

Report From Agency

**STATE OF WISCONSIN
DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES**

**IN THE MATTER OF RULEMAKING : REPORT TO THE LEGISLATURE
PROCEEDINGS BEFORE THE : CR 18-104
DEPARTMENT OF SAFETY :
AND PROFESSIONAL SERVICES :**

I. THE PROPOSED RULE:

The proposed rule, including the analysis and text, is attached.

II. REFERENCE TO APPLICABLE FORMS:

N/A

III. FISCAL ESTIMATE AND EIA:

The Fiscal Estimate and EIA is attached.

IV. DETAILED STATEMENT EXPLAINING THE BASIS AND PURPOSE OF THE PROPOSED RULE, INCLUDING HOW THE PROPOSED RULE ADVANCES RELEVANT STATUTORY GOALS OR PURPOSES:

In consultation with the Real Estate Appraisers Board, the Department of Safety and Professional Services conducted a comprehensive review and update of chs. SPS 85 to 87 to ensure the rules are consistent with current professional and licensing practices and applicable Wisconsin statutes and federal regulations. As a result, the following updates have been made:

- Section SPS 85.115 is created to incorporate by reference into chs. SPS 85 to 87 the 2020-2021 Uniform Standards of Professional Appraisal Practice issued by the Appraisal Standards Board of The Appraisal Foundation.
- The minimum requirements for certification as a general appraiser under subch. III of ch. SPS 85, certification as a residential appraiser under subch. IV of ch. SPS 85, and licensure as an appraiser under subch. V of ch. SPS 85 have been revised to adopt the minimum qualifications for real property appraisers established May 1, 2018 by the Appraiser Qualifications Board of The Appraisal Foundation.
- Sections SPS 85.400, 85.500, and 86.01 have been revised to reflect that the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency have issued a final rule that increases the threshold for commercial real estate transactions requiring an appraisal from \$250,000 to \$500,000 (Federal Register Vol. 83, No. 68).
- Section SPS 85.900 (5) is revised to clarify that continuing education credit may be claimed for teaching a continuing education course that is approved by the Department of Safety and Professional Services.

- The provisions for renewal under s. SPS 87.02 are revised to specify the requirements for late renewal or reinstatement of a certification or license include completion of the most current edition of the 7-Hour National USPAP Update Course.
- Other provisions throughout chs. SPS 85 to 87 have been revised to update notes, provide clarity, and conform to current drafting standards.

V. SUMMARY OF PUBLIC COMMENTS AND THE BOARD’S RESPONSES, EXPLANATION OF MODIFICATIONS TO PROPOSED RULES PROMPTED BY PUBLIC COMMENTS:

The Department of Safety and Professional Services held a public hearing on February 12, 2019. Jacob Hamilton, a Wisconsin real estate appraiser, provided written comments in support of the proposed rule.

The Department did not receive any other written or verbal comments.

VI. RESPONSE TO LEGISLATIVE COUNCIL STAFF RECOMMENDATIONS:

Comment 2.g.:

The created provisions [s. SPS 85.210 (2m) and (3m)] follow the amended note. As such, SECTIONS 10 and 11 are in the correct order.

Comment 2.i.:

The exams listed under s. SPS 85.425 (1) (d) 1. to 8. are proper names, as they are specific examinations offered by the College Level Examination Program.

Comment 5.b.:

The context of s. SPS 85.420 (1) (b) requires a reference to “real estate appraisal” in lieu of “appraisal.”

Comment 5.d.:

The college-level education requirements under s. SPS 85.425 are adopted from nationally recognized requirements of the Appraiser Qualifications Board of The Appraisal Foundation. The Department has determined it is not appropriate to deviate from these requirements.

All other Legislative Council recommendations have been incorporated into the proposed rule.

VII. REPORT FROM THE SBRRB AND FINAL REGULATORY FLEXIBILITY ANALYSIS:

N/A