



## 2009 SENATE BILL 339

October 8, 2009 – Introduced by Senators PLALE, TAYLOR, LEHMAN and HANSEN, cosponsored by Representatives ZEPNICK, YOUNG, SOLETSKI, JORGENSEN, WOOD, FIELDS, A. WILLIAMS, RICHARDS, DEXTER, PETROWSKI, MASON, COLON, CLARK, SINICKI and HRAYCHUCK. Referred to Committee on Labor, Elections and Urban Affairs.

1     **AN ACT to repeal** 458.02; **to renumber** 458.055; **to renumber and amend**  
2           458.01 (3) and 458.09 (1); **to amend** 15.405 (10r) (a) 2., 458.03 (1) (f), 458.095  
3           (title), 458.16 (1), 458.16 (2) and 458.21; and **to create** 458.01 (3) (a), 458.01  
4           (5m), 458.055 (2m) and 458.19 (4) of the statutes; **relating to:** certification and  
5           licensure of real estate appraisers and requirements for appraisal reports and  
6           granting rule-making authority.

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### *Analysis by the Legislative Reference Bureau*

This bill makes changes to the licensure and certification of real estate appraisers and the requirements for appraisal reports.

#### ***Licensure and certification***

Under current law, the Department of Regulation and Licensing (DRL) issues licenses and certificates to real estate appraisers. To obtain a license or certificate, a person must satisfy specified requirements, including education, experience, and examination requirements established in rules promulgated by DRL. Current law prohibits a person who is not licensed or certified from using a title indicating that he or she is “Wisconsin licensed,” “Wisconsin certified,” or something similar. In addition, current law prohibits a person who is not licensed or certified from describing or referring to an appraisal of real estate in this state as “Wisconsin certified,” “Wisconsin licensed,” or something similar. However, current law allows

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a person who is not licensed or certified to appraise real estate or cosign an appraisal report, if the person does not violate the prohibitions described above.

This bill prohibits a person, for compensation, from performing a real estate appraisal or preparing or cosigning a real estate appraisal report, unless he or she is licensed or certified as a real estate appraiser by DRL. In addition, under the bill, a person who is not licensed or certified may not, for compensation, engage in the business or occupation of, or hold himself or herself out as, a real estate appraiser. As a result, a person who is not licensed or certified may not, for compensation, appraise real estate or cosign an appraisal report, even if he or she does not violate the current prohibitions. The bill does not affect the requirements that a person must satisfy to be licensed or certified.

There are three exceptions to the prohibitions created in the bill. First, a person licensed by DRL under current law as a real estate salesperson or broker may prepare a broker market analysis without being licensed as a real estate appraiser under the bill. Under the bill, a “broker market analysis” is an analysis used solely to establish a listing price or purchase price for a property. Second, the bill does not apply to an “assessor,” defined as a person who assesses real estate for property tax purposes for a town, village, city, or county or the Department of Revenue (DOR). Under current law, which this bill does not affect, assessors are regulated by DOR. Third, the bill’s prohibitions do not apply to an individual who is supervised by a licensed or certified appraiser, under rules to be promulgated by DRL.

In addition, the bill requires each certified or licensed appraiser to pay to DRL the annual registry fee that is required by the Federal Financial Institutions Examination Council. Under current law, a certified or licensed appraiser must pay the fee to DRL only if he or she performs, or desires to perform, appraisals in certain transactions overseen by federal agencies.

***Appraisal reports***

Under current law, an appraisal report prepared by a real estate appraiser must comply with certain requirements, including stating whether the appraiser has conducted an on-site inspection of the real estate or buildings or dwellings on the real estate.

This bill requires an appraisal report that pertains to residential real estate or vacant land also to include information about conveyances of the real estate or land within three years preceding the appraisal, including the sales prices or values of ownership interests transferred, the identities of the grantors and grantees, and the numbers assigned by the register of deeds for recording the conveyances.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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***The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:***

1           **SECTION 1.** 15.405 (10r) (a) 2. of the statutes is amended to read:

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1           15.405 **(10r)** (a) 2. One assessor, as defined in s. ~~458.09(1)~~ 458.01 (4m).

2           **SECTION 2.** 458.01 (3) of the statutes is renumbered 458.01 (3) (intro.) and  
3 amended to read:

4           458.01 **(3)** (intro.) “Appraisal report” means a written communication of an  
5 appraisal, but does not include any of the following:

6           (b) A broker market analysis.

7           **SECTION 3.** 458.01 (3) (a) of the statutes is created to read:

8           458.01 **(3)** (a) A report used to determine value for an assessment prepared by  
9 an assessor under s. 70.32.

10          **SECTION 4.** 458.01 (5m) of the statutes is created to read:

11          458.01 **(5m)** “Broker market analysis” means an analysis made by a broker or  
12 salesperson licensed under ch. 452 within the scope of the broker’s or salesperson’s  
13 licensure that is used solely to establish a listing price or to set a purchase price for  
14 a property.

15          **SECTION 5.** 458.02 of the statutes is repealed.

16          **SECTION 6.** 458.03 (1) (f) of the statutes is amended to read:

17          458.03 **(1)** (f) Promulgate rules specifying the manner in which certified  
18 appraisers and licensed appraisers shall place their titles, as described in s. 458.055  
19 (1m) (a) and (c), and certificate numbers on appraisal reports and written appraisal  
20 agreements.

21          **SECTION 7.** 458.055 of the statutes is renumbered 458.055 (1m).

22          **SECTION 8.** 458.055 (2m) of the statutes is created to read:

23          458.055 **(2m)** (a) Except as provided in par. (b), no person may, for a fee, money,  
24 or other thing of value, perform an appraisal, prepare or cosign an appraisal report,  
25 or engage in the business or occupation of, or advertise or hold himself or herself out

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1 as, or act temporarily or otherwise as an appraiser unless the person is a certified  
2 appraiser or licensed appraiser.

3 (b) Paragraph (a) does not apply to any of the following:

4 1. An assessor.

5 2. An individual who is supervised by a licensed or certified appraiser pursuant  
6 to rules promulgated by the department.

7 3. A broker or salesperson who is licensed under ch. 452 and who is performing  
8 a broker market analysis.

9 **SECTION 9.** 458.09 (1) of the statutes is renumbered 458.01 (4m) and amended  
10 to read:

11 458.01 (4m) ~~In this section, “assessor”~~ “Assessor” means an individual who  
12 assesses or has assessed the value of real estate for property tax purposes for a town,  
13 village, city, or county or the department of revenue.

14 **SECTION 10.** 458.095 (title) of the statutes is amended to read:

15 **458.095 (title) Temporary practice and use of titles; appraisers**  
16 **certified or licensed in other states.**

17 **SECTION 11.** 458.16 (1) of the statutes is amended to read:

18 458.16 (1) Each certified appraiser shall place his or her title, as described in  
19 s. 458.055 (1m) (a) and (c), and certificate number on each appraisal report and each  
20 written appraisal agreement used by the certified appraiser in conducting appraisal  
21 activities. The title and certificate number shall be placed in a manner specified by  
22 the department in the rules promulgated under s. 458.03 (1) (f). The title “Wisconsin  
23 certified residential appraiser” or “WI certified residential appraiser” may be used  
24 only on an appraisal report or written appraisal agreement pertaining to commercial

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1 real estate having a transaction value of not more than \$250,000 or to residential real  
2 estate.

3 **SECTION 12.** 458.16 (2) of the statutes is amended to read:

4 458.16 (2) Each licensed appraiser shall place his or her title, as described in  
5 s. 458.055 (1m) (a) and (c), and certificate number on each appraisal report and each  
6 written appraisal agreement used by the licensed appraiser in conducting appraisal  
7 activities. The title and certificate number shall be placed in a manner specified by  
8 the department in the rules promulgated under s. 458.03 (1) (f). The title “Wisconsin  
9 licensed appraiser” or “WI licensed appraiser” may be used only on an appraisal  
10 report or written appraisal agreement pertaining to real estate described in the rules  
11 promulgated under s. 458.03 (1) (e).

12 **SECTION 13.** 458.19 (4) of the statutes is created to read:

13 458.19 (4) If the appraisal report pertains to residential real estate or vacant  
14 land, the full sales price, or the value of the ownership interest transferred, as  
15 specified on a return submitted under s. 77.22 (1), for any conveyance of the real  
16 estate or land that was recorded by the register of deeds of the county in which the  
17 real estate or land is located within the 3 years preceding the date of the appraisal  
18 report; the identities of the grantor and grantee as specified in the return; and any  
19 number that the register of deeds assigned to the conveyance related to the recording  
20 of the conveyance. In this subsection, “conveyance” has the meaning given s. 77.21  
21 (1).

22 **SECTION 14.** 458.21 of the statutes is amended to read:

23 **458.21 Appraisals in federally related transactions; annual Annual**  
24 **registry fee required.** Each certified appraiser or licensed appraiser who,  
25 regardless of whether he or she performs or desires to perform an appraisal in a

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1 federally related transaction, shall pay to the department the annual registry fee  
2 required by the federal financial institutions examination council or its successor  
3 agency.

4 **SECTION 15. Initial applicability.**

5 (1) APPRAISAL REPORTS. The treatment of section 458.19 (4) of the statutes first  
6 applies to appraisal reports prepared on the effective date of this subsection.

7 **SECTION 16. Effective date.**

8 (1) This act takes effect on the 30th day after the day of publication.

9 (END)