

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 April 4, 2025	
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) SPS 85 to 87			
4. Subject Uniform Standards of Professional Appraisal Practice			
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 s20.165(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 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 The Department of Safety and Professional Services is responsible for updating department code governing real estate appraisers. Section 458.24, Stats. states: "The department may promulgate rules establishing standards for appraisal practice. In promulgating rules under this section, the department shall consider including as part or all of the standards part or all of the "Uniform Standards of Professional Appraisal Practice" established by the appraisal standards board of the appraisal foundation. The department shall periodically review the "Uniform Standards of Professional Appraisal Practice" and, if appropriate, revise the rules promulgated under this section to reflect revisions to the "Uniform Standards of Professional Appraisal Practice." Section SPS 85.115 will be updated to incorporate by reference into chapters SPS 85 to 87 the Uniform Standards of Professional Appraisal Practice (USPAP), 2024, issued by the Appraisal Standards Board of The Appraisal Foundation.			
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 rules will be posted publicly on the DSPS website for economic impact comments. At the public hearing stage, an official public hearing will be held on the rule draft.			
13. Identify the Local Governmental Units that Participated in the Development of this EIA. None.			
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) DSPS estimates a total of \$1,000.00 in one-time staffing costs to implement the rule. The estimated need for 24 staff hours is for customer service review, training, promulgating rules, legal review and consultation with CLC and OOS. The one-time estimated costs cannot be absorbed in the currently appropriated agency budget.			
15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule The benefit of the rule is that Wisconsin's version of the USPAP standard will be updated, keeping Wisconsin's real estate appraisal regulations in line with federal guidance.			

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16. Long Range Implications of Implementing the Rule

The long range implication of implementing the rule is the field of real estate appraisal will continue to be modernized and held to a high standard in the state of Wisconsin.

17. Compare With Approaches Being Used by Federal Government

The Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA), 12 U.S.C. 3331 et seq., (Title XI) was enacted in 1989. Under FIRREA, insured financial institutions and insured credit unions are required to obtain the services of a state certified or licensed appraiser for appraisals conducted in connection with “federally related transactions.”

Under FIRREA, all appraisals conducted in connection with federally related transactions must be written appraisals performed in accordance with generally accepted appraisal standards as evidenced by the appraisal standards promulgated by the Appraisal Standards Board of the Appraisal Foundation and subject to appropriate review for compliance with the Uniform Standards of Professional Appraisal Practice.

The regulations in the proposed rule will comply with the provisions of FIRREA.

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 with no later amendments or editions the 2020-2021 Uniform Standards of Professional Appraisal Practice issued by the Appraisal Standards Board of The Appraisal Foundation [68 Ill. Adm. Code 1455.240].

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 adopt the Uniform Standards of Professional Appraisal Practice issued by The Appraisal Foundation [193F IAC 1.1(1)].

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] the following individuals are exempt from the appraisal review and development requirements of Standard 3:

- 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.
- 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.

Minnesota:

The Minnesota Statutes, Sections 82B.021 to 82B.24, address the practice of real estate appraisal in Minnesota. 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 versions of the

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standards designated by the Commissioner of the Department of Commerce [Minnesota Statutes, Section 82B.021, Subdivision 26].

19. Contact Name Jake Pelegrin, Administrative Rules Coordinator	20. Contact Phone Number (608) 267-0989
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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
