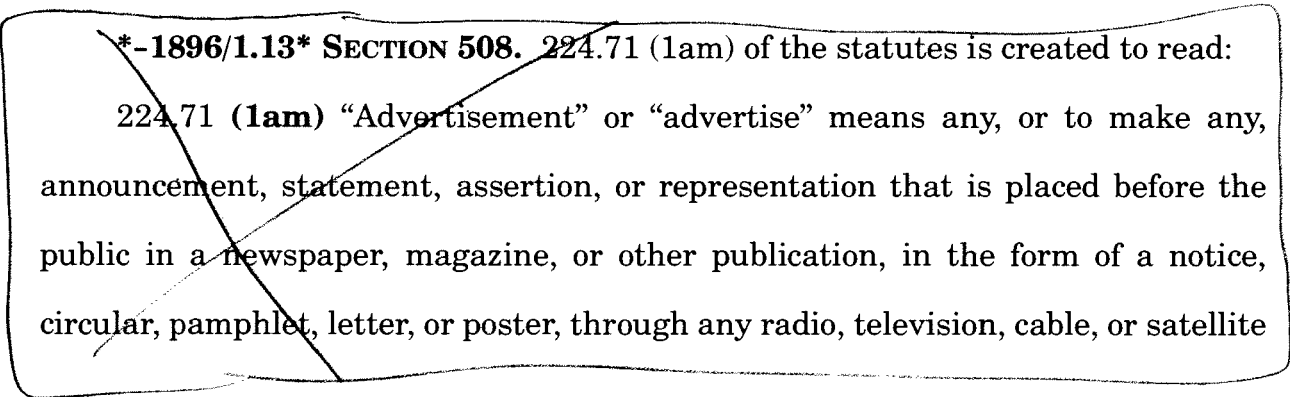
17 ***-1896/1.11*** SECTION 506. 221.0402 (2) (b) of the statutes is amended to read:

18 221.0402 (2) (b) Mortgage bankers registered licensed under s. 224.72 may use
19 the designation "mortgage banker".

20 ***-1896/1.12*** SECTION 507. 224.71 (1ag) of the statutes is repealed.

21 ***-1896/1.13*** SECTION 508. 224.71 (1am) of the statutes is created to read:

22 224.71 (1am) "Advertisement" or "advertise" means any, or to make any,
23 announcement, statement, assertion, or representation that is placed before the
24 public in a newspaper, magazine, or other publication, in the form of a notice,
25 circular, pamphlet, letter, or poster, through any radio, television, cable, or satellite



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1 broadcast, by means of the Internet or other electronic means of distributing
2 information, by personal contact, or in any other way.

3 *-1896/1.14* SECTION 509. 224.71 (1b) of the statutes is repealed. ✓
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4 *-1896/1.15* SECTION 510. 224.71 (1bm) of the statutes is created to read:

5 224.71 (1bm) "Another state" means any state of the United States other than
6 Wisconsin; the District of Columbia; any territory of the United States; Puerto Rico;
7 Guam; American Samoa; the Trust Territory of the Pacific Islands; the Virgin
8 Islands; or the Northern Mariana Islands.

9 *-1896/1.16* SECTION 511. 224.71 (1c) of the statutes is created to read:

10 224.71 (1c) "Branch office" means an office or place of business, other than the
11 principal office, located in this state or another state, where a mortgage banker or
12 mortgage broker conducts business with residents of this state.

13 *-1896/1.17* SECTION 512. 224.71 (1d) of the statutes is repealed.

14 *-1896/1.18* SECTION 513. 224.71 (1dm) of the statutes is created to read:

15 224.71 (1dm) "Depository institution" has the meaning given in 12 USC 1813
16 (c) (1), but also includes any state or federal credit union.

17 *-1896/1.19* SECTION 514. 224.71 (1f) of the statutes is created to read:

18 224.71 (1f) "Dwelling" has the meaning given in 15 USC 1602 (v).

19 *-1896/1.20* SECTION 515. 224.71 (1g) of the statutes is renumbered 224.71

20 (14) and amended to read:

21 224.71 (14) "~~Loan~~ Residential mortgage loan" means ~~a~~ any loan primarily for
22 personal, family, or household ~~purposes~~ use that is secured by a lien or mortgage, or
23 equivalent security interest, on a dwelling or residential real property located in this
24 state. ~~For purposes of this subsection, a loan secured by real property consisting of~~
25 ~~1 to 4 dwelling units, including individual condominium units, is a loan for household~~

1 purposes, but a loan made by a landlord to a tenant as described in sub. (3) (b) 4. is
2 not a loan for household purposes.

3 ***-1896/1.21* SECTION 516.** 224.71 (1h) of the statutes is created to read:

4 224.71 (1h) "Federal banking agency" means the board of governors of the
5 federal reserve system, the U.S. office of the comptroller of the currency, the U.S.
6 office of thrift supervision, the national credit union administration, or the federal
7 deposit insurance corporation.

8 ***-1896/1.22* SECTION 517.** 224.71 (1m) of the statutes is created to read:

9 224.71 (1m) "Finds," with respect to a residential mortgage loan, means to
10 assist a residential mortgage loan applicant in locating a lender for the purpose of
11 obtaining a residential mortgage loan and to make arrangements for a residential
12 mortgage loan applicant to obtain a residential mortgage loan, including collecting
13 information on behalf of an applicant and preparing a loan package.

14 ***-1896/1.23* SECTION 518.** 224.71 (1r) of the statutes is renumbered 224.71
15 (6) (a) (intro.) and amended to read:

16 224.71 (6) (a) (intro.) "Loan Mortgage loan originator" means ~~a person who, on~~
17 ~~behalf of a mortgage banker or mortgage broker, finds a loan or negotiates a land~~
18 ~~contract, loan or commitment for a loan. an individual who is not excluded by par.~~
19 ~~(b) and who, for compensation or gain or in the expectation of compensation or gain,~~
20 does all of the following:

21 ***-1896/1.24* SECTION 519.** 224.71 (1u) of the statutes is repealed.

22 ***-1896/1.25* SECTION 520.** 224.71 (2) of the statutes is created to read:

23 224.71 (2) "Loan processor or underwriter" means an individual who, as an
24 employee, performs clerical or support duties at the direction of and subject to the
25 supervision and instruction of a mortgage loan originator licensed under s. 224.725

1 or exempt from licensing under s. 224.726 (1), which clerical or support duties may
2 include any of the following occurring subsequent to the receipt of a residential
3 mortgage loan application:

4 (a) The receipt, collection, distribution, and analysis of information common for
5 the processing or underwriting of a residential mortgage loan.

6 (b) Communicating with a residential mortgage loan applicant to obtain the
7 information necessary for the processing or underwriting of a residential mortgage
8 loan, to the extent that the communication does not include offering or negotiating
9 loan rates or terms or providing counseling related to loan rates or terms.

10 ***-1896/1.26* SECTION 521.** 224.71 (3) (a) 1. to 3. of the statutes are amended
11 to read:

12 224.71 (3) (a) 1. Originates residential mortgage loans for itself, as payee on
13 the note evidencing the residential mortgage loan, or for another person.

14 2. Sells residential mortgage loans or interests in residential mortgage loans
15 to another person.

16 3. Services residential mortgage loans ~~or land contracts~~ or provides escrow
17 services.

18 ***-1896/1.27* SECTION 522.** 224.71 (3) (b) 1. to 7. of the statutes are repealed.

19 ***-1896/1.28* SECTION 523.** 224.71 (3) (b) 8., 9., 10., 11. and 12. of the statutes
20 are created to read:

21 224.71 (3) (b) 8. A depository institution.

22 9. A subsidiary that is owned and controlled by a depository institution and
23 regulated by a federal banking agency.

24 10. An institution regulated by the farm credit administration.

1 11. A person that only performs real estate brokerage activities and is licensed
2 under s. 452.03, unless the person is compensated by a lender, mortgage broker, or
3 mortgage loan originator or by any agent of a lender, mortgage broker, or mortgage
4 loan originator.

5 12. A person solely involved in extensions of credit relating to time-share
6 plans, as defined in 11 USC 101 (53D).

7 ***-1896/1.29* SECTION 524.** 224.71 (4) (a) of the statutes is amended to read:

8 224.71 (4) (a) "Mortgage broker" means a person who is not excluded by par.
9 (b) and who, on behalf of a residential mortgage loan applicant or an investor and for
10 commission, money, or other thing of value, finds a residential mortgage loan or
11 negotiates a ~~land contract~~, residential mortgage loan or commitment for a
12 residential mortgage loan or engages in table funding.

13 ***-1896/1.30* SECTION 525.** 224.71 (4) (b) 1. to 3. of the statutes are repealed.

14 ***-1896/1.31* SECTION 526.** 224.71 (4) (b) 4., 5., 6., 7. and 8. of the statutes are
15 created to read:

16 224.71 (4) (b) 4. A depository institution.

17 5. A subsidiary that is owned and controlled by a depository institution and
18 regulated by a federal banking agency.

19 6. An institution regulated by the farm credit administration.

20 7. A person that performs real estate brokerage activities only and is licensed
21 under s. 452.03, unless the person is compensated by a lender, mortgage broker, or
22 mortgage loan originator or by any agent of a lender, mortgage broker, or mortgage
23 loan originator.

24 8. A person solely involved in extensions of credit relating to time-share plans,
25 as defined in 11 USC 101 (53D).

1 ***-1896/1.32* SECTION 527.** 224.71 (5) of the statutes is renumbered 224.71 (17)
2 and amended to read:

3 224.71 (17) "Table funding" means a transaction in which a person conducts
4 a residential mortgage loan closing in the person's name with funds provided by a 3rd
5 party and the person assigns the residential mortgage loan to the 3rd party within
6 24 hours of the residential mortgage loan closing.

7 ***-1896/1.33* SECTION 528.** 224.71 (6) (a) 1. and 2. and (b) of the statutes are
8 created to read:

9 224.71 (6) (a) 1. Takes a residential mortgage loan application.

10 2. Offers or negotiates terms of a residential mortgage loan.

11 (b) "Mortgage loan originator" does not include any of the following:

12 1. An individual engaged solely as a loan processor or underwriter, unless the
13 individual represents to the public, through advertising or another means of
14 communication such as the use of business cards, stationery, brochures, signs, rate
15 lists, or other promotional items, that the individual can or will perform any of the
16 activities of a mortgage loan originator.

17 2. An individual who performs real estate brokerage activities only and is
18 licensed under s. 452.03, unless the individual is compensated by a lender, mortgage
19 broker, or another mortgage loan originator or by any agent of a lender, mortgage
20 broker, or another mortgage loan originator.

21 3. An individual solely involved in extensions of credit relating to time-share
22 plans, as defined in 11 USC 101 (53D).

23 ***-1896/1.34* SECTION 529.** 224.71 (7) of the statutes is created to read:

24 224.71 (7) "Nationwide mortgage licensing system and registry" means the
25 licensing and registration system developed and maintained by the Conference of

1 State Bank Supervisors and the American Association of Residential Mortgage
2 Regulators for licensed mortgage loan originators and mortgage loan originators
3 exempt from licensing under s. 224.726 (1) or, if this system is no longer maintained,
4 any system established by the secretary of the federal department of housing and
5 urban development under P.L. 110-289, Title V, section 1509.

6 ***-1896/1.35* SECTION 530.** 224.71 (8) of the statutes is created to read:

7 224.71 (8) "Negotiate," with respect to a residential mortgage loan, means to
8 discuss, explain, or present the terms and conditions, including rates, fees, and other
9 costs, of a residential mortgage loan with or to a residential mortgage loan applicant,
10 but does not include making an underwriting decision on a residential mortgage loan
11 or closing a residential mortgage loan.

12 ***-1896/1.36* SECTION 531.** 224.71 (10) of the statutes is created to read:

13 224.71 (10) "Nontraditional mortgage product" means any mortgage product
14 other than a 30-year fixed rate mortgage.

15 ***-1896/1.37* SECTION 532.** 224.71 (11) of the statutes is created to read:

16 224.71 (11) "Originate," with respect to a residential mortgage loan, means to
17 make an underwriting decision on the residential mortgage loan and close the loan.

18 ***-1896/1.38* SECTION 533.** 224.71 (12) of the statutes is created to read:

19 224.71 (12) "Principal office," with respect to a mortgage banker or mortgage
20 broker, means the place of business designated by the mortgage banker or mortgage
21 broker as its principal place of business, as identified in the records of the division.

22 ***-1896/1.39* SECTION 534.** 224.71 (13) of the statutes is created to read:

23 224.71 (13) "Real estate brokerage activity" means any activity that involves
24 offering or providing to the public real estate brokerage services involving
25 residential real property in this state, including all of the following:

1 (a) Acting as a real estate agent or real estate broker for a buyer, seller, lessor,
2 or lessee of real property.

3 (b) Bringing together parties interested in the sale, purchase, lease, rental, or
4 exchange of real property.

5 (c) Negotiating, on behalf of any party, any portion of a contract relating to the
6 sale, purchase, lease, rental, or exchange of real property, other than in connection
7 with providing financing for the transaction.

8 (d) Engaging in any activity for which a person engaged in the activity is
9 required to be licensed under s. 452.03.

10 (e) Offering to engage in any activity, or act in any capacity, described in pars.
11 (a) to (d).

12 ***-1896/1.40* SECTION 535.** 224.71 (15) of the statutes is created to read:

13 224.71 (15) "Residential real property" means real property on which a
14 dwelling is constructed or intended to be constructed.

15 ***-1896/1.41* SECTION 536.** 224.71 (16) of the statutes is created to read:

16 224.71 (16) "Services," with respect to a residential mortgage loan, means to
17 receive payments on a note from the borrower and distribute these payments in
18 accordance with the terms of the note or servicing agreement.

19 ***-1896/1.42* SECTION 537.** 224.71 (18) of the statutes is created to read:

20 224.71 (18) "Unique identifier" means a number or other identifier assigned
21 by protocols established by the nationwide mortgage licensing system and registry.

22 ***-1896/1.43* SECTION 538.** 224.72 (title) of the statutes is amended to read:

23 224.72 (title) **Registration Licensing of mortgage bankers, ~~loan~~**
24 **originators and mortgage brokers.**

25 ***-1896/1.44* SECTION 539.** 224.72 (1) (intro.) of the statutes is repealed.

1 ***-1896/1.45* SECTION 540.** 224.72 (1) (a) of the statutes is renumbered 224.71
2 (9) and amended to read:

3 224.71 (9) “Net worth” means total tangible assets less total liabilities of a
4 person, or, if the person is ~~a natural person~~ an individual, total tangible assets less
5 total liabilities exclusive of the person’s principal residence and its furnishings and
6 personal use vehicles.

7 ***-1896/1.46* SECTION 541.** 224.72 (1) (b) of the statutes is repealed.

8 ***-1896/1.47* SECTION 542.** 224.72 (1m) of the statutes is amended to read:

9 224.72 (1m) ~~REGISTRATION LICENSE~~ REQUIRED. A person may not conduct
10 business or act as a mortgage banker, loan originator or mortgage broker, use the title
11 “mortgage banker”, “loan originator” or “mortgage broker”, or advertise or
12 otherwise portray himself or, herself, or itself as a mortgage banker, ~~loan originator~~
13 or mortgage broker, unless the person has been issued a certificate of registration
14 from mortgage banker or mortgage broker license by the division.

15 ***-1896/1.48* SECTION 543.** 224.72 (2) (title) of the statutes is repealed and
16 recreated to read:

17 224.72 (2) (title) LICENSE APPLICATIONS.

18 ***-1896/1.49* SECTION 544.** 224.72 (2) (intro.) of the statutes is renumbered
19 224.72 (2) (am) and amended to read:

20 224.72 (2) (am) ~~A person desiring to act as~~ Applicants for a mortgage banker,
21 ~~loan originator or mortgage broker license shall apply for a certificate of registration~~
22 to the division, on forms and in the manner prescribed by the division, and shall pay
23 the fee specified in rules promulgated under sub. (8). An application shall satisfy all
24 of the following: Forms prescribed by the division under this paragraph may contain
25 any content or requirement that the division, in its discretion, determines necessary

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1 and these forms may be modified or updated as necessary by the division to carry out
2 the purposes of this subchapter.

3 *-1896/1.50* SECTION 545. 224.72 (2) (a) and (b) of the statutes are repealed.

4 *-1896/1.51* SECTION 546. 224.72 (2) (c) (title) of the statutes is repealed.

5 *-1896/1.52* SECTION 547. 224.72 (2) (d) of the statutes is amended to read:

6 224.72 (2) (d) ~~Social security number exceptions.~~ 1. If an applicant who is an
7 individual does not have a social security number, the applicant, as a condition of
8 applying for or applying to renew a registration license under this section, shall
9 submit a statement made or subscribed under oath or affirmation to the division that
10 the applicant does not have a social security number. The form of the statement shall
11 be prescribed by the department of children and families.

12 2. Any ~~certificate of registration license~~ license issued or renewed in reliance upon a
13 false statement submitted by an applicant under subd. 1. is invalid.

14 *-1896/1.53* SECTION 548. 224.72 (2m) of the statutes is created to read:

15 224.72 (2m) LICENSED OFFICES. (a) Each mortgage banker or mortgage broker
16 shall obtain and maintain a license for its principal office and a separate license for
17 each branch office.

18 (b) A mortgage banker or mortgage broker shall have at its principal office and
19 at each branch office, during hours when the office is open for business, a qualified
20 individual with supervisory authority over all mortgage banking or mortgage
21 brokerage activities who has at least 3 years of paid experience in, respectively, the
22 mortgage banking or mortgage brokerage business.

23 *-1896/1.54* SECTION 549. 224.72 (3) (title) of the statutes is repealed.

24 *-1896/1.55* SECTION 550. 224.72 (3) (a) of the statutes is renumbered 224.725
25 (2) (d) and amended to read:

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1 224.725 (2) (d) ~~In addition to the requirements of sub. (2), an~~ Any applicant for
2 ~~registration as a residential mortgage loan originator license~~ shall include in the
3 application the name of the mortgage banker or mortgage broker who will employ
4 the residential mortgage loan originator.

5 *-1896/1.56* SECTION 551. 224.72 (3) (b) and (c) of the statutes are repealed.

6 *-1896/1.57* SECTION 552. 224.72 (4) (title) of the statutes is amended to read:

7 224.72 (4) (title) ~~ADDITIONAL REQUIREMENT FOR MORTGAGE BANKER APPLICANT~~
8 REQUIREMENTS.

9 *-1896/1.58* SECTION 553. 224.72 (4) (a) (intro.) of the statutes is amended to
10 read:

11 224.72 (4) (a) ~~With a bona fide office.~~ (intro.) In addition to the requirements
12 of sub. (2), an applicant for ~~registration as a mortgage banker who maintains a bona~~
13 ~~fide office or mortgage broker license~~ shall do at least one all of the following:

14 *-1896/1.59* SECTION 554. 224.72 (4) (a) 1. of the statutes is repealed.

15 *-1896/1.60* SECTION 555. 224.72 (4) (a) 2. of the statutes is amended to read:

16 224.72 (4) (a) 2. 'File a bond.' File with the division a commercial surety bond
17 which is in the amount of ^{plain} ~~\$25,000~~ \$250,000 for a mortgage banker or ^{\$10,000} ~~\$100,000~~ for
18 a mortgage broker, is issued by a surety company authorized to do business in this
19 state, secures the applicant's faithful performance of all duties and obligations of a
20 mortgage banker or mortgage broker, is payable to the division for the benefit of
21 persons to whom the mortgage banker or mortgage broker provided services as a
22 mortgage banker or mortgage broker, is issued on a form that is acceptable to the
23 division and provides that the bond may not be terminated without at least 30 days'
24 written notice to the division.

25 *-1896/1.61* SECTION 556. 224.72 (4) (a) 3. of the statutes is repealed.

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1 ***-1896/1.62*** SECTION 557. 224.72 (4) (a) 4. of the statutes is amended to read:

2 224.72 (4) (a) 4. ~~Minimum net worth.~~ Submit evidence that establishes, to the
3 division's satisfaction, a minimum net worth of ~~\$25,000 and a warehouse line of~~
4 ~~credit of not less than \$250,000 or a minimum net worth of \$100,000 for a mortgage~~
5 ~~banker or \$70,000~~ ^{\$250,000} for a mortgage broker. Evidence of net worth shall include the
6 submission of a ~~balance sheet that is~~ recent financial statements accompanied by a
7 written statement by an independent certified public accountant attesting that he
8 or she has reviewed the ~~balance sheet~~ financial statements in accordance with
9 generally accepted accounting principles.

10 ***-1896/1.63*** SECTION 558. 224.72 (4) (d) of the statutes is repealed.

11 ***-1896/1.64*** SECTION 559. 224.72 (4m) of the statutes is repealed.

12 ***-1896/1.65*** SECTION 560. 224.72 (4n) (intro.) of the statutes is amended to
13 read:

14 224.72 (4n) SECURITY HELD BY THE DIVISION; RELEASE. (intro.) The division or its
15 agent shall hold security filed under ~~subs. (4) (a) 3. and (4m) (a) 2. s. 224.72 (4) (a)~~
16 3., 2007 stats., and s. 224.72 (4m) (a) 2., 2007 stats. The security shall remain in
17 effect, and the division may not release it, until all of the following conditions are met:

18 ***-1896/1.66*** SECTION 561. 224.72 (4n) (a) 2. of the statutes is amended to read:

19 224.72 (4n) (a) 2. The date on which the mortgage banker's or mortgage
20 broker's registration license expires or is revoked.

21 ***-1896/1.67*** SECTION 562. 224.72 (4r) of the statutes is repealed.

22 ***-1896/1.68*** SECTION 563. 224.72 (5) (title) of the statutes is renumbered
23 224.72 (5m) (title) and amended to read:

24 224.72 (5m) (title) COMPLETION OF REGISTRATION LICENSING PROCESS.

1 *~~1896/1.69~~* **SECTION 564.** 224.72 (5) (a) of the statutes is renumbered 224.725
2 (3) (intro.) and amended to read:

3 224.725 **(3) LOAN ORIGINATOR ISSUANCE OF LICENSE.** (intro.) Except as provided
4 in sub. ~~(7m)~~ (6), upon receiving a properly completed the filing of an application for
5 registration as a mortgage loan originator and license and the payment of the fee
6 specified in rules promulgated under sub. (8) and ~~upon an applicant's compliance~~
7 ~~with sub. (3) (a) and, if required, sub. (3) (b)~~, the division may issue to the applicant
8 a ~~certificate of registration as a mortgage~~ loan originator. license if the division finds
9 that all of the following apply:

10 *~~1896/1.70~~* **SECTION 565.** 224.72 (5) (b) of the statutes is renumbered 224.72
11 (5m) and amended to read:

12 224.72 **(5m) *Mortgage banker and mortgage broker.*** Except as provided in sub.
13 (7m), upon receiving a properly completed the filing of an application for registration
14 as a mortgage banker or ~~a~~ mortgage broker, license and the payment of the fee
15 specified in rules promulgated under sub. (8) and ~~satisfactory evidence of compliance~~
16 ~~with subs. (4) and (4m)~~, the division may shall make an investigation of the applicant
17 including, if the applicant is a partnership, limited liability company, association, or
18 corporation, the members or officers and directors, respectively, of the applicant. If
19 the division finds that the character, general fitness, and financial responsibility of
20 the applicant, including its members or officers and directors if the applicant is a
21 partnership, limited liability company, association, or corporation, warrant the
22 belief that the business will be operated in compliance with this subchapter, the
23 division shall issue to the applicant a ~~certificate of registration as a mortgage banker~~
24 or mortgage broker license. A mortgage banker or mortgage broker license is not
25 assignable or transferable.

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SECTION 566

1 ***-1896/1.71* SECTION 566.** 224.72 (6) of the statutes is created to read:

2 224.72 (6) UPDATED INFORMATION. After submitting an application for initial
3 issuance or renewal of a license under this section, the applicant shall, on forms and
4 in the manner prescribed by the division, provide notice within 10 days of the
5 occurrence of any of the following:

6 (a) Any material change in information included in the application, including
7 any name change or change of address.

8 (b) The applicant's filing for bankruptcy or consummating a corporate
9 restructuring, including, if the applicant is not an individual, any bankruptcy filing
10 by a member, officer, director, principal, partner, trustee, or other agent of the
11 applicant.

12 (c) The filing of a criminal complaint or indictment against, or the conviction
13 of, the applicant for a felony crime or any crime related to the applicant's mortgage
14 banking or mortgage brokerage activities, fraud, theft, misappropriation of funds, or
15 dishonesty or, if the applicant is not an individual, the filing of such a criminal
16 complaint or indictment against, or conviction of, a member, officer, director,
17 principal, partner, trustee, or other agent of the applicant.

18 (d) The applicant's receipt of notice of any of the following as it relates to the
19 applicant's license or other authorization to engage in mortgage banking or mortgage
20 brokerage activities in another state:

21 1. That proceedings have been instituted in another state to suspend or revoke
22 the applicant's license or authorization to engage in these activities in that state.

23 2. That the applicant has been denied a license or authorization to engage in
24 these activities in another state.

1 3. That the applicant is subject to an order to cease any of these activities in
2 another state.

3 4. That the applicant is subject to any other disciplinary proceeding or
4 regulatory action in another state related to these activities.

5 (e) The applicant's receipt of notice that any state or federal department of
6 justice or attorney general has instituted an action against the applicant.

7 (f) The applicant's receipt of notice of a material adverse action with respect to
8 an existing line of credit of the applicant.

9 (g) The suspension or termination of the applicant's status as an approved
10 seller or servicer by the federal national mortgage association, federal home loan
11 mortgage corporation, or government national mortgage association.

12 (h) The exercise of recourse rights by investors or subsequent assignees of
13 mortgage loans if the loans for which the recourse rights are being exercised, in the
14 aggregate, exceed the applicant's net worth exclusive of real property and fixed
15 assets.

16 (i) If the applicant is not an individual, any material change in control in the
17 ownership of the applicant or among the officers, directors, members, or partners of
18 the applicant.

19 ***-1896/1.72* SECTION 567.** 224.72 (7) (title) of the statutes is repealed and
20 recreated to read:

21 224.72 (7) (title) LICENSE RENEWAL.

22 ***-1896/1.73* SECTION 568.** 224.72 (7) (a) of the statutes is renumbered 224.72
23 (7) (am) and amended to read:

24 224.72 (7) (am) A loan originator, mortgage broker or mortgage banker shall
25 may apply to renew a certificate of registration license issued under this section by

1 timely submitting to, on forms and in the manner prescribed by the division, a
2 completed renewal application and the all required renewal fee specified in rules
3 promulgated under sub. (8) on or before the renewal date specified in rules
4 promulgated under sub. (8) fees. The division may not renew a license issued under
5 this section unless the division finds that the mortgage broker or mortgage banker
6 continues to meet the minimum standards for license issuance under this section.

7 ***-1896/1.74* SECTION 569.** 224.72 (7) (b) of the statutes is repealed.

8 ***-1896/1.75* SECTION 570.** 224.72 (7) (bm) of the statutes is created to read:

9 224.72 (7) (bm) The license of a mortgage broker or mortgage banker who fails
10 to satisfy the minimum standards for license renewal shall expire. The division may,
11 by rule, provide for the reinstatement of expired licenses consistent with the
12 standards established by the nationwide mortgage licensing system and registry.

13 ***-1896/1.76* SECTION 571.** 224.72 (7) (c), (d) and (e) of the statutes are
14 repealed.

15 ***-1896/1.77* SECTION 572.** 224.72 (7m) (intro.) of the statutes is amended to
16 read:

17 224.72 (7m) DENIAL OF APPLICATION FOR ISSUANCE OR RENEWAL OF REGISTRATION
18 CERTAIN REASONS. (intro.) The division may not issue or renew a certificate of
19 registration license under this section if any of the following applies:

20 ***-1896/1.78* SECTION 573.** 224.72 (7m) (am) of the statutes is repealed.

21 ***-1896/1.79* SECTION 574.** 224.72 (7m) (b) of the statutes is amended to read:

22 224.72 (7m) (b) The department of revenue has certified under s. 73.0301 that
23 the applicant is liable for delinquent taxes. An applicant whose application for
24 issuance or renewal of a certificate of registration license is denied under this
25 paragraph for delinquent taxes is entitled to a notice under s. 73.0301 (2) (b) 1. b. and

1 hearing under s. 73.0301 (5) (a) but is not entitled to any other notice or hearing
2 under this section.

3 ***-1896/1.80* SECTION 575.** 224.72 (7m) (c) of the statutes is amended to read:

4 224.72 (7m) (c) The applicant for the issuance or renewal is an individual who
5 fails to comply, after appropriate notice, with a subpoena or warrant issued by the
6 department of children and families or a county child support agency under s. 59.53
7 (5) and related to paternity or child support proceedings or who is delinquent in
8 making court-ordered payments of child or family support, maintenance, birth
9 expenses, medical expenses or other expenses related to the support of a child or
10 former spouse, as provided in a memorandum of understanding entered into under
11 s. 49.857. An applicant whose registration license is not issued or renewed under this
12 paragraph for delinquent payments is entitled to a notice and hearing under s.
13 49.857 but is not entitled to any other notice or hearing under this section.

14 ***-1896/1.81* SECTION 576.** 224.72 (7p) of the statutes is repealed.

15 ***-1896/1.82* SECTION 577.** 224.72 (8) of the statutes is amended to read:

16 224.72 (8) ~~REGISTRATION~~ LICENSE PERIOD; FEES. The division shall promulgate
17 rules establishing the registration license period and the registration license fees for
18 ~~loan originators~~, mortgage bankers and mortgage brokers.

19 ***-1896/1.83* SECTION 578.** 224.725 of the statutes is created to read:

20 **224.725 Licensing of mortgage loan originators. (1) LICENSE REQUIRED.**
21 Except as provided in s. 224.726, an individual may not engage in the business of a
22 mortgage loan originator with respect to a residential mortgage loan, or use the title
23 "mortgage loan originator," advertise, or otherwise portray himself or herself as a
24 mortgage loan originator in this state, unless the individual has been issued by the
25 division, and thereafter maintains, a license under this section. Each licensed

1 mortgage loan originator shall register with, and maintain a valid unique identifier
2 issued by, the nationwide mortgage licensing system and registry.

3 (2) LICENSE APPLICATIONS. (a) Applicants for a mortgage loan originator license
4 shall apply to the division, on forms and in the manner prescribed by the division,
5 and shall pay the fee specified in rules promulgated under sub. (8). The division shall
6 require mortgage loan originators to be licensed and registered through the
7 nationwide mortgage licensing system and registry. Forms prescribed by the
8 division under this paragraph may contain any content or requirement that the
9 division, in its discretion, determines necessary and these forms may be modified or
10 updated as necessary by the division to carry out the purposes of this subchapter.

11 (b) 1. Except as provided in subd. 2., an application shall include the
12 individual's social security number. The division may not disclose the individual's
13 social security number to any person except as follows:

14 a. The division may disclose the social security number to the department of
15 revenue for the sole purpose of requesting certifications under s. 73.0301.

16 b. The division may disclose the social security number to the department of
17 children and families in accordance with a memorandum of understanding under s.
18 49.857.

19 2. If an individual does not have a social security number, the individual, as a
20 condition of applying for, or applying to renew, a license under this section, shall
21 submit a statement made or subscribed under oath or affirmation to the division that
22 the individual does not have a social security number. The form of the statement
23 shall be prescribed by the department of children and families. Any license issued
24 or renewed in reliance upon a false statement submitted by an applicant under this
25 subdivision is invalid.

1 (c) Any applicant for a license under this section shall furnish to the nationwide
2 mortgage licensing system and registry information concerning the applicant's
3 identity, including all of the following:

4 1. Fingerprints for submission to the federal bureau of investigation and to any
5 governmental agency or entity authorized to receive this information, for purposes
6 of a state, national, and international criminal history background check.

7 2. Personal history and experience in a form prescribed by the nationwide
8 mortgage licensing system and registry, including the submission of authorization
9 for the nationwide mortgage licensing system and registry and the division to obtain
10 all of the following:

11 a. An independent credit report from a consumer reporting agency, as defined
12 in s. 100.54 (1) (c).

13 b. Any information related to any administrative, civil, or criminal findings by
14 any governmental jurisdiction.

15 **(3)** (a) The applicant has never had a mortgage loan originator license revoked
16 in any governmental jurisdiction, unless the revocation was subsequently and
17 formally vacated.

18 (b) The applicant has not been convicted of, or pled guilty or no contest to, a
19 felony in a domestic, foreign, or military court during the 7-year period preceding the
20 date of the application or, for a felony involving an act of fraud, dishonesty, breach
21 of trust, or money laundering, at any time preceding the date of the application. This
22 paragraph does not apply with respect to any conviction for which the applicant has
23 received a pardon.

24 (c) The applicant has demonstrated financial responsibility, character, and
25 general fitness such as to command the confidence of the community and to warrant

1 a determination that the mortgage loan originator will operate honestly, fairly, and
2 efficiently within the purposes of this subchapter. For purposes of this paragraph,
3 an individual has shown that he or she is not financially responsible if he or she has
4 shown a disregard in the management of his or her own financial condition, including
5 having current outstanding judgments other than those resulting from medical
6 expenses, having current outstanding tax liens or other government liens and
7 filings, or having, within the past 3 years, foreclosures or any pattern of seriously
8 delinquent accounts.

9 (d) The applicant has satisfied the education requirements under s. 224.755 (1).

10 (e) The applicant has passed a written test that meets the requirements under
11 s. 224.755 (4).

12 (f) The applicant has met the surety bond requirement under sub. (4).

13 **(4) SURETYBOND.** (a) Each mortgage loan originator shall be covered by a surety
14 bond in accordance with this subsection. A surety bond of a mortgage banker or
15 mortgage broker meeting the requirements of par. (b) and s. 224.72 (4) (a) 2. may
16 satisfy the requirement under this paragraph for a mortgage loan originator who,
17 under sub. (2) (d), identifies himself or herself as employed by the mortgage banker
18 or mortgage broker.

19 (b) The penal sum of the surety bond shall provide coverage for each mortgage
20 loan originator in an amount that reflects the dollar amount of residential mortgage
21 loans originated by the mortgage loan originator, as determined by the division.

22 (c) The surety bond shall be in a form prescribed, and satisfy all requirements
23 established, by rule of the division.

24 (d) When an action is commenced on a mortgage loan originator's surety bond,
25 the division may require the filing of a new surety bond. If an action results in

1 recovery on a mortgage loan originator's surety bond, the mortgage loan originator
2 shall immediately file a new surety bond.

3 (5) LICENSE RENEWAL. (a) A mortgage loan originator may apply to renew a
4 license issued under this section by timely submitting, on forms and in the manner
5 prescribed by the division, a completed renewal application and all required renewal
6 fees. The division may not renew a license issued under this section unless the
7 division finds that all of the following apply:

8 1. The mortgage loan originator continues to meet the minimum standards for
9 license issuance under sub. (3).

10 2. The mortgage loan originator has satisfied the annual continuing education
11 requirements under s. 224.755 (2).

12 (b) The license of a mortgage loan originator who fails to satisfy the minimum
13 standards for license renewal shall expire. The division may, by rule, provide for the
14 reinstatement of expired licenses consistent with the standards established by the
15 nationwide mortgage licensing system and registry.

16 (6) DENIAL OF APPLICATION FOR CERTAIN REASONS. The division may not issue or
17 renew a license under this section if any of the following applies:

18 (a) The applicant for the issuance or renewal has failed to provide the
19 information required under sub. (2) (b).

20 (b) The department of revenue has certified under s. 73.0301 that the applicant
21 is liable for delinquent taxes. An applicant whose application for issuance or renewal
22 of a license is denied under this paragraph for delinquent taxes is entitled to a notice
23 under s. 73.0301 (2) (b) 1. b. and hearing under s. 73.0301 (5) (a) but is not entitled
24 to any other notice or hearing under this section.

1 (c) The applicant for the issuance or renewal has failed to comply, after
 2 appropriate notice, with a subpoena or warrant issued by the department of children
 3 and families or a county child support agency under s. 59.53 (5) and related to
 4 paternity or child support proceedings or who is delinquent in making court-ordered
 5 payments of child or family support, maintenance, birth expenses, medical expenses
 6 or other expenses related to the support of a child or former spouse, as provided in
 7 a memorandum of understanding entered into under s. 49.857. An applicant whose
 8 license is not issued or renewed under this paragraph for delinquent payments is
 9 entitled to a notice and hearing under s. 49.857 but is not entitled to any other notice
 10 or hearing under this section.

11 ~~(7) UPDATED INFORMATION. After submitting an application for initial issuance
 12 or renewal of a license under this section, the applicant shall, on forms and in the
 13 manner prescribed by the division, provide notice within 10 days of the occurrence
 14 of any of the following:~~

15 ~~(a) Any material change in information included in the application, including
 16 any name change or change of address.~~

17 ~~(b) The applicant's filing for bankruptcy.~~

18 ~~(c) The filing of a criminal complaint or indictment against, or the conviction
 19 of, the applicant for a felony crime or any crime related to the applicant's mortgage
 20 loan origination activities, fraud, theft, misappropriation of funds, or dishonesty.~~

21 ~~(d) The applicant's receipt of notice of any of the following as it relates to the
 22 applicant's license or other authorization to engage in mortgage loan origination
 23 activities in another state:~~

24 ~~1. That proceedings have been instituted in another state to suspend or revoke
 25 the applicant's license or authorization to engage in these activities in that state.~~

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2. That the applicant has been denied a license or other authorization to engage in these activities in another state.

3. That the applicant is subject to an order to cease any of these activities in another state.

4. That the applicant is subject to any other disciplinary proceeding or regulatory action in another state related to these activities.

(e) The applicant's receipt of notice that any state or federal department of justice or attorney general has instituted an action against the applicant.

(8) LICENSE PERIOD; FEES. The division shall promulgate rules establishing the license period and the license fees for mortgage loan originators.

-1896/1.84 SECTION 579. 224.726 of the statutes is created to read:

224.726 Persons exempt from mortgage loan originator provisions.

The provisions of this subchapter relating to mortgage loan originators do not apply to any of the following:

(1) Any individual who meets the definition of mortgage loan originator and who is all of the following:

(a) An employee of, and acting for, a depository institution, a subsidiary owned and controlled by a depository institution and regulated by a federal banking agency, or an institution regulated by the farm credit administration.

(b) Registered with, and who maintains a unique identifier through, the nationwide mortgage licensing system and registry.

(2) Any individual who offers or negotiates terms of a residential mortgage loan with or on behalf of the individual's spouse, child, sibling, parent, grandparent, or grandchild, including any stepparent, stepchild, stepsibling, or adoptive relationship.

1 (3) Any person who offers or negotiates terms of a residential mortgage loan
2 secured by a dwelling that served as the individual's residence.

3 (4) A licensed attorney who negotiates the terms of a residential mortgage loan
4 on behalf of a client as an ancillary matter to the attorney's representation of the
5 client, unless the attorney is compensated by a lender, mortgage broker, or mortgage
6 loan originator or by any agent of a lender, mortgage broker, or mortgage loan
7 originator.

8 *-1896/1.85* **SECTION 580.** 224.728 of the statutes is created to read:

9 **224.728 Nationwide mortgage licensing system and registry and**
10 **cooperative arrangements. (1) PARTICIPATION.** (a) The division shall participate
11 in the nationwide mortgage licensing system and registry. The division may
12 establish relationships or contracts with the nationwide mortgage licensing system
13 and registry or other entities designated by the nationwide mortgage licensing
14 system and registry to collect and maintain records and process transaction fees or
15 other fees related to licensees under this subchapter. With respect to any form, fee,
16 or other information related to the initial issuance or renewal of a mortgage loan
17 originator license under this subchapter, the division may require that any applicant
18 submit such form, fee, or other information directly to the nationwide mortgage
19 licensing system and registry and may authorize the nationwide mortgage licensing
20 system and registry to perform any function under this subchapter related to the
21 licensing of mortgage loan originators in this state.

22 (b) The division may provide to the nationwide mortgage licensing system and
23 registry any information relating to an applicant for initial issuance or renewal of a
24 mortgage loan originator license that the division and the nationwide mortgage
25 licensing system and registry determine to be relevant to the application or to any

1 mortgage loan originator responsibility administered or conducted through the
2 nationwide mortgage licensing system and registry.

3 (c) The division may rely on the nationwide mortgage licensing system and
4 registry to establish any dates relating to application or reporting deadlines for
5 mortgage loan originators, to establish requirements for amending or surrendering
6 mortgage loan originator licenses, or to establish any other requirements applicable
7 to mortgage loan originators licensed under this subchapter to the extent the
8 requirements are a condition of the state's participation in the nationwide mortgage
9 licensing system and registry.

10 **(2) CHANNELING INFORMATION.** To reduce the points of contact that the division
11 may have to maintain, and to facilitate compliance with the requirements under s.
12 224.725 (2) (c), the division may use the nationwide mortgage licensing system and
13 registry as a channeling agent for requesting and distributing information to and
14 from any source so directed by the division, including the federal bureau of
15 investigation, any state or federal department of justice, or any other governmental
16 agency.

17 **(3) CHALLENGE PROCESS.** The division shall establish a process whereby
18 mortgage loan originators may challenge information maintained by the nationwide
19 mortgage licensing system and registry on behalf of the division.

20 **(4) CONFIDENTIAL INFORMATION.** (a) If any information or material is considered
21 confidential or privileged under federal or state law before it is provided or disclosed
22 to the nationwide mortgage licensing system and registry, it shall continue to be
23 confidential or privileged after it is provided or disclosed to, and while maintained
24 by, the nationwide mortgage licensing system and registry, except to the extent
25 federal or state law expressly provides otherwise and except as provided in par. (c).

1 Confidential or privileged information or material under this paragraph is not
2 subject to any of the following:

3 1. Disclosure under any federal or state law governing the disclosure to the
4 public of information held by an officer or an agency of federal or state government.

5 2. Subpoena or discovery, or admission into evidence, in any private civil action
6 or administrative proceeding, unless the person to whom the information or material
7 pertains waives any right or protection of confidentiality or privilege in the
8 information or material.

9 (b) Confidential or privileged information or material under par. (a) may be
10 shared with any state or federal regulatory agency having supervisory authority
11 over mortgage lending without losing any right or protection of confidentiality or
12 privilege under federal or state law.

13 (c) This subsection does not prohibit the nationwide mortgage licensing system
14 and registry from providing public access to information or material relating to the
15 employment history of, and publicly adjudicated disciplinary and enforcement
16 actions against, mortgage loan originators.

17 (5) COOPERATIVE ARRANGEMENTS. The division may enter into cooperative,
18 coordinating, or information-sharing arrangements or agreements with other
19 governmental agencies or with associations representing other governmental
20 agencies, including the Conference of State Bank Supervisors and the American
21 Association of Residential Mortgage Regulators.

22 ***-1896/1.86* SECTION 581.** 224.73 (title) of the statutes is amended to read:

23 **224.73 (title) Relationship between mortgage loan originator and**
24 **either a mortgage banker or a mortgage broker.**

25 ***-1896/1.87* SECTION 582.** 224.73 (1) of the statutes is amended to read:

1 224.73 (1) RESPONSIBILITY FOR MORTGAGE LOAN ORIGINATOR. ~~A mortgage banker~~
2 ~~or a mortgage broker is responsible for, and shall supervise the acts of, a loan~~
3 ~~originator who registers under s. 224.72 (3) as an employee of the mortgage banker~~
4 ~~or mortgage broker.~~ A mortgage banker or mortgage broker is also responsible for,
5 and shall supervise the acts of, a mortgage loan originator or any other person who
6 otherwise acts on behalf of the mortgage banker or the mortgage broker.

7 *-1896/1.88* SECTION 583. 224.73 (2) (title) of the statutes is amended to read:

8 224.73 (2) (title) RESTRICTION ON MORTGAGE LOAN ORIGINATOR.

9 *-1896/1.89* SECTION 584. 224.73 (2) of the statutes is renumbered 224.73 (2)

10 (a) and amended to read:

11 224.73 (2) (a) If the division suspends or revokes a mortgage banker's or ~~a~~
12 ~~mortgage broker's certificate of registration license,~~ a mortgage loan originator may
13 not act on behalf of that mortgage banker or mortgage broker during the period of
14 suspension or revocation.

15 *-1896/1.90* SECTION 585. 224.73 (2) (b) of the statutes is created to read:

16 224.73 (2) (b) A mortgage loan originator may act on behalf of only the
17 mortgage banker or mortgage broker with which that mortgage loan originator's
18 license is associated in the records of the division, as designated under s. 224.725 (2)
19 (d). A mortgage loan originator's license may only be associated with one mortgage
20 banker or mortgage broker at a time.

21 *-1896/1.91* SECTION 586. 224.73 (3) (title) of the statutes is amended to read:

22 224.73 (3) (title) TRANSFER BY MORTGAGE LOAN ORIGINATOR.

23 *-1896/1.92* SECTION 587. 224.73 (3) of the statutes is renumbered 224.73 (3)

24 (a) and amended to read:

1 224.73 (3) (a) A registered licensed mortgage loan originator may ~~at any time~~
2 apply, on forms and in the manner prescribed ~~and provided~~ by the division, to
3 transfer ~~employment association~~ association to another registered licensed mortgage banker or
4 mortgage broker. The division shall promulgate rules establishing a fee for a
5 transfer application under this subsection.

6 ***-1896/1.93*** SECTION 588. 224.73 (3) (b) of the statutes is created to read:

7 224.73 (3) (b) A mortgage loan originator may not act on behalf of a mortgage
8 banker or mortgage broker until the mortgage loan originator's license association
9 has been transferred to that mortgage banker or mortgage broker in the records of
10 the division.

11 ***-1896/1.94*** SECTION 589. 224.73 (4) (title) of the statutes is amended to read:

12 224.73 (4) (title) ~~SIGNATURE BY~~ MORTGAGE LOAN ORIGINATOR SIGNATURES AND
13 UNIQUE IDENTIFIERS.

14 ***-1896/1.95*** SECTION 590. 224.73 (4) of the statutes is renumbered 224.73 (4)
15 (a) and amended to read:

16 224.73 (4) (a) Every residential mortgage loan application shall be signed by
17 a registered licensed mortgage loan originator or by a mortgage loan originator
18 exempt from licensing under s. 224.726 (1).

19 ***-1896/1.96*** SECTION 591. 224.73 (4) (b) of the statutes is created to read:

20 224.73 (4) (b) Any person originating a residential mortgage loan shall clearly
21 place the person's unique identifier on all residential mortgage loan application
22 forms, solicitations, and advertisements, including business cards or Web sites, and
23 on all other documents specified by rule of the division.

24 ***-1896/1.97*** SECTION 592. 224.74 (title) of the statutes is amended to read:

1 **224.74 (title) Division's review of the operations of a mortgage loan**
2 **originator, mortgage broker, or mortgage banker.**

3 *~~1896/1.98~~* SECTION 593. 224.74 (1) of the statutes is amended to read:

4 224.74 (1) ANNUAL CALL REPORTS; AUDITS. (a) *Annual call report.* ~~Except as~~
5 ~~provided in par. (b), each~~ Each year, on a by the date specified by the division and in
6 ~~a the form required by the division, a~~ nationwide mortgage licensing system and
7 registry, each mortgage banker or, mortgage broker, and mortgage loan originator
8 licensed under this subchapter shall submit to the division nationwide mortgage
9 licensing system and registry an annual report relating to the mortgage banker's or
10 mortgage broker's operations during its most recently completed fiscal year of
11 condition, which shall contain such information as the nationwide mortgage
12 licensing system and registry may require.

13 (b) *Audit requirement.* Each year, no later than 6 months following the end of
14 its most recently completed fiscal year, ~~a~~ each mortgage banker or mortgage broker
15 ~~that qualified for registration under s. 224.72 (4) (a) 4. or (d) or (4m) (a) 3. or (b), shall~~
16 submit a copy of an audit of the mortgage banker's or mortgage broker's operations
17 during that fiscal year. An audit under this paragraph shall be conducted by an
18 independent certified public accountant in accordance with generally accepted
19 auditing standards. The financial statements in the audit report shall be prepared
20 in accordance with generally accepted accounting principles.

21 (c) *Audits requested by the division.* The division may request that a mortgage
22 banker or mortgage broker obtain an audit of the mortgage banker's or mortgage
23 broker's operations if the division has reason to believe that the mortgage banker or
24 mortgage broker may not have sufficient financial resources to meet its obligations
25 to its clients or investors or to other persons directly affected by the activities

1 conducted by the mortgage banker or mortgage broker under the ~~certificate of~~
2 ~~registration granted~~ license issued by the division. If the division requests an audit
3 under this paragraph, the mortgage banker or mortgage broker shall have the audit
4 completed no later than 90 days after the date of the division's request. The mortgage
5 banker or mortgage broker shall submit the audit report to the division no later than
6 5 days after the date on which the audit is completed. An audit under this paragraph
7 shall be conducted by an independent certified public accountant in accordance with
8 generally accepted auditing standards. The financial statements in the audit report
9 shall be prepared in accordance with generally accepted accounting principles.

10 *~~1896/1.99~~* **SECTION 594.** 224.74 (2) (title) of the statutes is amended to read:

11 224.74 (2) (title) EXAMINATION AND INVESTIGATION.

12 *~~1896/1.100~~* **SECTION 595.** 224.74 (2) (a) (title) of the statutes is repealed.

13 *~~1896/1.101~~* **SECTION 596.** 224.74 (2) (a) of the statutes is renumbered 224.74
14 (2) (ag) (intro.) and amended to read:

15 224.74 (2) (ag) (intro.) The division may at any time, on its own motion or upon
16 complaint, ~~examine the~~ conduct inquiries, investigations, and examinations of
17 licensees under this subchapter, or of persons required to be licensed under or
18 otherwise subject to the provisions of this subchapter, including doing any of the
19 following:

20 1. Examining, accessing, receiving, or using any books of account, accounts,
21 records, files, documents, or other information relating to the condition and or affairs
22 of a mortgage banker, mortgage loan originator, or mortgage broker registered under
23 this subchapter. The division shall prepare a report of each examination conducted
24 under this section. As part of the examination or preparation of the report, the
25 division may examine.

1 2. Interviewing or examining under oath any mortgage banker, mortgage loan
2 originator, or mortgage broker, any of the members, officers, directors, agents,
3 employees, contractors, or customers of the mortgage banker, mortgage loan
4 originator, or mortgage broker. The division may require a mortgage banker, loan
5 originator or mortgage broker who is examined under this paragraph to pay to the
6 division a reasonable fee for the costs of conducting the examination, or any other
7 person whose testimony the division deems to be relevant. The division may direct,
8 subpoena, or order the attendance of a person to provide testimony under this
9 subdivision and may direct, subpoena, or order the person to produce books,
10 accounts, records, files, and any other document the division deems relevant to the
11 inquiry, investigation, or examination.

12 ***-1896/1.102* SECTION 597.** 224.74 (2) (ag) 3. and 4. of the statutes are created
13 to read:

14 224.74 (2) (ag) 3. Direct or order any licensee under this subchapter to make
15 or compile reports or other information, in a format directed by the division, that the
16 division considers necessary to carry out any investigation or examination under this
17 subchapter, including any accounting compilation or other loan transaction data,
18 list, or information.

19 4. Examine, access, receive, and use any other records, documents, or other
20 information that the division deems relevant to the inquiry, investigation, or
21 examination, regardless of the location, possession, control, or custody of the records,
22 documents, or information, including any of the following:

23 a. Criminal, civil, and administrative history information, including conviction
24 information and nonconviction information to the extent permitted by law.

1 b. Personal history and experience information, including credit reports
2 obtained from a consumer reporting agency, as defined in s. 100.54 (1) (c).

3 ***-1896/1.103*** SECTION 598. 224.74 (2) (ar) of the statutes is created to read:

4 224.74 (2) (ar) In making any investigation or examination authorized under
5 this subchapter, the division may control access to any documents and records of the
6 licensee or of any other person under investigation or examination. The division may
7 take possession of the documents and records or place a person in exclusive charge
8 of the documents and records in the place where they are usually kept. During the
9 period of control, no person may remove or attempt to remove any of the documents
10 and records except with the consent of the division or by court order. Unless the
11 division has reasonable grounds to believe the documents and records have been or
12 are at risk of being altered or destroyed for purposes of concealing a violation of this
13 subchapter, the licensee or owner or custodian of the documents and records shall
14 have access to the documents and records as necessary to conduct its ordinary
15 business affairs.

16 ***-1896/1.104*** SECTION 599. 224.74 (2) (b) of the statutes is amended to read:

17 224.74 (2) (b) ~~Confidentiality. Examination~~ The division shall prepare a report
18 for each investigation or examination conducted under this subsection. These
19 reports, and correspondence regarding the ~~these~~ reports, are confidential, except
20 that the division may release ~~examination~~ ~~these~~ reports and correspondence in
21 connection with a disciplinary proceeding conducted by the division, a liquidation
22 proceeding, or a criminal investigation or proceeding. In addition, any information
23 from these reports or correspondence may be provided to the nationwide mortgage
24 licensing system and registry and is not confidential to the extent specified in s.
25 224.728 (4) (b) and (c).