

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	2. Date December 11, 2018
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) SPS 85 to 87	
4. Subject Real estate appraisers	
5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	6. Chapter 20, Stats. Appropriations Affected 20.165(1)(g)
7. Fiscal Effect of Implementing the Rule <input type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Could Absorb Within Agency's Budget	
8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses (if checked, complete Attachment A)	
9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$0	
10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
11. Policy Problem Addressed by the Rule 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: <ul style="list-style-type: none"> • Section SPS 85.115 is created to incorporate by reference into chs. SPS 85 to 87 the 2018-2019 Uniform Standards of Professional Appraisal Practice issued by the Appraisal Standards Board of The Appraisal Foundation. By letter dated October 30, 2018, the Attorney General has consented to the incorporation of these standards into chs. SPS 85 to 87. • 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. 	

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- 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.

12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments.

The proposed rule was posted on the Department of Safety and Professional Services' website for 14 days in order to solicit comments from businesses, representative associations, local governmental units, and individuals that may be affected by the rule. No comments were received.

13. Identify the Local Governmental Units that Participated in the Development of this EIA.
No local governmental units participated in the development of this EIA.

14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

The proposed rule will not have a significant impact on specific businesses, business sectors, public utility rate payers, local governmental units, or the state's economy as a whole.

The Department estimates one-time administrative costs of \$353.52. These costs may be absorbed in the agency budget.

15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

The benefit to implementing the rule is consistency with current professional and licensing practices and applicable Wisconsin statutes and federal regulations. The alternatives of either partially updating or not updating the rule would be less beneficial to Wisconsin credentialed real estate appraisers and individuals applying for a Wisconsin credential as a real estate appraiser.

16. Long Range Implications of Implementing the Rule

The long range implication of implementing the rule is consistency with current professional and licensing practices and applicable Wisconsin statutes and federal regulations.

17. Compare With Approaches Being Used by Federal Government

None

18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Illinois: Rules of the Illinois Department of Financial and Professional Regulation address the practice of real estate appraisal in Illinois (68 Ill. Adm. Code 1455). The rules incorporate by reference the 2018-2019 Uniform Standards of Professional Appraisal Practice issued by the Appraisal Standards Board of The Appraisal Foundation (68 Ill. Adm. Code 1455.240). The rules do not currently adopt the minimum qualifications for real property appraisers established May 1, 2018 by the Appraiser Qualifications Board of The Appraisal Foundation.

Iowa: Rules of the Iowa Real Estate Appraiser Examining Board address the practice of real estate appraisal in Iowa (193F IAC 1 to 17). The rules provide that the Board has adopted the Uniform Standards of Professional Appraisal Practice issued by The Appraisal Foundation [193F IAC 1.1(1)]. The rules do not currently adopt the minimum qualifications for real property appraisers established May 1, 2018 by the Appraiser Qualifications Board of The Appraisal Foundation.

Michigan: Rules of the Michigan Department of Licensing and Regulatory Affairs address the practice of real estate appraisal in Michigan (Mich Admin Code, R 339.23101 to R 339.23405). The rules reference the Uniform Standards of Professional Appraisal Practice, and specifically provide (Mich Admin Code, R 339.23104) that the following individuals are exempt from the requirements of Standard 3 (Appraisal Review, Development):

- A member of the Board of Real Estate Appraisers who is performing an investigation or testifying at an adjudicatory hearing on behalf of the Department.

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- A member of the Board of Real Estate Appraisers who is serving in the capacity of a reviewer while reviewing the work experience of an applicant for licensure.
- An investigator employed by or retained by the Department who is performing an investigation or testifying at an adjudicatory hearing.

The Michigan Statutes, Section 339.2610, adopts the minimum education, examination, and experience requirements contained in the qualifications for real property appraisers established by the Appraiser Qualifications Board of The Appraisal Foundation.

Minnesota: The Minnesota Statutes, Sections 82B.02 to 82B.24, address the practice of real estate appraisal in Michigan. The statutes define “standards of professional practice to mean the Uniform Standards of Professional Appraisal Practice of the Appraisers Standards Board of The Appraisal Foundation in effect as of January 1, 1991, or other version of the standards designated by the Commissioner of the Department of Commerce (Minnesota Statutes, Section 82B.021, Subdivision 26). The statutes do not currently adopt the minimum qualifications for real property appraisers established May 1, 2018 by the Appraiser Qualifications Board of The Appraisal Foundation.

19. Contact Name

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20. Contact Phone Number

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ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
- Less Stringent Schedules or Deadlines for Compliance or Reporting
- Consolidation or Simplification of Reporting Requirements
- Establishment of performance standards in lieu of Design or Operational Standards
- Exemption of Small Businesses from some or all requirements
- Other, describe:

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

5. Describe the Rule's Enforcement Provisions

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
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