

Clearinghouse Rule 25-053

STATE OF WISCONSIN REAL ESTATE EXAMINING BOARD

IN THE MATTER OF RULEMAKING	:	PROPOSED ORDER OF THE
PROCEEDINGS BEFORE THE	:	REAL ESTATE EXAMINING BOARD
REAL ESTATE EXAMINING BOARD	:	ADOPTING RULES
	:	(CLEARINGHOUSE RULE)

PROPOSED ORDER

An order of the Real Estate Examining Board to **create** REEB 12.017 (5) relating to broker application requirements.

Analysis prepared by the Department of Safety and Professional Services.

ANALYSIS

Statutes interpreted: Section 452.09 (4) (a) to (e), Stats.

Statutory authority: Sections 15.08 (5) (b), 227.11 (2) (a), 452.07 (1), and 452.09 (4) (e), Stats.

Explanation of agency authority:

Section 15.08 (5) (b), Stats., states that each examining board “[s]hall promulgate rules for its own guidance and for the guidance of the trade or profession to which it pertains and define and enforce professional conduct and unethical practices not inconsistent with the law relating to the particular trade or profession.”

Section 227.11 (2) (a), Stats., states that an agency “may promulgate rules interpreting the provisions of any statute enforced or administered by the agency, if the agency considers it necessary to effectuate the purpose of the statute, but a rule is not valid if the rule exceeds the bounds of correct interpretation.”

Section 452.07 (1), Stats.: “The board shall promulgate rules for the guidance of the real estate profession...”

Section 452.09 (4) (e), Stats.: “The board may waive any requirement under par. (a), (b), (c), or (d) for any applicant based on standards established by the board by rule.”

Related statute or rule: Section 452.09 (4) (a) to (e), Stats.

Plain language analysis: 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.

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

None.

Summary of public comments received on statement of scope and a description of how and to what extent those comments and feedback were taken into account in drafting the proposed rule: None.

Comparison with rules in adjacent states:

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].

Summary of factual data and analytical methodologies: The proposed rule was developed by reviewing the statutes in 452.09 (4) (a) to (e), reviewing the provisions of ch. REEB 12, and determining what changes the board wished to make.

Analysis and supporting documents used to determine effect on small business or in preparation of economic impact analysis: The proposed rules were posted for 14 days to solicit public comment on economic impact, including how the proposed rules may affect businesses, local government units, and individuals. No comments were received.

Fiscal Estimate and Economic Impact Analysis: The Fiscal Estimate and Economic Impact Analysis are attached.

Effect on small business: 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 Jennifer.Garrett@wisconsin.gov, or by calling (608) 266-2112.

Agency contact person:

Jake Pelegrin, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 4822 Madison Yards Way, P.O. Box 8366, Madison, Wisconsin 53708-8366; telephone 608-267-7139; email at DSPSAdminRules@wisconsin.gov.

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

Comments may be submitted to Jake Pelegrin, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, 4822 Madison Yards Way, P.O. Box 8366, Madison, Wisconsin 53708-8366, or by email to DSPSAdminRules@wisconsin.gov. Comments must be received on or before the public

hearing, scheduled for October 30, 2025, to be included in the record of rule-making proceedings.

TEXT OF RULE

SECTION 1. REEB 12.017 (5) is created to read:

REEB 12.017 (5) If the board determines that an applicant for a real estate broker's license has experience equivalent to the requirements in one of the options in sub. (3) (a) to (d), through experience as a real estate salesperson or broker licensed in another state, the board may waive the requirements under sub. (3) for that applicant.

SECTION 2. EFFECTIVE DATE. The rules adopted in this order shall take effect on the first day of the month following publication in the Wisconsin Administrative Register, pursuant to s. 227.22 (2) (intro.), Stats.

(END OF TEXT OF RULE)
