

2011 DRAFTING REQUEST

Bill

Received: 10/13/2011

Received By: **mgallagh**

Wanted: **As time permits**

Companion to LRB:

For: **Dale Schultz (608) 266-0703**

By/Representing: **Sanchit**

May Contact:

Drafter: **mgallagh**

Subject: **Occupational Reg. - prof lic**

Addl. Drafters:

Extra Copies:

Submit via email: **YES**

Requester's email: **Sen.Schultz@legis.wisconsin.gov**

Carbon copy (CC:) to: **michael.gallagher@legis.wisconsin.gov**

Pre Topic:

No specific pre topic given

Topic:

Training requirements for real estate broker license

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	mgallagh 12/07/2011	mduchek 12/08/2011		_____			
/P1	mgallagh 01/20/2012	mduchek 01/30/2012	rschluet 12/08/2011	_____	lparisi 12/08/2011		
/1	mgallagh 02/01/2012	mduchek 02/01/2012	rschluet 01/30/2012	_____	lparisi 01/30/2012		
/2	mgallagh 02/08/2012	mduchek 02/08/2012	phenry 02/01/2012	_____	sbasford 02/01/2012		

Vers. Drafted Reviewed Typed Proofed Submitted Jacketed Required

/3

rschluet _____
02/08/2012 _____

sbasford _____
02/08/2012 _____

lparisi _____
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↪ Not
Needed

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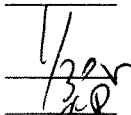
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1/30/12

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/?	mgallagh			_____	_____		

FE Sent For:

<END>

Gallagher, Michael

From: Mulmuley, Sanchit
Sent: Friday, October 07, 2011 1:32 PM
To: Gallagher, Michael
Subject: Draft for Sen. Schultz re; Real Estate Broker license

Attachments: Memo for draft.docx

Michael,

As per our conversation, I am attaching the memo regarding the draft Sen. Schultz wants.



Memo for
draft.docx (47 KB)

Thanks,

Sanchit Mulmuley
Office of State Senator Dale Schultz
(608) 266-0703
sanchit.mulmuley@legis.wi.gov



MODIFICATION TO WISCONSIN REAL ESTATE BROKER LICENSE REQUIREMENTS

OBJECTIVE

Require 2 years of documented real estate experience as a real estate salesperson within the last 4 years preceding application as a Wisconsin real estate broker.

BACKGROUND

Currently, to obtain a Wisconsin Real Estate Broker license an applicant must: complete the Wisconsin salesperson license requirements (72 hours of pre-license education and passing score on the license exam) and the broker license requirements effective January 1, 2012 (72 hours of pre-license education and a passing score on the license exam). A broker is not required to hold a salesperson license for any amount of time prior to application.

CONCERN

With the increasing complexity of today's real estate transaction including foreclosures, short sales, bank-owned properties; hands-on experience is imperative for a real estate broker. Considering an individual could receive a broker's license open up a real estate office, and have agents work for them without ever participating in a real estate transaction raises concerns; e.g.:

- 1) Broker supervision of agents without previous involvement in a real estate transaction;
- 2) Consumer representation by agents without the supervision of an experienced licensee;
- 3) Broker representation of consumers without any experience in a real estate transaction;
- 4) Lack of experienced broker supervision may expose employees and agents to liability;
- 5) Incompetent consumer representation exposing the consumer to litigation.

PROPOSAL

Require a Wisconsin broker applicant to show documented transactional experience as an active real estate salesperson for 2 years within the last 4 years preceding application. This change will protect the broker, the employees of the company and, most importantly, the public.

The experience requirement will require a change to Wisconsin Statute § 452.09. The Real Estate Examining Board (REEB) will be responsible for creating the parameters for proving the transactional experience and any administrative code changes required by the modification.

Under this proposal, any Wisconsin broker license applicant, including those in the affiliated businesses (e.g. CPAs, mortgage loan officers, title, appraisal), will be able to make a request to the REEB to waive the transactional experience or to consider related experience. In addition, applicants licensed to practice law in Wisconsin will be able to achieve transactional experience by providing evidence for real estate-related work. The two-year experience requirement shall be waived for broker applicants that have held a broker license in another state for more than two years and those applicants may apply up to a specified amount (REEB established) of completed transactions from their state for the transactional requirements.

Recommended modifications to Wisconsin Statute § 452.09

452.09 (3) (d) of the statute is amended to read:

Except as provided in a reciprocal agreement under s. 452.05 (3), the board may not grant a broker's license to an applicant who does not meet the requirements under s. 452.09. ~~hold a salesperson's license unless the applicant passes the salesperson's examination and the broker's examination.~~

452.09 (4) of the statute is created to read:

(4) EXPERIENCE REQUIREMENTS FOR APPLICANTS FOR BROKER'S LICENSE. Each applicant for an original broker's license shall submit to the board proof of at least two years of experience as an active salesperson under the direct supervision of a licensed broker within the last four years preceding the date of application. This requirement may not be satisfied by completion of an apprenticeship under sub. (5). The board may promulgate rules defining the type and scope of experience required under this paragraph.

- (a) Each applicant licensed to practice law in this state may submit either real estate related experience or experience as a salesperson to the board to satisfy the requirements of this paragraph.



MODIFICATION TO WISCONSIN REAL ESTATE BROKER LICENSE REQUIREMENTS

(b) Except as provided in a reciprocal agreement under s. 452.05 (3), the board may waive the two year requirement for out of state applicants upon proof that the applicant has been a licensed real estate broker for at least two years within the last four years preceding the date of application.

(c) The board may waive the experience requirement under this paragraph upon written request and proof by the applicant.

Proposed effective date July 1, 2012.



Soon In: 12/7 Thanks

State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-3199

MPG:.....

med

(P1)

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

and granting rule-making
authority

Gen

1 AN ACT ^{Gen} relating to: experience requirements for real estate brokers

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.

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

2 SECTION 1. 452.09 (3) (d) of the statutes, as affected by 2011 Wisconsin Act 32,
3 is amended to read:

4 452.09 (3) (d) Except as provided under s. 452.12 (2) or in a reciprocal
5 agreement under s. 452.05 (3), the board may not grant a broker's license to an
6 applicant who does not meet the requirements under this section ~~hold a salesperson's~~
7 ~~license unless the applicant passes the salesperson's examination and the broker's~~
8 ~~examination.~~

History: 1981 c. 94, 391; 1983 a. 273; 1985 a. 305; 1989 a. 341; 1995 a. 400; 1997 a. 27; 2003 a. 168; 2009 a. 110; 2011 a. 32.

9 SECTION 2. 452.09 (4) of the statutes is created to read:

Gallagher, Michael

From: Mulmuley, Sanchit
Sent: Tuesday, January 10, 2012 11:16 AM
To: Gallagher, Michael
Subject: Drafting Revisions to LRB 3199/P1

1/19 Per Sanchit: 2 years do not have to be consecutive.

REVISIONS:

- The proposal requires a Wisconsin broker applicant to show documented transactional experience as an active real estate salesperson for 2 years within the last 4 years preceding application. However, the draft language appears to create confusion as to interpretation and would recommend one change as noted below. Board is a defined term in s. 452.01(1s) and should be capitalized.

Section 2 line 5: 452.09(4)

Proposed change:

452.09 (4) EXPERIENCE REQUIREMENTS FOR BROKER'S LICENSE APPLICANTS. (a) An applicant for a broker's license who is an individual shall submit to the ~~b~~Board evidence satisfactory to the ~~b~~Board that the applicant has practiced as a salesperson under the direct supervision of a licensed broker for at least 2 years within the last 4 years preceding the date of the applicant's application for a broker's license, excluding any time the applicant spent in an apprenticeship under sub. (5).

- Applicants who practice law in the state of Wisconsin should be permitted to submit either real estate related work or experience as a salesperson to fulfill the experience requirement, however, the draft language "practice real estate law" is a vague term. In addition the same modification should be made as to the two and four years for the reason stated above. Board is a defined term in s. 452.01(1s).

Section 2 line 10-11: 452.09(4) (b)

Proposed change:

(b) An applicant who is licensed to practice law in this state may satisfy the requirement under par. (a) by submitting to the ~~b~~Board evidence satisfactory to the ~~b~~Board of real estate related experience that the applicant has or has practiced as a salesperson ~~practiced real estate law~~ for at least 2 years within the last 4 years preceding the date of the applicant's application for a broker's license.

1/19 Per Sanchit, Just real estate related experience.

- To ensure that the out of state applicant holds a license in their state the term "licensed" should be used rather than "practice"; as "practiced as a broker" is too broad. In addition, the same modification should be made as to the two and four years for the reason stated above. Board is a defined term in s. 452.01(1s).

Section 2 lines 15-16: 452.09(4) (c)

Proposed change:

(c) Except as provided in a reciprocal agreement under s. 452.05 (3), an applicant for a broker's license who is a nonresident may satisfy the requirement under par. (a) by submitting to the ~~b~~Board evidence satisfactory to the ~~b~~Board that the applicant has practiced is a licensed ~~as a broker~~ under the laws of another state for at least 2 years within the last 4 years preceding the date of the applicant's application for a broker's license.

- The Board should have the authority to waive the requirement for all applicants, not just under sub (a). Board is a defined term in s. 452.01(1s).

Section 2 line 18: 452.09(4) (d)

Proposed change:

(d) The ~~b~~Board may waive the requirement under s. 452.09 ~~par. (a)~~ for any applicant based on standards established by the board by rule.

- The statute should provide the Board with the authority to create Rules relating to s. 452.09 (4).

Section 2 add sub (e):

Proposed Change:

The Board may promulgate rules defining the type and scope of experience required under this paragraph.

- It is the objective this act will coincide with the Board rule modification, Wis. Admin. Code REEB 25.02(2) of July 1, 2012. Therefore the language should reflect as such.

Section 3 lines 21-22:

Proposed change:

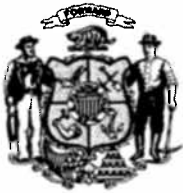
SECTION 3. Initial applicability.

(1) This act first applies to an application for a real estate broker's license submitted to the Real Estate Examining Board on the effective date of July 1, 2012 of this subsection.

Thanks,

Sanchit Mulmuley
Office of State Senator Dale Schultz
(608) 266-0703
sanchit.mulmuley@legis.wi.gov

Delayed effective date



In: 1/20 SOON. TRAKS.

State of Wisconsin
2011 - 2012 LEGISLATURE



LRB-3199/PT
MPG:med:rs

Stays

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

SA

1 AN ACT to amend 452.09 (3) (d); and to create 452.09 (4) of the statutes;
2 relating to: experience requirements for real estate brokers and granting
3 rule-making authority.

Analysis by the Legislative Reference Bureau

~~This is a preliminary draft. An analysis will be provided in a subsequent version of this draft.~~

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

4 SECTION 1. 452.09 (3) (d) of the statutes, as affected by 2011 Wisconsin Act 32,
5 is amended to read:

6 452.09 (3) (d) Except as provided under s. 452.12 (2) or in a reciprocal
7 agreement under s. 452.05 (3), the board may not grant a broker's license to an
8 applicant who does not meet the requirements under this section hold a salesperson's
9 license unless the applicant passes the salesperson's examination and the broker's
10 examination.

Insert A

1 SECTION 2. 452.09 (4) of the statutes is created to read:

2 452.09 (4) EXPERIENCE REQUIREMENTS FOR BROKER'S LICENSE APPLICANTS. (a) An
3 applicant for a broker's license who is an individual shall submit to the board
4 evidence satisfactory to the board that the applicant has practiced as a salesperson
5 under the direct supervision of a licensed broker for at least 2 years within the 4 years
6 preceding the date of the applicant's application for a broker's license, excluding any
7 time the applicant spent in an apprenticeship under sub. (5).

****NOTE: Is it your intent that the two years be consecutive?

8 (b) An applicant who is licensed to practice law in this state may satisfy the
9 requirement under par. (a) by submitting to the board evidence satisfactory to the
10 board that the applicant has practiced real estate law for at least 2 years within the
11 4 years preceding the date of the applicant's application for a broker's license.

12 (c) Except as provided in a reciprocal agreement under s. 452.05 (3), an
13 applicant for a broker's license who is a nonresident may satisfy the requirement
14 under par. (a) by submitting to the board evidence satisfactory to the board that the
15 applicant has practiced as a broker under the laws of another state for at least 2 years
16 within the 4 years preceding the date of the applicant's application for a broker's
17 license.

18 (d) The board may waive the requirement under par. (a) for any applicant based
19 on standards established by the board by rule.

20 SECTION 3. Initial applicability.

21 (1) This act first applies to an application for a real estate broker's license
22 submitted to the real estate examining board on the effective date of this subsection.

23 Insert 2-22

(END)

has been a licensed
and the board may promulgate other rules, including
rules that establish standards concerning an
applicant's practice or experience related to real estate

2011-2012 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3199/lins
MPG:med:rs

1 INSERT A

* Under current law, the real estate ^{examining} board (board) issues licenses for real estate brokers and real estate salespersons. Generally, the board may not grant a broker's license to an applicant who does not already hold a salesperson's license or who has not passed the examination for licensure as a salesperson in addition to passing the broker's examination.

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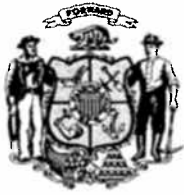
2 INSERT A

3 INSERT 2-22

4 SECTION ~~##~~ Effective date.

5 ~~##~~ This act takes effect on July 1, 2012.

6 END INSERT 2-22



stays

2011 BILL

SA-

Regen

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This bill eliminates the requirement that an applicant for a broker's license must either have a salesperson's license or pass the examination for licensure as a salesperson. Instead, the bill establishes a requirement that an applicant for a broker's license must submit evidence satisfactory to the board that the applicant has practiced as a salesperson under the direct supervision of a licensed broker for at least two years within the last four years preceding the date of the applicant's application for the broker's license. Any time spent as an apprentice may not be applied to satisfy that requirement. If the applicant is an attorney licensed to practice law in Wisconsin, the applicant may satisfy that requirement by demonstrating to the board's satisfaction that the applicant has real estate-related experience. If the applicant is a nonresident, the applicant may satisfy that requirement by demonstrating to the board's satisfaction that the applicant has been

BILL

licensed as a real estate broker under the laws of another state for at least two of the last four years preceding the person's application for a broker's license in Wisconsin.

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4 agreement under s. 452.05 (3), the board may not grant a broker's license to an
5 applicant who does not hold a salesperson's license unless the applicant passes the
6 salesperson's examination and the broker's examination meet the requirements
7 under this section.

8 **SECTION 2.** 452.09 (4) of the statutes is created to read:

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10 applicant for a broker's license who is an individual shall submit to the board
11 evidence satisfactory to the board that the applicant has practiced as a salesperson
12 under the direct supervision of a licensed broker for at least 2 years within the last
13 4 years preceding the date of the applicant's application for a broker's license,
14 excluding any time the applicant spent in an apprenticeship under sub. (5).

15 (b) An applicant who is licensed to practice law in this state may satisfy the
16 requirement under par. (a) by submitting to the board evidence satisfactory to the
17 board that the applicant has experience related to real estate.

18 (c) Except as provided in a reciprocal agreement under s. 452.05 (3), an
19 applicant for a broker's license who is a nonresident may satisfy the requirement
20 under par. (a) by submitting to the board evidence satisfactory to the board that the
21 applicant has been a licensed broker under the laws of another state for at least 2

BILL

① years within the ^{last} 4 years preceding the date of the applicant's application for a
2 broker's license.

3 (d) The board may waive any requirement under par. (a), (b), or (c) for any
4 applicant based on standards established by the board by rule, and the board may
5 promulgate other rules, including rules that establish standards concerning an
6 applicant's practice or experience related to real estate.

7 **SECTION 3. Initial applicability.**

8 (1) This act first applies to an application for a real estate broker's license
9 submitted to the real estate examining board on the effective date of this subsection.

10 **SECTION 4. Effective date.**

11 (1) This act takes effect on July 1, 2012.

12 (END)

Gallagher, Michael

From: Mulmuley, Sanchit
Sent: Monday, January 30, 2012 3:16 PM
To: Gallagher, Michael
Subject: LRB-3199/1

Michael,

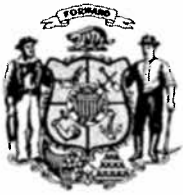
Some quick changes-

Page 2, Line 21: remove the second a - "applicant has been a licensed a broker under the laws of another state for at least 2"

Page 3, Line 1: insert the word last - "years within the last 4 years preceding the date of the applicant's application for a"

Thanks,

Sanchit Mulmuley
Office of State Senator Dale Schultz
(608) 266-0703
sanchit.mulmuley@legis.wi.gov



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BILL

licensed as a real estate broker under the laws of another state for at least two of the last four years preceding the person's application for a broker's license in Wisconsin.

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

1 **SECTION 1.** 452.09 (3) (d) of the statutes, as affected by 2011 Wisconsin Act 32,
2 is amended to read:

3 452.09 (3) (d) Except as provided under s. 452.12 (2) or in a reciprocal
4 agreement under s. 452.05 (3), the board may not grant a broker's license to an
5 applicant who does not ~~hold a salesperson's license unless the applicant passes the~~
6 ~~salesperson's examination and the broker's examination~~ meet the requirements
7 under this section.

8 **SECTION 2.** 452.09 (4) of the statutes is created to read:

9 452.09 (4) EXPERIENCE REQUIREMENTS FOR BROKER'S LICENSE APPLICANTS. (a) An
10 applicant for a broker's license who is an individual shall submit to the board
11 evidence satisfactory to the board that the applicant has practiced as a salesperson
12 under the direct supervision of a licensed broker for at least 2 years within the last
13 4 years preceding the date of the applicant's application for a broker's license,
14 excluding any time the applicant spent in an apprenticeship under sub. (5).

15 (b) An applicant who is licensed to practice law in this state may satisfy the
16 requirement under par. (a) by submitting to the board evidence satisfactory to the
17 board that the applicant has experience related to real estate.

18 (c) Except as provided in a reciprocal agreement under s. 452.05 (3), an
19 applicant for a broker's license who is a nonresident may satisfy the requirement
20 under par. (a) by submitting to the board evidence satisfactory to the board that the
21 applicant has been a licensed broker under the laws of another state for at least 2

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1 years within the last 4 years preceding the date of the applicant's application for a
2 broker's license.

3 (d) The board may waive any requirement under par. (a), (b), or (c) for any
4 applicant based on standards established by the board by rule, and the board may
5 promulgate other rules, including rules that establish standards concerning an
6 applicant's practice or experience related to real estate.

7 **SECTION 3. Initial applicability.**

8 (1) This act first applies to an application for a real estate broker's license
9 submitted to the real estate examining board on the effective date of this subsection.

10 **SECTION 4. Effective date.**

11 (1) This act takes effect on July 1, 2012.

12 (END)

Parisi, Lori

From: Mulmuley, Sanchit
Sent: Wednesday, February 08, 2012 3:30 PM
To: LRB.Legal
Subject: Draft Review: LRB 11-3199/3 Topic: Training requirements for real estate broker license

Please Jacket LRB 11-3199/3 for the SENATE.