

1           **\*-0377/P10.302\* \*-4294/P1.283\* SECTION 450.** 77.61 (17) of the statutes is  
2 created to read:

3           **77.61 (17)** With regard to services subject to the tax under s. 77.52 (2) or the  
4 lease, rental, or license of tangible personal property and property, items, and goods  
5 specified under s. 77.52 (1) (b), (c), and (d), an increase in the tax rate applies to the  
6 first billing period beginning on or after the rate increase's effective date and a  
7 decrease in the tax rate applies to bills that are rendered on or after the rate  
8 decrease's effective date.

9           **\*-0377/P10.303\* SECTION 451.** 77.61 (18) of the statutes is created to read:

10           **77.61 (18)** The department shall notify sellers with respect to any change in  
11 the rate of the taxes imposed under this subchapter at least 30 days prior to the  
12 change's effective date and any such change shall take effect on January 1, April 1,  
13 July 1, or October 1.

14           **\*-0377/P10.304\* \*-4294/P1.284\* SECTION 452.** 77.63 of the statutes is  
15 repealed and recreated to read:

16           **77.63 Collection compensation.** The following persons may retain a portion  
17 of sales and use taxes collected on retail sales under this subchapter and subch. V  
18 in an amount determined by the department and by contracts that the department  
19 enters into jointly with other states as a member state of the streamlined sales tax  
20 governing board pursuant to the agreement, as defined in s. 77.65 (2) (a):

21           (1) A certified service provider.

22           (2) A seller that uses a certified automated system, as defined in s. 77.524 (1)  
23 (am).

24           (3) A seller that sells tangible personal property, or items, property, or goods  
25 under s. 77.52 (1) (b), (c), or (d), or taxable services in at least 5 states that are

1 signatories to the agreement, as defined in s. 77.65 (2) (a); that has total annual sales  
2 revenue of at least \$500,000,000; that has a proprietary system that calculates the  
3 amount of tax owed to each taxing jurisdiction in which the seller sells tangible  
4 personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or (d), or  
5 taxable services; and that has entered into a performance agreement with the states  
6 that are signatories to the agreement, as defined in s. 77.65 (2) (a). For purposes of  
7 this subsection, "seller" includes an affiliated group of sellers using the same  
8 proprietary system to calculate the amount of tax owed in each taxing jurisdiction  
9 in which the sellers sell tangible personal property, or items, property, or goods under  
10 s. 77.52 (1) (b), (c), or (d), or taxable services.

11 **\*-0377/P10.305\* \*-4294/P1.285\* SECTION 453.** 77.65 (2) (a) of the statutes is  
12 amended to read:

13 77.65 (2) (a) "Agreement" means the streamlined sales and use tax agreement,  
14 including amendments to the agreement.

15 **\*-0377/P10.306\* \*-4294/P1.286\* SECTION 454.** 77.65 (2) (c) of the statutes is  
16 repealed.

17 **\*-0377/P10.307\* \*-4294/P1.287\* SECTION 455.** 77.65 (2) (e) of the statutes is  
18 amended to read:

19 77.65 (2) (e) "Seller" means any person who sells, licenses, leases, or rents  
20 tangible personal property, or items, property, or goods under s. 77.52 (1) (b), (c), or  
21 (d), or services.

22 **\*-0377/P10.308\* \*-4294/P1.288\* SECTION 456.** 77.65 (2) (f) of the statutes is  
23 amended to read:

24 77.65 (2) (f) "State" means any state of the United States and, the District of  
25 Columbia, and the Commonwealth of Puerto Rico.

1           \***-0377/P10.309\*** \***-4294/P1.289\*** **SECTION 457.** 77.65 (4) (fm) of the statutes  
2 is created to read:

3           77.65 (4) (fm) Provide that a seller who registers with the central electronic  
4 registration system under par. (f) may cancel the registration at any time, as  
5 provided under uniform procedures adopted by the governing board of the states that  
6 are signatories to the agreement, but is required to remit any Wisconsin taxes  
7 collected pursuant to the agreement to the department.

8           \***-0377/P10.310\*** \***-4294/P1.290\*** **SECTION 458.** 77.66 of the statutes is  
9 amended to read:

10           **77.66 Certification for collection of sales and use tax.** The secretary of  
11 revenue shall determine and periodically certify to the secretary of administration  
12 the names of persons, and affiliates, as defined in s. 16.70 (1b), of persons, who make  
13 sales of tangible personal property, or items, property, or goods under s. 77.52 (1) (b),  
14 (c), or (d), and taxable services that are subject to the taxes imposed under this  
15 subchapter but who are not registered to collect and remit such taxes to the  
16 department or, if registered, do not collect and remit such taxes.

17           \***-0377/P10.311\*** \***-4294/P1.291\*** **SECTION 459.** 77.67 of the statutes is created  
18 to read:

19           **77.67 Amnesty for new registrants.** (1) A seller is not liable for uncollected  
20 and unpaid taxes, including penalties and interest, imposed under this subchapter  
21 and subch. V on sales made to purchasers in this state before the seller registers  
22 under par. (a), if all of the following apply:

23           (a) The seller registers with the department, in a manner that the department  
24 prescribes, to collect and remit the taxes imposed under this subchapter and subch.

1 V on sales to purchasers in this state in accordance with the agreement, as defined  
2 in s. 77.65 (2) (a).

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

6 (c) The seller was not registered to collect and remit the taxes imposed under  
7 this subchapter and subch. V during the 365 consecutive days immediately before  
8 the effective date of this state's participation in the agreement under s. 77.65 (2) (a),  
9 as determined by the department.

10 (d) The seller has not received a notice of the commencement of an audit from  
11 the department or, if the seller has received a notice of the commencement of an audit  
12 from the department, the audit has been fully resolved, including any related  
13 administrative and judicial processes, at the time that the seller registers under par.  
14 (a).

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

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

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

22 **\*-0377/P10.312\* \*-4294/P1.292\* SECTION 460.** 77.70 of the statutes is  
23 amended to read:

24 **77.70 Adoption by county ordinance.** Any county desiring to impose county  
25 sales and use taxes under this subchapter may do so by the adoption of an ordinance,

1 stating its purpose and referring to this subchapter. The county sales and use taxes  
2 may be imposed only for the purpose of directly reducing the property tax levy and  
3 only in their entirety as provided in this subchapter. That ordinance shall be  
4 effective on the first day of January, the first day of April, the first day of July or the  
5 first day of October. A certified copy of that ordinance shall be delivered to the  
6 secretary of revenue at least 120 days prior to its effective date. The repeal of any  
7 such ordinance shall be effective on December 31. A certified copy of a repeal  
8 ordinance shall be delivered to the secretary of revenue at least ~~60~~ 120 days before  
9 the effective date of the repeal.

10 \*~~-0377/P10.313~~\* \*~~-4294/P1.293~~\* SECTION 461. 77.705 of the statutes is  
11 amended to read:

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

21 \*~~-0377/P10.314~~\* \*~~-4294/P1.294~~\* SECTION 462. 77.706 of the statutes is  
22 amended to read:

23 **77.706 Adoption by resolution; football stadium district.** A local  
24 professional football stadium district created under subch. IV of ch. 229, by  
25 resolution under s. 229.824 (15), may impose a sales tax and a use tax under this

1 subchapter at a rate of 0.5% of the ~~gross receipts~~ or sales price or purchase price.  
2 Those taxes may be imposed only in their entirety. The imposition of the taxes under  
3 this section shall be effective on the first day of the first month January 1, April 1,  
4 July 1, or October 1 that begins at least ~~30~~ 120 days after the certification of the  
5 approval of the resolution by the electors in the district's jurisdiction under s. 229.824  
6 (15). Any moneys transferred from the appropriation account under s. 20.566 (1) (ge)  
7 to the appropriation account under s. 20.835 (4) (ge) shall be used exclusively to retire  
8 the district's debt.

9 **\*-0377/P10.315\* \*-4294/P1.295\* SECTION 463.** 77.707 (1) of the statutes is  
10 amended to read:

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

19 **\*-0377/P10.316\* \*-4294/P1.296\* SECTION 464.** 77.707 (2) of the statutes is  
20 amended to read:

21 77.707 (2) Retailers and the department of revenue may not collect a tax under  
22 s. 77.706 for any local professional football stadium district created under subch. IV  
23 of ch. 229 after the last day of the calendar quarter during that is at least 120 days  
24 from the date on which the local professional football stadium district board makes  
25 all of the certifications to the department of revenue under s. 229.825 (3), except that

1 the department of revenue may collect from retailers taxes that accrued before the  
2 day after the last day of that calendar quarter and fees, interest and penalties that  
3 relate to those taxes.

4 **\*-0377/P10.317\* \*-4294/P1.297\* SECTION 465.** 77.71 (1) of the statutes is  
5 amended to read:

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

16 **\*-0377/P10.318\* \*-4294/P1.298\* SECTION 466.** 77.71 (2) of the statutes is  
17 amended to read:

18 77.71 (2) An excise tax is imposed at the rate of 0.5% in the case of a county tax  
19 or at the rate under s. 77.705 or 77.706 in the case of a special district tax of the sales  
20 purchase price upon every person storing, using or otherwise consuming in the  
21 county or special district tangible personal property, or items, property, or goods  
22 specified under s. 77.52 (1) (b), (c), or (d), or services if the tangible personal property,  
23 item, property, good, or service is subject to the state use tax under s. 77.53, except  
24 that a receipt indicating that the tax under sub. (1), (3) or (4) has been paid relieves  
25 the buyer of liability for the tax under this subsection and except that if the buyer

1 has paid a similar local tax in another state on a purchase of the same tangible  
2 personal property, item, property, good, or services that tax shall be credited against  
3 the tax under this subsection and except that for motor vehicles that are used for a  
4 purpose in addition to retention, demonstration or display while held for sale in the  
5 regular course of business by a dealer the tax under this subsection is imposed not  
6 on the sales purchase price but on the amount under s. 77.53 (1m).

7 **\*-0377/P10.319\* \*-4294/P1.299\* SECTION 467.** 77.71 (3) of the statutes is  
8 amended to read:

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

21 **\*-0377/P10.320\* \*-4294/P1.300\* SECTION 468.** 77.71 (4) of the statutes is  
22 amended to read:

23 77.71 (4) An excise tax is imposed at the rate of 0.5 percent in the case of a  
24 county tax or at the rate under s. 77.705 or 77.706 in the case of a special district tax  
25 of the sales purchase price upon every person storing, using or otherwise consuming

1 a motor vehicle, boat, ~~snowmobile~~, recreational vehicle, as defined in s. 340.01 (48r),  
2 trailer, ~~semitrailer, all-terrain vehicle~~ or aircraft, if that property must be registered  
3 or titled with this state and if that property is to be customarily kept in a county that  
4 has in effect an ordinance under s. 77.70 or in a special district that has in effect a  
5 resolution under s. 77.705 or 77.706, except that if the buyer has paid a similar local  
6 sales tax in another state on a purchase of the same property that tax shall be  
7 credited against the tax under this subsection.

8 \*~~0377/P10.321~~\* \*~~4294/P1.301~~\* SECTION 469. 77.72 (title) of the statutes is  
9 repealed.

10 \*~~0377/P10.322~~\* \*~~4294/P1.302~~\* SECTION 470. 77.72 (1) of the statutes is  
11 renumbered 77.72 and amended to read:

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

21 \*~~0377/P10.323~~\* \*~~4294/P1.303~~\* SECTION 471. 77.72 (2) and (3) of the  
22 statutes are repealed.

23 \*~~0377/P10.324~~\* \*~~4294/P1.304~~\* SECTION 472. 77.73 (2) of the statutes is  
24 amended to read:

1           77.73 (2) Counties and special districts do not have jurisdiction to impose the  
2 tax under s. 77.71 (2) in regard to items, property, and goods under s. 77.52 (1) (b),  
3 (c), and (d), and tangible personal property, except snowmobiles, trailers,  
4 semitrailers, and all-terrain vehicles, purchased in a sale that is consummated in  
5 another county or special district in this state that does not have in effect an  
6 ordinance or resolution imposing the taxes under this subchapter and later brought  
7 by the buyer into the county or special district that has imposed a tax under s. 77.71  
8 (2).

9           \***-0377/P10.325\*** \***-4294/P1.305\*** SECTION 473. 77.73 (3) of the statutes is  
10 created to read:

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

19           \***-0377/P10.326\*** \***-4294/P1.306\*** SECTION 474. 77.75 of the statutes is  
20 amended to read:

21           **77.75 Reports.** Every person subject to county or special district sales and use  
22 taxes shall, for each reporting period, record that person's sales made in the county  
23 or special district that has imposed those taxes separately from sales made  
24 elsewhere in this state and file a report of the measure of the county or special district

1 ~~sales and use taxes and the tax due thereon separately as prescribed by the~~  
2 ~~department of revenue.~~

3 **\*-0377/P10.327\* \*-4294/P1.307\* SECTION 475.** 77.77 (1) of the statutes is  
4 renumbered 77.77 (1) (a) and amended to read:

5 77.77 (1) (a) The ~~gross receipts~~ sales price from services subject to the tax under  
6 s. 77.52 (2) ~~are not or the lease, rental, or license of tangible personal property and~~  
7 ~~property, items, and goods specified under s. 77.52 (1) (b), (c), and (d), is~~ subject to  
8 the taxes under this subchapter, and the incremental amount of tax caused by a rate  
9 increase applicable to those services, leases, rentals, or licenses is not due, if those  
10 ~~services are billed to the customer and paid for before~~ beginning with the first billing  
11 period starting on or after the effective date of the county ordinance, special district  
12 resolution, or rate increase, regardless of whether the service is furnished or the  
13 property, item, or good is leased, rented, or licensed to the customer before or after  
14 that date.

15 **\*-0377/P10.328\* \*-4294/P1.308\* SECTION 476.** 77.77 (1) (b) of the statutes is  
16 created to read:

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

1           **\*-0377/P10.329\* \*-4294/P1.309\* SECTION 477.** 77.77 (2) of the statutes is  
2 repealed.

3           **\*-0377/P10.330\* \*-4294/P1.310\* SECTION 478.** 77.785 (1) of the statutes is  
4 amended to read:

5           77.785 (1) All retailers shall collect and report the taxes under this subchapter  
6 on the ~~gross receipts~~ sales price from leases and rentals of property or items,  
7 property, and goods under s. 77.52 (1) (b), (c), and (d) under s. 77.71 (4).

8           **\*-0377/P10.331\* \*-4294/P1.311\* SECTION 479.** 77.785 (2) of the statutes is  
9 amended to read:

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

16           **\*-1948/P1.14\* SECTION 480.** 77.92 (4) of the statutes is amended to read:

17           77.92 (4) "Net business income," with respect to a partnership, means taxable  
18 income as calculated under section 703 of the Internal Revenue Code; plus the items  
19 of income and gain under section 702 of the Internal Revenue Code, including taxable  
20 state and municipal bond interest and excluding nontaxable interest income or  
21 dividend income from federal government obligations; minus the items of loss and  
22 deduction under section 702 of the Internal Revenue Code, except items that are not  
23 deductible under s. 71.21; plus guaranteed payments to partners under section 707  
24 (c) of the Internal Revenue Code; plus the credits claimed under s. 71.07 (2dd), (2de),  
25 (2di), (2dj), (2dL), (2dm), (2dr), (2ds), (2dx), (2dy), (3g), (3h), ~~(3s)~~, (3n), (3p), (3r), (3s),

1 (3t), (3w), (5e), (5f), (5g), (5h), (5i), (5j), and (5k); and plus or minus, as appropriate,  
2 transitional adjustments, depreciation differences, and basis differences under s.  
3 71.05 (13), (15), (16), (17), and (19); but excluding income, gain, loss, and deductions  
4 from farming. "Net business income," with respect to a natural person, estate, or  
5 trust, means profit from a trade or business for federal income tax purposes and  
6 includes net income derived as an employee as defined in section 3121 (d) (3) of the  
7 Internal Revenue Code.

8 \*~~-0377/P10.332~~\* \*~~-4294/P1.312~~\* SECTION 481. 77.98 of the statutes is  
9 amended to read:

10 **77.98 Imposition.** A local exposition district under subch. II of ch. 229 may  
11 impose a tax on the retail sale, except sales for resale, within the district's  
12 jurisdiction under s. 229.43 of ~~products that are subject to a tax under s. 77.54 (20)~~  
13 ~~(e) 1. to 3. and not candy, as defined in s. 77.51 (1fm), prepared food, as defined in s.~~  
14 ~~77.51 (10m), and soft drinks, as defined in s. 77.51 (17w), unless exempt from the~~  
15 ~~sales tax under s. 77.54 (1), (4), (7) (a), (7m), (9), (9a) or (20) (e) 5., (20n) (b) and (c),~~  
16 ~~and (20r).~~

17 \*~~-0377/P10.333~~\* \*~~-4294/P1.313~~\* SECTION 482. 77.981 of the statutes is  
18 amended to read:

19 **77.981 Rate.** The tax under s. 77.98 is imposed on the sale of taxable products  
20 at the rate of 0.25% of the ~~gross receipts~~ sales price, except that the district, by a vote  
21 of a majority of the authorized members of its board of directors, may impose the tax  
22 at the rate of 0.5% of the ~~gross receipts~~ sales price. A majority of the authorized  
23 members of the district's board may vote that, if the balance in a special debt service  
24 reserve fund of the district is less than the requirement under s. 229.50 (5), the tax  
25 rate under this subchapter is 0.5%. The 0.5% rate shall be effective on the next

1 January 1, April 1, July 1 or October 1, and this tax is irrepealable if any bonds issued  
2 by the district and secured by the special debt service reserve fund are outstanding.

3 **\*-0377/P10.334\* \*-4294/P1.314\* SECTION 483.** 77.982 (2) of the statutes is  
4 repealed and recreated to read:

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

10 **\*-0377/P10.335\* \*-4294/P1.315\* SECTION 484.** 77.99 of the statutes is  
11 amended to read:

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

24 **\*-0377/P10.336\* \*-4294/P1.317d\* SECTION 485.** 77.991 (2) of the statutes is  
25 repealed and recreated to read:

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

7           **\*-0377/P10.337\* \*-4294/P1.316\* SECTION 486.** 77.994 (1) (intro.) of the  
8           statutes is amended to read:

9           77.994 (1) (intro.) Except as provided in sub. (2), a municipality or a county all  
10          of which is included in a premier resort area under s. 66.1113 may, by ordinance,  
11          impose a tax at a rate of 0.5% of the ~~gross receipts~~ sales price from the sale, license,  
12          lease, or rental in the municipality or county of goods or services that are taxable  
13          under subch. III made by businesses that are classified in the standard industrial  
14          classification manual, 1987 edition, published by the U.S. office of management and  
15          budget, under the following industry numbers:

16          **\*-0377/P10.338\* \*-4294/P1.317\* SECTION 487.** 77.9941 (4) of the statutes is  
17          amended to read:

18          77.9941 (4) Sections 77.72 (1), ~~(2) (a) and (3) (a)~~, 77.73, 77.74, 77.75, 77.76 (1),  
19          (2), and (4), 77.77 (1) ~~and (2)~~, 77.785 (1), and 77.79, as they apply to the taxes under  
20          subch. V, apply to the tax under this subchapter.

21          **\*-0377/P10.339\* \*-4294/P1.318\* SECTION 488.** 77.995 (2) of the statutes is  
22          amended to read:

23          77.995 (2) There is imposed a fee at the rate of 5 percent of the ~~gross receipts~~  
24          sales price on the rental, but not for rerelease and not for rental as a service or repair  
25          replacement vehicle of Type 1 automobiles, as defined in s. 340.01 (4) (a); of

1 recreational vehicles, as defined in s. 340.01 (48r); of motor homes, as defined in s.  
2 340.01 (33m); and of camping trailers, as defined in s. 340.01 (6m) by establishments  
3 primarily engaged in short-term rental of vehicles without drivers, for a period of 30  
4 days or less, unless the sale is exempt from the sales tax under s. 77.54 (1), (4), (7)  
5 (a), (7m) or (9a). There is also imposed a fee at the rate of 5 percent of the gross  
6 receipts sales price on the rental of limousines.

7 **\*-0377/P10.340\* \*-4294/P1.319\* SECTION 489.** 77.9951 (2) of the statutes is  
8 repealed and recreated to read:

9 77.9951 (2) Sections 77.51 (12m), (14), (14g), (15a), and (15b), 77.52 (1b), (3),  
10 (4), (13), (14), (18), and (19), 77.58 (1) to (5), (6m), and (7), 77.585, 77.59, 77.60, 77.61  
11 (2), (3m), (5), (8), (9), and (12) to (15), and 77.62, as they apply to the taxes under  
12 subch. III, apply to the fee under this subchapter. The renter shall collect the fee  
13 under this subchapter from the person to whom the vehicle is rented.

14 **\*-0377/P10.341\* \*-4294/P1.320\* SECTION 490.** 77.996 (6) of the statutes is  
15 amended to read:

16 77.996 (6) "~~Gross receipts~~" ~~has the meaning given in s. 77.51 (4) (a), (b) 1. and~~  
17 ~~5., (c) 1. to 4., and (d) means the sales price, as defined in s. 77.51 (15b), of tangible~~  
18 ~~personal property and taxable services sold by a dry cleaning facility.~~ "Gross  
19 receipts" does not include the license fee imposed under s. 77.9961 (1m) that is passed  
20 on to customers.

21 **\*-0377/P10.342\* \*-4294/P1.321\* SECTION 491.** 77.9972 (2) of the statutes is  
22 repealed and recreated to read:

23 77.9972 (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. Section 77.73, as it applies to the  
2 taxes under subch. V, applies to the fee under this subchapter. The renter shall  
3 collect the fee under this subchapter from the person to whom the passenger car is  
4 rented.

5 **\*-2008/P1.1\* SECTION 492.** 84.03 (2) (a) 1. of the statutes is amended to read:

6 84.03 (2) (a) 1. "Amount of federal funds" means the sum of federal revenues  
7 received under the federal Intermodal Surface Transportation Efficiency Act of 1991,  
8 as amended, or under a substantially similar federal legislative act. "Amount of  
9 federal funds" does not include the first \$300,000,000 of federal moneys received by  
10 the state, pursuant to federal legislation enacted during the 111th Congress, for the  
11 purpose of reviving the economy of the United States, which moneys are intended to  
12 be used for transportation purposes.

13 **\*-0377/P10.343\* \*-4294/P1.322\* SECTION 493.** 86.195 (3) (b) 3. of the statutes  
14 is amended to read:

15 86.195 (3) (b) 3. Fifty percent of the ~~gross receipts~~ sales price, as defined in s.  
16 77.51 (15b), of the business are is from meal, food, the sale of food product and  
17 beverage sales and food ingredients, as defined in s. 77.51 (3t), that are taxable under  
18 s. 77.54 (20) (e) subch. III of ch. 77; and

19 **\*-1896/1.6\* SECTION 494.** 100.55 (1) (d) 3. of the statutes is amended to read:

20 100.55 (1) (d) 3. A mortgage banker, ~~loan originator,~~ or mortgage broker  
21 registered licensed under s. 224.72 or a mortgage loan originator licensed under s.  
22 224.725.

23 **\*-1152/P8.42\* SECTION 495.** 146.99 of the statutes is repealed.

24 **\*-1152/P8.43\* SECTION 496.** 149.10 (3m) (intro.) of the statutes is amended to  
25 read:

1           149.10 (3m) (intro.) "Health care coverage revenue" means any of the  
2 following, but does not include payments to health maintenance organizations under  
3 s. 49.45 (59) (a):

4           \*-1890/1.1\* SECTION 497. 165.25 (4) (ar) of the statutes is amended to read:

5           165.25 (4) (ar) The department of justice shall furnish all legal services  
6 required by the department of agriculture, trade and consumer protection relating  
7 to the enforcement of ss. 100.171, 100.173, 100.174, 100.175, 100.177, 100.18,  
8 100.182, 100.195, 100.20, 100.205, 100.207, 100.209, 100.21, 100.28, 100.37, 100.42,  
9 100.50, and 100.51, and 100.55, and 846.45 and chs. 126, 136, 344, 704, 707, and 779,  
10 together with any other services as are necessarily connected to the legal services.

11           \*-0377/P10.344\* \*-4294/P1.323\* SECTION 498. 218.0171 (2) (cq) of the  
12 statutes is amended to read:

13           218.0171 (2) (cq) Upon payment of a refund to a consumer under par. (b) 2. b.,  
14 the manufacturer shall provide to the consumer a written statement that specifies  
15 the trade-in amount previously applied under s. 77.51 (4) (b) ~~3. or 3m. or (15) (b) 4.~~  
16 ~~or 4m. (12m) (b) 5. or 6. or (15b) (b) 5. or 6.~~ toward the sales price of the motor vehicle  
17 having the nonconformity and the date on which the manufacturer provided the  
18 refund.

19           \*-1896/1.7\* SECTION 499. 220.02 (2) (g) of the statutes is amended to read:

20           220.02 (2) (g) Mortgage bankers, mortgage loan originators, and mortgage  
21 brokers under subch. III of ch. 224.

22           \*-1896/1.8\* SECTION 500. 220.02 (3) of the statutes is amended to read:

23           220.02 (3) It is the intent of sub. (2) to give the division jurisdiction to enforce  
24 and carry out all laws relating to banks or banking in this state, including those  
25 relating to state banks, savings banks, savings and loan associations, and trust

1 company banks, and also all laws relating to small loan companies or other loan  
2 companies or agencies, finance companies, insurance premium finance companies,  
3 motor vehicle dealers, adjustment service companies, community currency  
4 exchanges, mortgage bankers, mortgage loan originators, mortgage brokers, and  
5 collection agencies and those relating to sellers of checks under ch. 217, whether  
6 doing business as corporations, individuals, or otherwise, but to exclude laws  
7 relating to credit unions.

8 **\*-1896/1.9\* SECTION 501.** 220.06 (1) of the statutes is amended to read:

9 220.06 (1) In this section, "licensee" means a person licensed by the division  
10 under ch. 138, 217 or 218 or under s. 224.72, 224.725, or 224.92 ~~or registered by the~~  
11 ~~division under s. 224.72.~~

12 **\*-1896/1.10\* SECTION 502.** 220.285 (1) of the statutes is amended to read:

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

25 **\*-1896/1.11\* SECTION 503.** 221.0402 (2) (b) of the statutes is amended to read:

1           221.0402 (2) (b) Mortgage bankers registered licensed under s. 224.72 may use  
2 the designation “mortgage banker”.

3           \*-1896/1.12\* SECTION 504. 224.71 (1ag) of the statutes is repealed.

4           \*-1896/1.14\* SECTION 505. 224.71 (1b) of the statutes is repealed.

5           \*-1896/1.15\* SECTION 506. 224.71 (1bm) of the statutes is created to read:

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

10          \*-1896/1.16\* SECTION 507. 224.71 (1c) of the statutes is created to read:

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

14          \*-1896/1.17\* SECTION 508. 224.71 (1d) of the statutes is repealed.

15          \*-1896/1.18\* SECTION 509. 224.71 (1dm) of the statutes is created to read:

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

18          \*-1896/1.19\* SECTION 510. 224.71 (1f) of the statutes is created to read:

19          224.71 (1f) “Dwelling” has the meaning given in 15 USC 1602 (v).

20          \*-1896/1.20\* SECTION 511. 224.71 (1g) of the statutes is renumbered 224.71  
21 (14) and amended to read:

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

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

4 **\*-1896/1.21\* SECTION 512.** 224.71 (1h) of the statutes is created to read:

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

9 **\*-1896/1.22\* SECTION 513.** 224.71 (1m) of the statutes is created to read:

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

15 **\*-1896/1.23\* SECTION 514.** 224.71 (1r) of the statutes is renumbered 224.71  
16 (6) (a) (intro.) and amended to read:

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

22 **\*-1896/1.24\* SECTION 515.** 224.71 (1u) of the statutes is repealed.

23 **\*-1896/1.25\* SECTION 516.** 224.71 (2) of the statutes is created to read:

24 224.71 (2) "Loan processor or underwriter" means an individual who, as an  
25 employee, performs clerical or support duties at the direction of and subject to the

1 supervision and instruction of a mortgage loan originator licensed under s. 224.725  
2 or exempt from licensing under s. 224.726 (1), which clerical or support duties may  
3 include any of the following occurring subsequent to the receipt of a residential  
4 mortgage loan application:

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

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

11 **\*-1896/1.26\* SECTION 517.** 224.71 (3) (a) 1. to 3. of the statutes are amended  
12 to read:

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

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

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

19 **\*-1896/1.27\* SECTION 518.** 224.71 (3) (b) 1. to 7. of the statutes are repealed.

20 **\*-1896/1.28\* SECTION 519.** 224.71 (3) (b) 8., 9., 10., 11. and 12. of the statutes  
21 are created to read:

22 224.71 (3) (b) 8. A depository institution.

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

25 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 520. 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 521. 224.71 (4) (b) 1. to 3. of the statutes are repealed.

14           \***-1896/1.31\*** SECTION 522. 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 523.** 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 524.** 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 525.** 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 526.** 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 527.** 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 528.** 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 529.** 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 530.** 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 531.** 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 532.** 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 533.** 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 534.** 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 535.** 224.72 (1) (intro.) of the statutes is repealed.

1           \***-1896/1.45\*** SECTION 536. 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 537. 224.72 (1) (b) of the statutes is repealed.

8           \***-1896/1.47\*** SECTION 538. 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 539. 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 540. 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

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 541. 224.72 (2) (a) and (b) of the statutes are repealed.

4 \***-1896/1.51\*** SECTION 542. 224.72 (2) (c) (title) of the statutes is repealed.

5 \***-1896/1.52\*** SECTION 543. 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 issued or renewed in reliance upon a  
13 false statement submitted by an applicant under subd. 1. is invalid.

14 \***-1896/1.53\*** SECTION 544. 224.72 (2m) of the statutes is created to read:

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

18 \***-1896/1.54\*** SECTION 545. 224.72 (3) (title) of the statutes is repealed.

19 \***-1896/1.55\*** SECTION 546. 224.72 (3) (a) of the statutes is renumbered 224.725  
20 (2) (d) and amended to read:

21 224.725 (2) (d) ~~In addition to the requirements of sub. (2), an~~ Any applicant for  
22 ~~registration as a residential mortgage loan originator~~ license shall include in the  
23 application the name of the mortgage banker or mortgage broker who will employ  
24 the residential mortgage loan originator.

25 \***-1896/1.56\*** SECTION 547. 224.72 (3) (b) and (c) of the statutes are repealed.

1           \***-1896/1.57\*** SECTION 548. 224.72 (4) (title) of the statutes is amended to read:  
2           224.72 (4) (title) ~~ADDITIONAL REQUIREMENT FOR MORTGAGE BANKER APPLICANT~~  
3           REQUIREMENTS.

4           \***-1896/1.58\*** SECTION 549. 224.72 (4) (a) (intro.) of the statutes is amended to  
5           read:

6           224.72 (4) (a) ~~With a bona fide office.~~ (intro.) In addition to the requirements  
7           of sub. (2), an applicant for registration as a mortgage banker who maintains a bona  
8           fide office or mortgage broker license shall do at least one all of the following:

9           \***-1896/1.59\*** SECTION 550. 224.72 (4) (a) 1. of the statutes is repealed.

10          \***-1896/1.60\*** SECTION 551. 224.72 (4) (a) 2. of the statutes is amended to read:

11          224.72 (4) (a) 2. ~~'File a bond.'~~ File with the division a commercial surety bond  
12          which is in the amount of \$25,000 for a mortgage banker or \$10,000 for a mortgage  
13          broker, is issued by a surety company authorized to do business in this state, secures  
14          the applicant's faithful performance of all duties and obligations of a mortgage  
15          banker or mortgage broker, is payable to the division for the benefit of persons to  
16          whom the mortgage banker or mortgage broker provided services as a mortgage  
17          banker or mortgage broker, is issued on a form that is acceptable to the division and  
18          provides that the bond may not be terminated without at least 30 days' written notice  
19          to the division.

20          \***-1896/1.61\*** SECTION 552. 224.72 (4) (a) 3. of the statutes is repealed.

21          \***-1896/1.62\*** SECTION 553. 224.72 (4) (a) 4. of the statutes is amended to read:

22          224.72 (4) (a) 4. ~~'Minimum net worth.'~~ Submit evidence that establishes, to the  
23          division's satisfaction, a minimum net worth of ~~\$25,000 and a warehouse line of~~  
24          ~~credit of not less than \$250,000 or a minimum net worth of \$100,000~~ for a mortgage  
25          banker or \$250,000 for a mortgage broker. Evidence of net worth shall include the

1 submission of a ~~balance sheet that is~~ recent financial statements accompanied by a  
2 written statement by an independent certified public accountant attesting that he  
3 or she has reviewed the ~~balance sheet~~ financial statements in accordance with  
4 generally accepted accounting principles.

5 **\*-1896/1.63\* SECTION 554.** 224.72 (4) (d) of the statutes is repealed.

6 **\*-1896/1.64\* SECTION 555.** 224.72 (4m) of the statutes is repealed.

7 **\*-1896/1.65\* SECTION 556.** 224.72 (4n) (intro.) of the statutes is amended to  
8 read:

9 224.72 (4n) SECURITY HELD BY THE DIVISION; RELEASE. (intro.) The division or its  
10 agent shall hold security filed under ~~subs. (4) (a) 3. and (4m) (a) 2. s. 224.72 (4) (a)~~  
11 3., 2007 stats., and s. 224.72 (4m) (a) 2., 2007 stats. The security shall remain in  
12 effect, and the division may not release it, until all of the following conditions are met:

13 **\*-1896/1.66\* SECTION 557.** 224.72 (4n) (a) 2. of the statutes is amended to read:

14 224.72 (4n) (a) 2. The date on which the mortgage banker's or mortgage  
15 broker's ~~registration~~ license expires or is revoked.

16 **\*-1896/1.67\* SECTION 558.** 224.72 (4r) of the statutes is repealed.

17 **\*-1896/1.68\* SECTION 559.** 224.72 (5) (title) of the statutes is renumbered  
18 224.72 (5m) (title) and amended to read:

19 224.72 (5m) (title) COMPLETION OF REGISTRATION LICENSING PROCESS.

20 **\*-1896/1.69\* SECTION 560.** 224.72 (5) (a) of the statutes is renumbered 224.725  
21 (3) (intro.) and amended to read:

22 224.725 (3) ~~LOAN-ORIGINATOR~~ ISSUANCE OF LICENSE. (intro.) Except as provided  
23 in sub. (7m) (6), upon receiving a properly completed the filing of an application for  
24 ~~registration as a~~ mortgage loan originator and license and the payment of the fee  
25 specified in rules promulgated under sub. (8) ~~and upon an applicant's compliance~~

1 with sub. (3) (a) and, if required, sub. (3) (b), the division may issue to the applicant  
2 a ~~certificate of registration as a mortgage loan originator. license if the division finds~~  
3 that all of the following apply:

4 \*~~1896/1.70~~\* SECTION 561. 224.72 (5) (b) of the statutes is renumbered 224.72  
5 (5m) and amended to read:

6 224.72 (5m) ~~Mortgage banker and mortgage broker.~~ Except as provided in sub.  
7 (7m), upon receiving a properly completed the filing of an application for registration  
8 as a mortgage banker or ~~a~~ mortgage broker, license and the payment of the fee  
9 specified in rules promulgated under sub. (8) and satisfactory evidence of compliance  
10 with subs. (4) and (4m), the division may shall make an investigation of the applicant  
11 including, if the applicant is a partnership, limited liability company, association, or  
12 corporation, the members or officers and directors, respectively, of the applicant. If  
13 the division finds that the character, general fitness, and financial responsibility of  
14 the applicant, including its members or officers and directors if the applicant is a  
15 partnership, limited liability company, association, or corporation, warrant the  
16 belief that the business will be operated in compliance with this subchapter, the  
17 division shall issue to the applicant a certificate of registration as a mortgage banker  
18 or mortgage broker license. A mortgage banker or mortgage broker license is not  
19 assignable or transferable.

20 \*~~1896/1.72~~\* SECTION 562. 224.72 (7) (title) of the statutes is repealed and  
21 recreated to read:

22 224.72 (7) (title) LICENSE RENEWAL.

23 \*~~1896/1.73~~\* SECTION 563. 224.72 (7) (a) of the statutes is renumbered 224.72  
24 (7) (am) and amended to read:

1           224.72 (7) (am) A ~~loan originator~~, mortgage broker or mortgage banker shall  
2           may apply to renew a certificate of registration license issued under this section by  
3           timely submitting to, on forms and in the manner prescribed by the division, a  
4           completed renewal application and the all required renewal fee specified in rules  
5           promulgated under sub. (8) on or before the renewal date specified in rules  
6           promulgated under sub. (8) fees. The division may not renew a license issued under  
7           this section unless the division finds that the mortgage broker or mortgage banker  
8           continues to meet the minimum standards for license issuance under this section.

9           \***-1896/1.74\*** SECTION 564. 224.72 (7) (b) of the statutes is repealed.

10          \***-1896/1.75\*** SECTION 565. 224.72 (7) (bm) of the statutes is created to read:

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

15          \***-1896/1.76\*** SECTION 566. 224.72 (7) (c), (d) and (e) of the statutes are  
16          repealed.

17          \***-1896/1.77\*** SECTION 567. 224.72 (7m) (intro.) of the statutes is amended to  
18          read:

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

22          \***-1896/1.78\*** SECTION 568. 224.72 (7m) (am) of the statutes is repealed.

23          \***-1896/1.79\*** SECTION 569. 224.72 (7m) (b) of the statutes is amended to read:

24          224.72 (7m) (b) The department of revenue has certified under s. 73.0301 that  
25          the applicant is liable for delinquent taxes. An applicant whose application for

1 issuance or renewal of a ~~certificate of registration~~ license is denied under this  
2 paragraph for delinquent taxes is entitled to a notice under s. 73.0301 (2) (b) 1. b. and  
3 hearing under s. 73.0301 (5) (a) but is not entitled to any other notice or hearing  
4 under this section.

5 **\*-1896/1.80\* SECTION 570.** 224.72 (7m) (c) of the statutes is amended to read:

6 224.72 (7m) (c) The applicant for the issuance or renewal is an individual who  
7 fails to comply, after appropriate notice, with a subpoena or warrant issued by the  
8 department of children and families or a county child support agency under s. 59.53  
9 (5) and related to paternity or child support proceedings or who is delinquent in  
10 making court-ordered payments of child or family support, maintenance, birth  
11 expenses, medical expenses or other expenses related to the support of a child or  
12 former spouse, as provided in a memorandum of understanding entered into under  
13 s. 49.857. An applicant whose registration license is not issued or renewed under this  
14 paragraph for delinquent payments is entitled to a notice and hearing under s.  
15 49.857 but is not entitled to any other notice or hearing under this section.

16 **\*-1896/1.81\* SECTION 571.** 224.72 (7p) of the statutes is repealed.

17 **\*-1896/1.82\* SECTION 572.** 224.72 (8) of the statutes is amended to read:

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

21 **\*-1896/1.83\* SECTION 573.** 224.725 of the statutes is created to read:

22 **224.725 Licensing of mortgage loan originators. (1) LICENSE REQUIRED.**

23 Except as provided in s. 224.726, an individual may not engage in the business of a  
24 mortgage loan originator with respect to a residential mortgage loan, or use the title  
25 "mortgage loan originator," advertise, or otherwise portray himself or herself as a

1 mortgage loan originator in this state, unless the individual has been issued by the  
2 division, and thereafter maintains, a license under this section. Each licensed  
3 mortgage loan originator shall register with, and maintain a valid unique identifier  
4 issued by, the nationwide mortgage licensing system and registry.

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

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

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

18 b. The division may disclose the social security number to the department of  
19 children and families in accordance with a memorandum of understanding under s.  
20 49.857.

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

1 or renewed in reliance upon a false statement submitted by an applicant under this  
2 subdivision is invalid.

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

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

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

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

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

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

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

1 (c) The applicant has demonstrated financial responsibility, character, and  
2 general fitness such as to command the confidence of the community and to warrant  
3 a determination that the mortgage loan originator will operate honestly, fairly, and  
4 efficiently within the purposes of this subchapter. For purposes of this paragraph,  
5 an individual has shown that he or she is not financially responsible if he or she has  
6 shown a disregard in the management of his or her own financial condition, including  
7 having current outstanding judgments other than those resulting from medical  
8 expenses, having current outstanding tax liens or other government liens and  
9 filings, or having, within the past 3 years, foreclosures or any pattern of seriously  
10 delinquent accounts.

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

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

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

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

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

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

1 (d) When an action is commenced on a mortgage loan originator's surety bond,  
2 the division may require the filing of a new surety bond. If an action results in  
3 recovery on a mortgage loan originator's surety bond, the mortgage loan originator  
4 shall immediately file a new surety bond.

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

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

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

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

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

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

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

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

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

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

15 \*-1896/1.84\* SECTION 574. 224.726 of the statutes is created to read:

16 **224.726 Persons exempt from mortgage loan originator provisions.**

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

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

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

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

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

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

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

12           \*-1896/1.85\* SECTION 575. 224.728 of the statutes is created to read:

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

1           (b) The division may provide to the nationwide mortgage licensing system and  
2 registry any information relating to an applicant for initial issuance or renewal of a  
3 mortgage loan originator license that the division and the nationwide mortgage  
4 licensing system and registry determine to be relevant to the application or to any  
5 mortgage loan originator responsibility administered or conducted through the  
6 nationwide mortgage licensing system and registry.

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

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

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

24           **(4) CONFIDENTIAL INFORMATION.** (a) If any information or material is considered  
25 confidential or privileged under federal or state law before it is provided or disclosed

1 to the nationwide mortgage licensing system and registry, it shall continue to be  
2 confidential or privileged after it is provided or disclosed to, and while maintained  
3 by, the nationwide mortgage licensing system and registry, except to the extent  
4 federal or state law expressly provides otherwise and except as provided in par. (c).  
5 Confidential or privileged information or material under this paragraph is not  
6 subject to any of the following:

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

9 2. Subpoena or discovery, or admission into evidence, in any private civil action  
10 or administrative proceeding, unless the person to whom the information or material  
11 pertains waives any right or protection of confidentiality or privilege in the  
12 information or material.

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

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

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

1           **\*-1896/1.86\* SECTION 576.** 224.73 (title) of the statutes is amended to read:

2           **224.73 (title) Relationship between mortgage loan originator and**  
3 **either a mortgage banker or a mortgage broker.**

4           **\*-1896/1.87\* SECTION 577.** 224.73 (1) of the statutes is amended to read:

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

11           **\*-1896/1.88\* SECTION 578.** 224.73 (2) (title) of the statutes is amended to read:

12           **224.73 (2) (title) RESTRICTION ON MORTGAGE LOAN ORIGINATOR.**

13           **\*-1896/1.89\* SECTION 579.** 224.73 (2) of the statutes is renumbered 224.73 (2)

14 (a) and amended to read:

15           **224.73 (2) (a)** If the division suspends or revokes a mortgage banker's or ~~a~~  
16 ~~mortgage broker's certificate of registration~~ license, a mortgage loan originator may  
17 not act on behalf of that mortgage banker or mortgage broker during the period of  
18 suspension or revocation.

19           **\*-1896/1.90\* SECTION 580.** 224.73 (2) (b) of the statutes is created to read:

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

25           **\*-1896/1.91\* SECTION 581.** 224.73 (3) (title) of the statutes is amended to read:

1           224.73 (3) (title) TRANSFER BY MORTGAGE LOAN ORIGINATOR.

2           \***-1896/1.92\*** SECTION 582. 224.73 (3) of the statutes is renumbered 224.73 (3)  
3 (a) and amended to read:

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

9           \***-1896/1.93\*** SECTION 583. 224.73 (3) (b) of the statutes is created to read:

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

14           \***-1896/1.94\*** SECTION 584. 224.73 (4) (title) of the statutes is amended to read:

15           224.73 (4) (title) ~~SIGNATURE BY~~ MORTGAGE LOAN ORIGINATOR SIGNATURES AND  
16 UNIQUE IDENTIFIERS.

17           \***-1896/1.95\*** SECTION 585. 224.73 (4) of the statutes is renumbered 224.73 (4)  
18 (a) and amended to read:

19           224.73 (4) (a) Every residential mortgage loan application shall be signed by  
20 a registered licensed mortgage loan originator or by a mortgage loan originator  
21 exempt from licensing under s. 224.726 (1).

22           \***-1896/1.96\*** SECTION 586. 224.73 (4) (b) of the statutes is created to read:

23           224.73 (4) (b) Any person originating a residential mortgage loan shall clearly  
24 place the person's unique identifier on all residential mortgage loan application

1 forms, solicitations, and advertisements, including business cards or Web sites, and  
2 on all other documents specified by rule of the division.

3 \*-1896/1.97\* SECTION 587. 224.74 (title) of the statutes is amended to read:

4 224.74 (title) **Division's review of the operations of a mortgage loan**  
5 **originator, mortgage broker, or mortgage banker.**

6 \*-1896/1.98\* SECTION 588. 224.74 (1) of the statutes is amended to read:

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

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

24 (c) *Audits requested by the division.* The division may request that a mortgage  
25 banker or mortgage broker obtain an audit of the mortgage banker's or mortgage

1 broker's operations if the division has reason to believe that the mortgage banker or  
2 mortgage broker may not have sufficient financial resources to meet its obligations  
3 to its clients or investors or to other persons directly affected by the activities  
4 conducted by the mortgage banker or mortgage broker under the ~~certificate of~~  
5 ~~registration granted~~ license issued by the division. If the division requests an audit  
6 under this paragraph, the mortgage banker or mortgage broker shall have the audit  
7 completed no later than 90 days after the date of the division's request. The mortgage  
8 banker or mortgage broker shall submit the audit report to the division no later than  
9 5 days after the date on which the audit is completed. An audit under this paragraph  
10 shall be conducted by an independent certified public accountant in accordance with  
11 generally accepted auditing standards. The financial statements in the audit report  
12 shall be prepared in accordance with generally accepted accounting principles.

13 \*~~1896/1.99~~\* SECTION 589. 224.74 (2) (title) of the statutes is amended to read:  
14 224.74 (2) (title) EXAMINATION AND INVESTIGATION.

15 \*~~1896/1.100~~\* SECTION 590. 224.74 (2) (a) (title) of the statutes is repealed.

16 \*~~1896/1.101~~\* SECTION 591. 224.74 (2) (a) of the statutes is renumbered 224.74  
17 (2) (ag) (intro.) and amended to read:

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

23 1. Examining, accessing, receiving, or using any books of account, accounts,  
24 records, files, documents, or other information relating to the condition and or affairs  
25 of a mortgage banker, mortgage loan originator, or mortgage broker registered under

1 ~~this subchapter. The division shall prepare a report of each examination conducted~~  
2 ~~under this section. As part of the examination or preparation of the report, the~~  
3 ~~division may examine.~~

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

15 **\*-1896/1.102\* SECTION 592.** 224.74 (2) (ag) 3. and 4. of the statutes are created  
16 to read:

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

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

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

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

5 **\*-1896/1.103\* SECTION 593.** 224.74 (2) (ar) of the statutes is created to read:

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

18 **\*-1896/1.104\* SECTION 594.** 224.74 (2) (b) of the statutes is amended to read:

19 224.74 (2) (b) ~~Confidentiality. Examination~~ The division shall prepare a report  
20 for each investigation or examination conducted under this subsection. These  
21 reports, and correspondence regarding the these reports, are confidential, except  
22 that the division may release examination these reports and correspondence in  
23 connection with a disciplinary proceeding conducted by the division, a liquidation  
24 proceeding, or a criminal investigation or proceeding. In addition, any information  
25 from these reports or correspondence may be provided to the nationwide mortgage

1 licensing system and registry and is not confidential to the extent specified in s.  
2 224.728 (4) (b) and (c).

3 **\*-1896/1.105\* SECTION 595.** 224.74 (2) (c) of the statutes is created to read:

4 224.74 (2) (c) The division may require a mortgage banker, mortgage loan  
5 originator, or mortgage broker who is investigated or examined under this subsection  
6 to pay to the division a reasonable fee for the costs of conducting the investigation  
7 or examination. A mortgage banker, mortgage loan originator, or mortgage broker  
8 shall pay these costs to the division within 30 days after the division demands  
9 payment of these costs.

10 **\*-1896/1.106\* SECTION 596.** 224.74 (3) of the statutes is created to read:

11 224.74 (3) ADDITIONAL DIVISION AUTHORITY. To carry out the purposes of this  
12 section, the division may do any of the following:

13 (a) Retain attorneys, accountants, and other professionals and specialists as  
14 examiners, auditors, or investigators to conduct or assist in the conduct of  
15 investigations or examinations.

16 (b) Enter into agreements or relationships with other government officials or  
17 regulatory associations to improve efficiencies and reduce regulatory burden by  
18 sharing resources, standardized or uniform methods or procedures, and documents,  
19 records, or information obtained under this section.

20 (c) Use, hire, contract, or employ public or privately available analytical  
21 systems, methods, or software to examine or investigate any licensee or other person  
22 subject to investigation or examination.

23 (d) Accept and rely on investigation or examination reports made by other  
24 government officials, in this state or elsewhere.

1 (e) Accept audit reports made by an independent certified public accountant for  
2 the licensee or another person relevant to the investigation or examination and  
3 incorporate any such audit report into any report of the division.

4 **\*-1896/1.107\* SECTION 597.** 224.75 (title) of the statutes is amended to read:

5 **224.75 (title) Record-keeping requirements for ~~mortgage bankers and~~**  
6 **~~mortgage brokers licensees.~~**

7 **\*-1896/1.108\* SECTION 598.** 224.75 (1) (a) of the statutes is amended to read:

8 224.75 (1) (a) *Fee record system.* A mortgage banker or mortgage broker shall  
9 establish and maintain a record system which shows all fees which a mortgage  
10 banker or mortgage broker charged a residential mortgage loan applicant or a  
11 mortgagor in connection with a residential mortgage loan. The record shall show the  
12 application or disposition of those fees.

13 **\*-1896/1.109\* SECTION 599.** 224.75 (1) (b) (intro.) of the statutes is amended  
14 to read:

15 224.75 (1) (b) *Loan application record system.* (intro.) A mortgage banker or  
16 mortgage broker shall establish and maintain a record system containing all of the  
17 following information for each residential mortgage loan application:

18 **\*-1896/1.110\* SECTION 600.** 224.75 (1) (b) 6. and 7. of the statutes are created  
19 to read:

20 224.75 (1) (b) 6. The name of the mortgage loan originator.

21 7. The loan amount.

22 **\*-1896/1.111\* SECTION 601.** 224.75 (1) (c) (intro.) of the statutes is amended  
23 to read:

24 224.75 (1) (c) *Loan application documents.* (intro.) A mortgage banker or  
25 mortgage broker shall maintain for each residential mortgage loan application all of

1 the following documents, if used by the mortgage banker or mortgage broker in  
2 connection with the residential mortgage loan application file:

3 **\*-1896/1.114\* SECTION 602.** 224.75 (1) (d) of the statutes is renumbered 224.75  
4 (1) (d) (intro.) and amended to read:

5 224.75 (1) (d) *Loan servicing records and documents.* (intro.) A mortgage  
6 banker shall maintain for each residential mortgage loan serviced by the mortgage  
7 banker a copy of or a record of all of the following:

8 1. All correspondence relating to the loan.

9 **\*-1896/1.115\* SECTION 603.** 224.75 (1) (d) 2., 3., 4. and 5. of the statutes are  
10 created to read:

11 224.75 (1) (d) 2. All payments received from the borrower.

12 3. All charges assessed to the borrower's account.

13 4. All payments made by the mortgage banker on behalf of the borrower.

14 5. The unpaid balance on the borrower's account.

15 **\*-1896/1.116\* SECTION 604.** 224.75 (2) of the statutes is amended to read:

16 224.75 (2) PERIOD OF RECORD RETENTION. A mortgage banker or mortgage broker  
17 shall keep for at least ~~25~~ 36 months, in an office of the mortgage banker or mortgage  
18 broker licensed under this subchapter, all books and records that, in the opinion of  
19 the division, will enable the division to determine whether the mortgage banker or  
20 mortgage broker is in compliance with the provisions of this subchapter. These books  
21 and records include copies of all deposit receipts, canceled checks, trust account  
22 records, the records which a mortgage banker or mortgage broker maintains under  
23 sub. (1) (c) or (d), and other relevant documents or correspondence received or  
24 prepared by the mortgage banker or mortgage broker in connection with a  
25 residential mortgage loan or residential mortgage loan application. The retention