

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 June 27, 2025									
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) REEB 12											
4. Subject Broker Application Requirements											
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 s.20.165(1)(g)									
7. Fiscal Effect of Implementing the Rule <table style="width: 100%;"><tr><td><input type="checkbox"/> No Fiscal Effect</td><td><input type="checkbox"/> Increase Existing Revenues</td><td><input checked="" type="checkbox"/> Increase Costs</td><td><input type="checkbox"/> Decrease Costs</td></tr><tr><td><input type="checkbox"/> Indeterminate</td><td><input type="checkbox"/> Decrease Existing Revenues</td><td colspan="2"><input type="checkbox"/> Could Absorb Within Agency's Budget</td></tr></table>				<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	
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<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) <table style="width: 100%;"><tr><td><input type="checkbox"/> State's Economy</td><td><input type="checkbox"/> Specific Businesses/Sectors</td></tr><tr><td><input type="checkbox"/> Local Government Units</td><td><input type="checkbox"/> Public Utility Rate Payers</td></tr><tr><td colspan="2"><input type="checkbox"/> Small Businesses (if checked, complete Attachment A)</td></tr></table>				<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)			
<input type="checkbox"/> State's Economy	<input type="checkbox"/> Specific Businesses/Sectors										
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<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 Experience requirements to apply for a real estate broker license are in s. 452.09 (4) (a) to (d), Stats., and are mirrored in Wis. Admin. Code s. REEB 12.017 (3) (a) to (d). The proposed rule creates a provision that allows the board to waive those experience requirements if the board determines the applicant has equivalent experience as a real estate salesperson or broker licensed in another state. This waiver provision is allowed by s. 452.09 (4) (e), Stats. The board believes this rule may help expedite the licensing process for real estate broker license applicants coming from another state. If the applicant has equivalent experience as a real estate salesperson and/or broker in another state, they would not be required to repeat the experience in Wisconsin as a Wisconsin-licensed real estate salesperson, and would be able to apply for a broker license.											
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 rule was posted to the public for Economic Impact Analysis comments as required, and will be subject to an official public hearing, along with other steps of the rule process.											
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 \$3,700.00 in one-time costs to implement the rule. The estimated need for 0.1 limited term employee (LTE) is for promulgating rules, training, consultation, and updating of website and forms. The one-time and annual 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 this rule is that it will streamline the application process for some real estate broker license applicants coming from another state. Under current rules, an applicant could have significant experience as a real estate											

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salesperson and/or broker licensed in another state, but if they have not been licensed as a broker for at least 2 years, they have to repeat their experience as a specifically Wisconsin-licensed salesperson in order to apply for a broker license here. If the rule does not go forward, this situation will continue, which discourages some applicants from moving to Wisconsin to practice real estate.

16. Long Range Implications of Implementing the Rule

The long range implication of implementing the rule is that it will allow more real estate broker license applicants in Wisconsin and it will help grow the industry.

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: Illinois requires an applicant for a broker's license to be at least 18 years of age, graduated from high school or equivalent, complete 75 hours of education in real estate courses or be licensed to practice law in Illinois, and pass an examination. An applicant for a managing broker's license is required to be at least 20 years of age, graduated from high school or equivalent, complete 165 hours of specified education or be licensed to practice law in Illinois, be actively licensed as a broker for 2 of the last 3 years, and pass an examination. An out of state applicant is required to take an Illinois-specific real estate brokerage laws exam. Reciprocity is granted to brokers who hold an active broker license, or its equivalent, by examination in a state with a reciprocal agreement with the Department, if the broker has been actively engaged in licensed activities as a broker during the preceding 2 years in the state of licensure, and the broker's licensing standards are substantially equivalent to Illinois's [225 ILCS 454].

Iowa: Iowa requires an applicant for a salesperson's license to be at least 18 years of age, complete 96 hours of specified education and pass an examination. An applicant for a broker's license is required to complete 60 hours of live instruction in addition to the required salesperson's education, have engaged in real estate practice for a period of at least 24 months and pass an examination. An applicant for a broker license may use active experience as a former Iowa salesperson or active salesperson experience in another state or jurisdiction, or a combination of both, to satisfy the experience requirement for a broker license only if the former Iowa salesperson or applicant from another state or jurisdiction was actively licensed for not less than 24 months and if the license on which the experience is based has not been expired for more than three years prior application [IA 193E-3.1-193E5.12 (543B)].

Michigan: Michigan requires an applicant for a salesperson's license to complete 40 hours of education and pass an examination. An applicant for a broker's license must complete 90 hours of education (a law degree counts towards 60 hours and a master's degree in business administration counts as 60 hours of education, respectively), have 3 years of real estate experience, and pass an examination. The 3 years of real estate experience can have taken place in any state or jurisdiction, as long as proof is provided. Reciprocity may be achieved by conforming to the prevailing licensing rules for real estate salespersons and brokers [MCL 339.2502-339.2514].

Minnesota: An applicant for a broker's license is required to complete 30 hours of education, 3 years of experience as a licensed salesperson, and pass an examination. The 3-year experience requirement may be waived for applicants who have a degree in real estate from an accredited college or university, are a licensed practicing attorney whose practice involves real estate law, or are a public officer whose official duties involve real estate law or real estate transactions. Real estate salespersons and brokers seeking license reciprocity with the State of Minnesota may be granted provided (1) there is a written reciprocal licensing agreement in effect between Minnesota and the licensing officials of that jurisdiction, (2) the individual is licensed and in good standing in that jurisdiction, and (3) the licensing requirements of that jurisdiction are substantially similar to existing Minnesota provisions [Minnesota Statutes 2023, section 82].

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
