

Report From Agency

STATE OF WISCONSIN
DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES

IN THE MATTER OF RULEMAKING : PROPOSED ORDER OF THE
PROCEEDINGS BEFORE THE : DEPARTMENT OF
DEPARTMENT OF SAFETY AND : SAFETY AND PROFESSIONAL
PROFESSIONAL SERVICES : SERVICES
: ADOPTING RULES
: (CLEARINGHOUSE RULE 14-016)

PROPOSED ORDER

An order of the Department of Safety and Professional Services to repeal SPS 80.03 (2), (8a) and (8d), 81.02 (5) (Note), 81.02 (8), 81.02 (5) (Note), 81.05 (intro.), 82.01 (6), 83.01 (3) (e), (3)(g) (Note), 83.01 (4) (c), 83.02 (7), 84.01 (4), 84.03 (1) (b) 1. to 6., 86.01 (2) (Note, 84.04 (1) (b) (intro.) (Note) and 1. to 9., and 86 Appendix I; to renumber SPS 80 (title), , 80.03 (3) to (8), 80.03 (8ag) to (8c), 80.03 (9) to (18), 81 (title), 81.03 (1) to (2) (d), 81.05 (1), 81.05 (2), 81.05 (3), 82 (title), 82.02, 82.03, 82.04, 83 (title), 83.01 (1), 83.01 (1a), 83.01 (2), 84 (title), 84.01 (1) and (3), 84.02, 84.03 (1) (title) (intro) and (a), 84.03 (2) (intro.) (a) to (c), 84.04 (title) and (1) (intro.) and (a), 84.04 (2) and (3); to renumber and amend SPS 80.01, 80.02, 80.03 (intro.), 80.03 (9) to (18), 81.01, 81.02 (intro.) (1) to (7), 81.02 (8) (Note), 81.03 (2) (d) (Note), 81.04, 82.01 (1) to (5), 83.01 (title), 83.01 (3) (intro.) (a) to (d) and (f) and (g), 83.01 (3m), 83.01 (4) (intro.) and (4) (b), 83.01 (4) (c) (Note), 83.02 (title) (intro.) (1) to (6), 84.001, 84.01 (6) to (14), 84.03 (1) (b) (intro.), 84.04 (1) (b) (intro.), 85.01, 85.02; to amend SPS 87.01 (2) and (3), 87.02 (1), (2) (intro.), (b) and (c), 86.01 (1), (4), (9) and (11); to repeal and recreate SPS 85 (title); and to create SPS 85.120 (3) (Note) and (27), 85.230 (1) (c) 3., 85.240, 85.330, 85.410 (title), 85.430, 85.500 (title) 85.510, 85.520 (8) and (9), 85.530, 85.600 (7), 85.700 (3) (a) to (f), 85.820, 85.830, 85.840, 85.900 (title), 85.900 (7), 85.910 (7) (a), related to the examination, education, and experience requirements of real estate appraisers.

Analysis prepared by the Department of Safety and Professional Services.

ANALYSIS

Statutes interpreted:

Sections 458.06, 458.08, 458.10, 458.13, Stats.

Statutory authority:

Sections 227.11 (2) (a), 440.03 (1), 458.03 (1) (b), 458.085, 458.10 (3), Stats.

Explanation of agency authority:

The Department of Safety and Professional Services (Department) may promulgate rules interpreting the provision of any statute it enforces or administers per s. 227.11 (2) (a), Stats. Pursuant to s. 440.03 (1), Stats., the Department may promulgate rules defining uniform procedures to be used by the Real Estate Appraisers Board. The Department is specifically granted rule-making authority, pursuant to s. 458.03 (1) (b), Stats., to promulgate rules establishing the criteria for approval of educational courses and continuing educational programs. Section 458.085 grants the Department the authority to draft rules establishing educational, experience and continuing education requirements for licensed and certified appraisers. Lastly, s. 458.10 (03), Stats., states that the Department may establish rules specifying the requirements for certification or licensure that must be fulfilled before the applicant is eligible for examination. The subject of these proposed rules relate to uniform procedures with regard to education, experience, and examination requirements as well as other standard application procedures. Therefore the Department is both generally and specifically authorized to promulgate the proposed rule.

Related statute or rule:

None.

Plain language analysis:

The Financial Institutions Reform Recovery Act of 1989 (“FIRREA”) 12 U.S.C. 3331 et seq. gives authority to the Appraiser Qualifications Board (AQB) to set minimum qualification requirements for real estate appraisers. Those minimum requirements will change on January 1, 2015. The changes include the following: education and experience must be completed prior to taking the National Uniform Licensing and Certification Examinations applicants for the certified residential and certified general credentials must have a Bachelor’s degree or higher from an accredited college or university applicants for the licensed residential credential must successfully complete 30 semester hours of college-level education from an accredited college, junior college, community college, or university or have an Associate’s degree or higher from an accredited college, junior college, community college or university. All applicants for an initial credential must undergo a background check which will include fingerprinting. Finally a prohibition against repetitive use of continuing education within the same continuing education cycle will be instituted. Clarification of the term “written examination” will be provided. The Department seeks to implement these changes via the proposed rules.

Summary of, and comparison with, existing or proposed federal regulation:

The Financial Institutions Reform Recovery Act of 1989, (“FIRREA”) 12 U.S.C 3331, et. seq. regulates real estate appraisers on the federal level. The purpose of FIRREA “is to provide that Federal financial and public policy interests in real estate related transactions will be protected by requiring that real estate appraisals utilized in connection with

federally related transactions are performed in writing, in accordance with uniform standards, by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision.” 12 U.S.C. 3331. This federal mandate is accomplished via the Appraiser Qualification Board (AQB) and the Appraisal Subcommittee (ASC). The ASC monitors state regulation of certified and licensed appraisers and reviews each state’s compliance with federal legislation.

The AQB sets the minimum qualifications for real estate appraisers. The minimum qualifications criteria established by the AQB are set forth in the *Real Property Appraiser Qualifications Criteria and Interpretations of the Criteria* (“Criteria”) The AQB Criteria includes the minimum experience, examination, qualifying education, and continuing education requirements that must be satisfied by an individual in order to obtain and maintain a real estate appraiser credential.

Comparison with rules in adjacent states:

Illinois: Illinois issues certified general, certified residential and associate real estate trainee appraiser credentials. The licensure, educational, experience and continuing education requirements set forth in 68 Il. Admin. Code 1455.10 et. seq. (2013) meet the minimum requirements set by the AQB.

Iowa: Iowa credentials certified residential, certified general and associate real property appraisers. The associate real property appraiser is substantially equivalent to the federal category of trainee real property appraisers. Unlike Iowa, Wisconsin does not credential trainee real property appraisers. The education, experience, and examination requirements promulgated by Iowa Admin Code 193F-4.1, 193F-5.1 (1) and 193F-6.1 (2013), meet the minimum requirements set forth by the AQB.

Michigan: Michigan credentials limited real estate appraisers, state licensed real estate appraisers, certified residential real estate appraisers, and certified general real estate appraisers. The state licensed real estate appraiser is similar to Wisconsin’s licensed appraiser. The certified general and certified residential requirements are consistent with the AQB’s minimum requirements. The limited real estate appraiser is equivalent to the trainee real property appraiser. MCLS § 339.2601 (2013).

Minnesota: Minnesota regulates trainee real property appraisers, licensed residential real property appraisers, certified residential real property appraisers, and certified general real property appraisers. The Licensed residential real property appraiser credential is similar to Wisconsin’s licensed appraiser credential. The education, examination, and experience requirements for all classes of credentials for real estate appraisers is set forth in Minn. Stat. §§82B.11, 82B.12, 82B.13, 82B.14 (2013), and are consistent with the minimum requirements established by the AQB.

Summary of factual data and analytical methodologies:

The AQB minimum qualification requirements for real estate appraisers will change on January 1, 2015. The Department, in conjunction with the Real Estate Appraisers Board, has reviewed the changes in order to determine how the changes will impact the current rules. The Department has determined that the current rules need to be aligned with the new AQB minimum criteria for licensure of real estate appraisers. The Department has considered the suggestions of the Appraisal Subcommittee in making the necessary changes to the current rules.

Analysis and supporting documents used to determine effect on small business or in preparation of economic impact analysis:

These proposed rules do not have an economic impact on small businesses, as defined in s. 227.114 (1), Stats. The Department's Regulatory Review Coordinator may be contacted by email at Tom.Engels@wisconsin.gov, or by calling (608) 266-8608.

Fiscal Estimate and Economic Impact Analysis:

The Fiscal Estimate and Economic Impact Analysis are attached.

Effect on small business:

These proposed rules do have an economic impact on small businesses, as defined in s. 227.114 (1), Stats. The Department's Regulatory Review Coordinator may be contacted by email at Tom.Engels@wisconsin.gov, or by calling (608) 266-8608.

Agency contact person:

Shawn Leatherwood, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 1400 East Washington Avenue, Room 151, P.O. Box 8366, Madison, Wisconsin 53708-8366; telephone 608-261-4438; email at Shancethea.L Leatherwood@wisconsin.gov.

Place where comments are to be submitted and deadline for submission:

Comments may be submitted to Shawn Leatherwood, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 1400 East Washington Avenue, Room 151, P.O. Box 8366, Madison, WI 53708-8366, or by email to Shancethea.L Leatherwood@wisconsin.gov. Comments must be received on or before March 14, 2014 to be included in the record of rule-making proceedings.

TEXT OF RULE

SECTION 1. Chapter SPS 80 (title) is renumbered Subchapter I (title) of chapter SPS 85 [precedes SPS 85.100], as renumbered, is created to read:

SUBCHAPTER I (title)

AUTHORITY, INTENT, DEFINITIONS

SECTION 2. SPS 80.01 to 80.02 are renumbered SPS 85.100 to 85.110 and amended to read:

SPS 85.100 Authority The rules in chs. SPS ~~80~~ 85 to 87 are adopted under the authority of ss. 227.11 and 440.03 (1), Stats., and ch. 458, Stats.

SPS 85.110 Intent The intent of the department in adopting chs. SPS ~~80~~ 85 to 87 is to establish minimum standards for professional appraisal practice for certified and licensed appraisers which are consistent with the uniform standards of professional appraisal practice promulgated by the appraisal standards board of the appraisal foundation. It is further intended that these rules shall establish standards of competency such that persons certified or licensed as appraisers are qualified to perform appraisals for federally related transaction under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, 12 USC 3331 et seq.

SECTION 3. SPS 80.03 (intro.) and 1 are renumbered SPS 85.120 (intro.) and 1 and SPS 85.120 (intro.), as renumbered, is amended to read:

SPS 85.120 Definitions. (intro.) As used in chs. SPS ~~80~~ 85 to 87 and in ch. 458, Stats.:

SECTION 4. SPS 80.03 (2) is repealed.

SECTION 5. SPS 80.03 (3) to (8) is renumbered SPS 85.120 (2), (4), (5), (7), (8), (9), (10), and (11)

SECTION 6. SPS 80.03 (8a) is repealed.

SECTION 7. SPS 80.03 (8ag) to (8c) are renumbered SPS 85.120 (12) to (16).

SECTION 8. SPS 80.03 (8d) is repealed.

SECTION 9. SPS 80.03 (9) to (18) is renumbered SPS 85.120 (17) to (26), and SPS 85.120 (17), as renumbered, is amended to read:

SPS 85.120 (17) "Hours of appraisal experience" means 60 minutes of verifiable time spent performing tasks as identified in s. SPS ~~83.01 (3) (b)~~ 85.700 (3) (b) in accordance with the uniform standards of professional appraisal practice, in effect at the time the tasks were performed.

SECTION 10. Chapter SPS 81 (title) is renumbered Subchapter II (title) of chapter SPS 85 [precedes SPS 85.200], as renumbered, is created to read:

SUBCHAPTER II (title)
APPLICATION

SECTION 11. SPS 81.01 is renumbered SPS 85.200, and amended to read:

SPS 85.200 Prerequisite to submitting credential application. Prior to submitting an application for a licensed or certified real estate appraiser credential, an individual shall successfully complete the education and experience hours required under ~~s. SPS 84.02, 84.03, or 84.04,~~ s. SPS 85.310, 85.410, 85.510, 85.320, 85.420, 85.520 as appropriate.

SECTION 12. SPS 81.02 (intro.) and (1) to (7) are renumbered SPS 85.210 (1) to (7) are renumbered SPS 85.210 (intro.) (1) to (7) and SPS 85.210 (3), (5), and (7), as renumbered, are amended to read:

SPS 85.210 (3) Evidence of successful completion of the educational course work required in ~~ch. SPS 84~~ ss. SPS 85.320, 85.420, and 85.520 for licensure or certification.

SPS 85.210 (5) Evidence of successful completion of the national and state examinations as specified in s. SPS ~~82.01~~ 85.600.

SPS.210 (7) A The roster of appraisal experience ~~as required in s. SPS 83.01 (4)~~ ~~(b)~~ under s. SPS 85.700 (4).

SECTION 13. SPS 81.02 (8) and 81.02 (5) (Note) are repealed.

SECTION 14. SPS 81.02 (8) (Note) is renumbered SPS 85.210 (7) (Note), and as renumbered, is amended to read:

SPS 85.210 (7) Note: Applications ~~for certification or licensure~~ are available from the Department of Safety and Professional Services, Division of Professional ~~Credentialing~~ Credential Processing, 1400 East Washington Avenue, P.O. Box 8935, Madison, WI 53708-8935 or from the department's website at: <http://dsps.wi.gov>.

SECTION 15. SPS 81.03 (1) to (2) (d) are renumbered SPS 85.220 (1) to (2) (d).

SECTION 16. SPS 81.03 (2) (d) (Note) is renumbered SPS 85.220 (2) (d) (Note), and, as renumbered, is amended to read:

SPS 85.220 (2) (d) Note: Applications ~~for temporary registration~~ are available from the Department of Safety and Professional Services, Division of Professional ~~Credentialing~~ Credential Processing, 1400 East Washington Avenue, P.O. Box 8935, Madison, WI 53708-8935 or from the department's website at: <http://dsps.wi.gov>.

SECTION 17. SPS 81.04 is renumbered SPS 85.230 and SPS 85.230 (1) (c) 2. and 3. and, as renumbered, are amended to read:

SPS 85.230 (1) (c) 2. Has passed the examination on Wisconsin statutes and rules governing appraisers, as provided under s. ~~SPS 82.04~~ 85.600.

SECTION 18. SPS 81.05 (intro.) is repealed.

SECTION 19. SPS 81.05 (1) is renumbered SPS 85.300.

SECTION 20. SPS 81.05 (2) is renumbered SPS 85.400.

SECTION 21. SPS 81.05 (3) is renumbered SPS 85.500

SECTION 22. Chapter SPS 82 (title) is renumbered Subchapter VI (title) of chapter SPS 85 [precedes SPS 85.600], as renumbered, is created to read:

SUBCHAPTER VI (title)

EXAMINATION

SECTION 23. SPS 82.01 (1) to (5) are renumbered SPS 85.600 (1) to (5) and SPS 85.600 (5) (b), as renumbered, is amended to read:

SPS 85.600 (5) (b) Pay the fees required under s. ~~SPS 81.02 (1)~~ SPS 85.210 (1).

SECTION 24. SPS 82.01 (6) is repealed.

SECTION 25. SPS 82.02 is renumbered SPS 85.610.

SECTION 26. SPS 82.03 is renumbered SPS 85.620.

SECTION 27. SPS 82.04 is renumbered SPS 85.630.

SECTION 28. Chapter SPS 83 (title) is renumbered Subchapter VII (title) of chapter SPS 85 [precedes SPS 85.700], as renumbered, is created to read:

SUBCHAPTER VII (title)

EXPERIENCE

SECTION 29. SPS 83.01 (title) is renumbered SPS 85.310 (title) and amended to read:

SPS 85.310 (title) Proof of experience for certified and licensed general appraisers.

SECTION 30. SPS 83.01 (1) is renumbered SPS 85.310.

SECTION 31. SPS 83.01 (1a) is renumbered SPS 85.410.

SECTION 32. SPS 83.01 (2) is renumbered SPS 85.510.

SECTION 33. SPS 83.01 (3) (intro.), (a) to (d), and (f) and (g) are renumbered 85.700 (1)(intro), (a) to (f) and SPS 85.700 (1) (intro.), as renumbered, is amended to read:

SPS 85.700 Proof of Experience. (1) (intro.) The work claimed under ~~subs. (1), (1a) and (2)~~ ss. SPS 85.310, 85.410 and 85.510 for appraisal experience credit shall be approved by the department and shall accomplish all of the following:

SECTION 34. SPS 83.01 (3) (e), and (3) (g) (Note) are repealed.

SECTION 35. SPS 83.01 (3m) is renumbered SPS 85.700 (2) and, as renumbered, is amended to read:

SPS 85.700 (2) ~~An applicant who fails to complete the appropriate hours of All experience under sub. (1), (1a) or (2), required under ss. SPS 85.310, 85.410 and 85.510, as appropriate, before January 1, 2008, may claim only those experience hours acquired must be acquired~~ after January 30, 1989.

SECTION 36. SPS 83.01 (4) (intro.) and (4) (b) are consolidated, renumbered SPS 85.700 (3) (intro.) and amended to read:

SPS 85.700 (3) (intro.) An applicant applying for certification or licensure under ~~subs. (1), (1a) and (2)~~ ss. SPS 85.310, 85.410 and 85.510 shall submit on forms provided by the department: ~~(b)~~ A roster of appraisal experience that contains all of the following:

SECTION 37. SPS 83.01 (4) (c) is repealed.

SECTION 38. SPS 83.01 (4) (c) (Note) is renumbered SPS 85.700 (4) (Note) and as renumbered, is amended to read:

SPS 85.700 (4) Note: Application forms ~~required for certification or licensure~~ may be obtained from the Department of Safety and Professional Services, Division of Professional Credentialing-Credential Processing, 1400 East Washington Avenue, P.O. Box 8935, Madison, WI 53708-8935 or from the department's website at: <http://dsps.wi.gov>.

SECTION 39. SPS 83.02 (title), (intro.), and (1) to (6) are renumbered SPS 85.710 (title) (intro.), and (1) to (6) and SPS 85.710 (4), as renumbered, is amended to read:

SPS 85.710 (4) Copies of any appraisal listed in the documentation of experience required under s. SPS ~~83.01 (4) (b)~~ 85.700 (4). The department may contact any person listed on the application to obtain additional information about the experience of the applicant.

SECTION 40. SPS 83.02 (7) is repealed.

SECTION 41. Chapter SPS 84 (title) is renumbered Subchapter VIII (title) of chapter SPS 85 [precedes SPS 85.800], as renumbered, is created to read:

SUBCHAPTER VIII (title)

EDUCATION

SECTION 42. SPS 84.001 is renumbered SPS 85.120 (6) and amended to read:

SPS 85.120 (6) Definition. ~~In this chapter~~ “CLEP” means college level examination program.

SECTION 43. SPS 84.01 (1) and (3) is renumbered SPS 85.800 (1) and (2).

SECTION 44. SPS 84.01 (4) is repealed.

SECTION 45. SPS 84.01 (6) to (14) is renumbered SPS 85.800 (3) to (9) and SPS 85.800 (7) (e), as renumbered, is amended to read:

SPS 85.800 (7) (e) If applying to teach the 15-hour national USPAP course, or its equivalent, be a certified residential or general appraiser, and be certified by the appraiser qualifications board of the appraisal foundation as an instructor to teach that course. Course equivalency shall be determined through the AQB course approval program or by an alternate method established by the AQB.

SECTION 46. SPS 84.02 is renumbered SPS 85.520.

SECTION 47. SPS 84.03 (1) (title), (intro.), and (a) are renumbered SPS 85.420 (1) (title), (intro.), and (a).

SECTION 48. SPS 84.03 (1) (b) (intro.) is renumbered SPS 85.420 (1) (b) and amended to read:

SPS 85.420 (1) (b) ~~An associate degree,~~ A Bachelors degree or higher in any field of study, ~~or equivalent education~~ from an accredited college or university. ~~Equivalent education shall consist of at least 21 semester credit hours successfully~~

~~completed at an accredited college or university, or completed through the CLEP, that covers all of the following subject matter courses: The college or university must be a degree-granting institution accredited by the commission on colleges, a national regional accreditation association or by an accrediting agency that is recognized by the U.S. secretary of education.~~

SECTION 49. SPS 84.03 (1) (b) 1. to 6. are repealed.

SECTION 50. SPS 84.03 (2) (intro.) (a) to (c) are renumbered SPS 85.420 (2) (intro.) (a) to (c).

SECTION 51. SPS 84.04 (title) and (1) (intro.) and (a) are renumbered SPS 85.320 (title) and (1) (intro.) and (a).

SECTION 52. SPS 84.04 (1) (b) (intro.) is renumbered SPS 85.320 (1) (b) and amended to read:

SPS 85.320 (1) (b) A bachelor's degree, or higher, in any field of study, ~~or equivalent education~~ from an accredited college or university. ~~Equivalent education shall consist of at least 10 semester credit hours successfully completed at an accredited college or university or completed through the CLEP, that covers all of the following subject matter courses: The college or university must be a degree-granting institution accredited by the commission on colleges, a national or regional accreditation association, or by an accrediting agency that is recognized by the U.S. secretary of education.~~

SECTION 53. SPS 84.04 (1) (b) (intro.) (Note) and 1. to 9. are repealed.

SECTION 54. SPS 84.04 (2) and (3) are renumbered SPS 85.320 (2) and (3).

SECTION 55. Chapter SPS 85 (title) is repealed and recreated to read:

CHAPTER SPS 85 (title)
REAL ESTATE APPRAISERS

SECTION 56. SPS 85.01 is renumbered SPS 85.900, and SPS 85.900 (2), as renumbered, is amended to read:

SPS 85.900 (2) Continuing education class hours may be applied only to satisfy the continuing education requirements for the biennial renewal period in which the hours were acquired and may not be carried over to the next biennial renewal period. Appraisers may not receive credit for completion of the same continuing education course offering within a continuing education cycle.

SECTION 57. SPS 85.02 is renumbered 85.910 and 85.910 (2), as renumbered, is amended to read:

SPS 85.910 (2) A continuing education course shall relate to one or more real property related appraisal topics that include the following:

- (a) Ad valorem taxation.
- (b) Arbitration, dispute resolution.
- (c) Courses related to the practice of real estate appraisal or consulting.
- (d) Development cost estimating.
- (e) Ethics and standards of professional practice, USPAP.
- (f) Land use planning, zoning.
- (g) Real estate management, leasing, timesharing.
- (h) Property development, partial interests.
- (i) Real estate law, easements and legal interests.
- (j) Real estate litigation, damages, condemnation.
- (k) Real estate financing and investment.
- (L) Real estate appraisal related computer applications.
- (m) Real estate securities and syndication.
- (n) Developing opinions of real property value in appraisals that also include personal property of business value.
- (o) Sell concessions and impact value.
- (p) Energy efficient items and “green building” appraisals.

SECTION 58. SPS 85.120 (3) (Note) and (27) and are created to read:

SPS 85.120 (3) “AQB” means the appraiser qualifications board of the appraisal foundation.

Note: The Appraiser Qualifications Board of the Appraisal Foundation may be contacted at 1155 15th Street, NW, Suite 1111, Washington, DC 20005, (202) 347-7722, www.appraisalfoundation.org.

(27) “Written” means written on paper or administered electronically on a computer workstation or other device.

SECTION 59. SPS 85.230 (1) (c) 3. is created to read:

SPS 85.230 (1) (c) 3. Subject to ss. 111.321. 111.322 and 111.335, Stats., does not have an arrest or conviction record.

SECTION 60. SPS 85.240 is created to read:

SPS 85.240 Background checks. (1) All candidates for licensed or certified appraiser credentials shall undergo background screening in accordance with s. 440.03

(13) (c) Stats. The board may not issue a licensed or certified appraiser credential if any of the following applies:

(a) The applicant has had an appraiser license or certification revoked, or surrendered for cause, in any governmental jurisdiction within the 5 year period immediately preceding the date of application.

(b) The applicant has been convicted of, or plead guilty or nolo contendere to a felony in a domestic or foreign court, during the 5 year period immediately preceding the application for licensure or certification or at any time preceding the date of application, if such felony involved an act of fraud, dishonesty, or a breach of trust, or money laundering. The felony must be substantially related to the practice of certified or licensed real estate appraiser.

(c) The applicant has failed to demonstrate character and general fitness such as to command the confidence of the community and to warrant a determination that the appraiser will operate honestly and fairly.

2. Subject to ss. 111.321, 111.322 and 111.335, Stats. an applicant who has a pending criminal charge or has a conviction record shall provide the department with all related information necessary for the department to determine whether the circumstances of the pending charge or conviction substantially relate to the practice of real estate appraisal.

SECTION 61. Subchapter III (title) of chapter SPS 85 [precedes SPS 85.300] is created to read:

SUBCHAPTER III (title)

CERTIFIED GENERAL REAL ESTATE APPRAISER

SECTION 62. SPS 85.330 is created to read:

SPS 85.330 Prerequisite for examination. In order to obtain a certified general appraiser credential an applicant must complete the AQB-approved certified general real property appraiser examination. The prerequisite for taking the AQB-approved examination is the completion of all of the following:

(1) Three hundred creditable class hours as specified in the course requirements found in s. SPS 85.320 (1) (a). As part of the 300 required hours, the applicant shall complete the 15-hour national USPAP course or its AQB equivalent, and the corresponding examination.

(2) Completion of a bachelor's degree or higher from an accredited college or university.

(3) Three thousand hours of qualifying experience obtained in no fewer than 30 months, where a minimum of 1,500 hours must be obtained in non-residential appraisal

work. While the hours may be cumulative, the required number of months must accrue before an individual can be certified.

SECTION 63. Subchapter IV (title) of chapter SPS 85 [precedes SPS 85.400] is created to read:

SUBCHAPTER IV (title)

CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER

SECTION 64. SPS 85.410 (title) is created to read:

SPS 85.410 (title) Proof of experience for certified residential appraisers.

SECTION 65. SPS 85.430 is created to read:

SPS 85.430 Prerequisite for examination. (1) An applicant for a certified residential appraiser credential must successfully complete the AQB-approved certified residential real property appraiser examination. The prerequisite for taking the AQB-approved examination is completion of all of the following:

(a) Two hundred creditable class hours as specified in the course requirements found in SPS 85.420 (1) (a). As part of the 200 required hours, applicants shall successfully complete the 15-hour national USPAP course or its AQB-approved equivalent, and the corresponding examination.

(b) Completion of a bachelor's degree or higher from an accredited college or university.

(c) Two thousand five hundred hours of qualifying experience obtained in no fewer than 24 months. While the hours may be cumulative the required number of months must accrue before an individual can be certified.

(2) The only alternative to successful completion of the certified residential examination is the successful completion of the certified general examination.

SECTION 66. Subchapter V (title) of chapter SPS 85 [precedes SPS 85.500] is created to read:

SUBCHAPTER V (title)

LICENSED REAL ESTATE APPRAISER

SECTION 67. SPS 85.510 (title) is created to read:

SPS 85.510 (title) Proof of experience for licensed appraisers.

SECTION 68. SPS 85.520 (8) and (9) are created to read:

SPS 85.520 (8) An individual who applies for a license as an appraiser shall successfully complete 30 semester hours of college level education, from an accredited college, junior college, community college or university. The college or university must be a degree-granting institution accredited by the commission on colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. secretary of education. If an accredited college or university accepts the CLEP and examinations and issues a transcript for the exam, showing its approval, it will be considered as a credit for the college course.

(9) Applicants holding an associate degree, or higher from an accredited college, junior college, community college, or university satisfy the 30-hour college-level education requirement in sub. (8).

SECTION 69. SPS 85.530 is created to read:

SPS 85.530 Prerequisite for examination. (1) An applicant for a licensed appraiser credential must successfully complete the AQB-approved licensed residential real property appraiser examination. The prerequisite for taking the AQB-approved examination are all of the following:

(a) One hundred and fifty creditable class hours as specified in the course requirements found in s. SPS 85.520.

(b) Completion of the college-level education requirements specified in s. SPS 85.520 (8).

(c) Two thousand hours of qualifying experience in no fewer than 12 months.

(2) The only alternative to successful completion of the licensed residential examination is the successful completion of the certified residential or certified general examinations.

SECTION 70. SPS 85.600 (7) is created to read:

SPS 85.600 (7) A new applicant not currently licensed or certified and in good standing in another jurisdiction, shall have up to 24 months, after receiving authorization to sit for the examination, to take and pass an AQB approved qualifying examination for the credential as required by s. SPS 85.600 (1). Successful scores are valid for a period of 24 months.

SECTION 71. SPS 85.700 (3) (a) to (f) are created to read:

SPS 85.700 (3) (a) Type of property.

(b) The date of the report.

(c) The address of the appraised property.

(d) A description of work performed by the applicant and scope of review and supervision of the supervising appraiser.

(e) The number of actual work hours by the applicant on the assignment.

(f) The signature and state certification number of the supervising appraiser, if applicable. Separate rosters shall be maintained for each supervising appraiser.

SECTION 72. SPS 85.820 is created to read:

SPS 85.820 Distance Education. A distance education course is acceptable to meet class hour requirements if all of the following occur:

(1) The course provides interaction. Interaction is a reciprocal environment where the student has verbal or written communication with the instructor.

(2) The content for the distance education course has been approved by any of the following:

(a) The Appraiser Qualification Board of the Appraisal Foundation.

(b) A state appraiser regulatory jurisdiction.

(c) An accredited college, community college, or university that offers distance education programs and is approved or accredited by the commission on colleges.

(d) A regional or a national accreditation association.

(e) An accrediting agency that is recognized by the U.S. secretary of education.

(f) Non-academic credit college courses provided by a college shall be approved by the AQB or the state appraiser regulatory jurisdiction.

(3) One of the following approves the course delivery:

(a) AQB approved organizations providing approval of course design and delivery.

(b) A college or university that qualifies for content approval and that awards academic credit for the distance education course.

(c) A qualifying college or university for content approval with a distance education delivery program that approves the course design and delivery that incorporate interactivity.

(4) The course includes a written, closed-book final examination, proctored by an official approved by the college or university, or by the sponsoring organization. The examination may take place at a library, testing center, college, university, or junior college.

SECTION 73. SPS 85.830 is created to read:

SPS 85.830 Approved providers. Credit for the class hour requirement under s. SPS 85.320, 85.420, and 85.520 may be obtained only from the following providers:

(1) Colleges or universities.

(2) Community or junior colleges.

(3) Real estate appraisal or real estate related organizations.

(4) State or federal agencies or commissions.

(5) Proprietary schools.

(6) Providers approved by the state certification or licensing agencies.

(7) The appraisal foundation or its boards.

SECTION 74. SPS 85.840 is created to read:

SPS 85.840 College degree acceptance. (1) Credit toward qualifying education requirements may also be obtained via the completion of a degree in real estate from an accredited degree-granting college or university approved by the association to advance collegiate schools of business, or a regional or national accreditation agency recognized by the U.S. Secretary of Education, provided that the college or university has had its curriculum reviewed and approved by the AQB.

(2) Education may not be substituted for experience except for approved practicum courses as found in s. SPS 85.700 (3) (f).

SECTION 75. Subchapter IX (title) of chapter SPS 85 [precedes SPS 85.900] is created to read:

SUBCHAPTER IX (title)

CONTINUING EDUCATION

SECTION 76. SPS 85.900 (7) is created to read:

SPS 85.900 (7) Certified and licensed appraisers may not receive credit for completion of the same continuing education course offering within an appraiser's continuing education cycle.

SECTION 77. SPS 85.910 (7) (a) is created to read:

SPS 85.910 (7) (a) A distance education course intended for use as continuing education must include at least one of the following:

(a) A written examination proctored by an official approved by the college or university, or by the sponsoring organization. Oral examinations are not acceptable.

(b) Successful completion of prescribed course material required to demonstrate knowledge of the subject matter.

SECTION 78. Section SPS 86 Appendix I is repealed.

SECTION 79. Section SPS 87.01 (2) and (3) are amended to read:

SPS 87.01 (2) An appraiser granted a certificate of certification under s. 458.06 (3) or (4), 1989 Stats., may renew the certificate by satisfying the requirements in sub. (1) and by submitting evidence of completion of the educational course work required under ss. ~~SPS 84.03~~ SPS 85.420 and ~~84.04~~ 85.320, as appropriate.

(3) An appraiser granted a certificate of licensure under s. 458.08 (3), 1991 Stats., may renew the certificate by satisfying the requirements in sub. (1), and submitting evidence of completion of the experience or educational course work required under ss. ~~SPS 83.04~~ ~~(2)~~ SPS 85.510 and ~~84.02~~ 85.520, as appropriate.

SECTION 80. Section SPS 87.02 (1), (2) (intro.), (b) and (c) are amended to read:

SPS 87.02 (1) If applying less than 5 years after the renewal date, submitting proof of completion of the continuing education course work required in each biennial period under s. ~~SPS 85.04~~ SPS 85.900 and paying the renewal fees specified in s. 440.08 (2) (a) 11., 11m. and 12. and (3), Stats.

(2) If applying ~~5 years or more~~ 5 or more years after the renewal date, submitting proof of completion of the continuing education course work required in each biennial period under s. ~~SPS 85.04~~ SPS 85.900; paying the renewal fees specified in s. 440.08 (2) (a) 11., 11m. and 12. and (3), Stats., and submitting proof of one or more of the following, as determined by the department to ensure protection of the public health, safety, and welfare:

(b) Successful completion of the examination on Wisconsin statutes and rules required under s. ~~SPS 82.04~~ 85.600 for appraiser licensure or certification.

(c) Successful completion of the national appraiser examination required under s. ~~SPS 82.04~~ 85.600 for appraiser licensure or certification.

SECTION 81. SPS 86.01 (1), (4), (9) and (11) are amended to read:

SPS 86.01 (1) Certified and licensed appraisers shall comply with the standards of practice established by ch. 458, Stats., chs. ~~SPS 80-86~~ SPS 85-86 and the uniform standards of professional appraisal practice (USPAP). A violation of any provision in this chapter may result in disciplinary action under s.458.26, Stats.

SPS 86.01 (4) A licensed appraiser who is not certified under s. 458.06, Stats., shall not use the title “Wisconsin licensed appraiser” on any appraisal report or written agreement, except in conjunction with an appraisal performed within the scope of appraisal practice of a licensed appraiser as specified in s. ~~SPS 81.05~~ SPS 85.500.

SPS 86.01 (9) A certified or licensed appraiser shall not solicit from or knowingly disclose to any person or entity the content of an examination for appraiser certification or licensure conducted under ~~ch. SPS 82~~ s. SPS 85.600.

SPS 86.01 (11) All certified and licensed appraisers shall comply with Wisconsin and federal laws that substantially relate to the practice of real estate appraising including, but not limited to, the financial institutions reform, recovery, and enforcement act of 1989, and all appraisal related federal regulations promulgated by the federal financial institution regulatory agencies, as defined in s. ~~SPS 80.03 (8a)~~ SPS 85.120 (10).

SECTION 82. SPS 86.01 (2) (Note) is repealed.

SECTION 83. EFFECTIVE DATE. This rule order takes effect on January 1, 2015, pursuant to s. 227.22 (2) (b), Stats.

(END OF TEXT OF RULE)

Dated _____

Agency _____

Secretary

Department of Safety and Professional Services