

CERTIFICATE

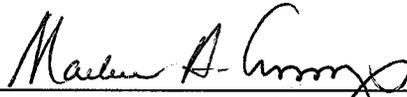
**STATE OF WISCONSIN
DEPARTMENT OF REGULATION AND LICENSING**

TO ALL WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Marlene A. Cummings, Secretary, Wisconsin Department of Regulation and Licensing and custodian of the official records of the Department of Regulation and Licensing, hereby certify that the annexed rules were duly approved and adopted by the Department of Regulation and Licensing on the 14th day of May, 1997.

I further certify that said copy has been compared by me with the original on file in this office and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the department at 1400 East Washington Avenue, Madison, Wisconsin this 14th day of May, 1997.



**Marlene A. Cummings, Secretary
Department of Regulation and
Licensing**

STATE OF WISCONSIN
DEPARTMENT OF REGULATION AND LICENSING

IN THE MATTER OF RULE-MAKING	:	ORDER OF THE
PROCEEDINGS BEFORE THE	:	DEPARTMENT OF REGULATION AND
DEPARTMENT OF REGULATION	:	LICENSING ADOPTING RULES
AND LICENSING	:	(CLEARINGHOUSE RULE 97-001)

ORDER

An order of the Department of Regulation and Licensing to repeal RL 25.02 (3), 25.03 (4) and 25.066 (6) (h); to amend RL 25.066 (1); and to create RL 25.02 (2) (h) 5 cm, 25.025, 25.03 (3) (q) 2m and 25.035 relating to educational requirements for real estate salesperson's and broker's licenses.

Analysis prepared by the Department of Regulation and Licensing.

ANALYSIS

Statutes authorizing promulgation: ss. 227.11 (2), 452.05, 452.06 and 452.07, Stats.

Statutes interpreted: ss. 452.05, 452.09 and 452.11, Stats.

SECTIONS 1 and 4 add a content item to the list of contents which must be covered in the 72-hour salesperson's course and the 36-hour broker's course. That content item is lead-based paint.

SECTION 2 repeals s. RL 25.02 (3) and SECTION 3 creates s. RL 25.025 which reduces from 20 hours to 3 hours the education which an out-of-state applicant for a broker's license must complete at a Wisconsin-approved school. This provision, both in the current rules and in this proposal, applies to an applicant who has held an active real estate broker's license in another licensing jurisdiction within the 2-year period prior to filing an application for an original broker's license in Wisconsin. SECTION 3 also lists the contents of the 3 hours and the amount of classroom time which must be devoted to each subject.

SECTION 5 repeals s. RL 25.03 (4) and SECTION 6 creates s. RL 25.035 which reduces from 23 hours to 13 hours the education which an out-of-state applicant for a salesperson's license must complete at a Wisconsin-approved school. This provision, both in the current rules and in this proposal, applies to an applicant who has held an active real estate salesperson's license in another licensing jurisdiction within the 2-year period prior to filing an application for an original salesperson's license in Wisconsin. SECTION 6 also lists the contents of the 13 hours and the amount of classroom time which must be devoted to each subject.

SECTION 7 removes a sentence which contains an expiration date for the department's approval of continuing education programs and courses. This change is made because the approval of

courses need not terminate on any date. Many licensees complete continuing education after the license renewal deadline, which is December 31 of each even-numbered year, and schools continue to offer the courses while there is a sufficient number of licensees interested in taking them. After that, licensees may take portions of the salesperson's prelicense course, as stated in s. RL 12.04 (1) (a) and (b). This section also removes an unnecessary word in the last sentence of the current rule.

SECTION 8 repeals a requirement that schools approved for presenting real estate continuing education programs or courses send a list of those who passed or failed the program or course to the department within 30 days after completion of the program or course. The department has determined that other provisions in the rules which require schools to give licensees a certificate of attendance for each program or course successfully completed and to keep attendance records for at least 5 years are adequate for resolving questions about whether a licensee had completed the required continuing education.

TEXT OF RULE

SECTION 1. RL 25.02 (2) (h) 5. cm. is created to read:

RL 25.02 (2) (h) 5. cm. Lead-based paint.

SECTION 2. RL 25.02 (3) is repealed.

SECTION 3. RL 25.025 is created to read:

RL 25.025 SATISFACTION OF BROKER'S 36-HOUR PROGRAM BY OUT-OF-STATE APPLICANTS. (1) An applicant who has held an active real estate broker's license in another licensing jurisdiction within the 2 year period prior to filing an application for an original real estate broker's license may satisfy the requirements of s. RL 25.02 (2) if the applicant submits evidence of all of the following:

(a) Attendance at 3 hours of education under sub. (2) at a school approved by the department under s. RL 25.05 or RL 25.06.

(b) Attendance at 33 hours of education on some or all contents of s. RL 25.02 (2), completed at any school.

(2) The content of the 3-hour course shall include all of the following:

(a) Broker-only contracts and contract issues. Minimum of .5 hours.

1. Reynolds v. Dinger, 14 Wis. 2d, 193.

2. State bar forms - s. RL 16.03 (1).

3. Uniform commercial code forms - s. RL 16.03 (1).
4. Forms used in other states.
5. Developing forms and contingency manual.
6. Supervising salespersons' use of approved forms.

(b) Miscellaneous Wisconsin laws. Minimum of .5 hours.

1. Change of name, address or trade name - ch. RL 23.
2. Trust accounts - s. 452.13, Stats., and ch. RL 18.
 - a. Procedure to open trust account.
 - b. Authorization to sign trust account checks.
 - c. Bookkeeping system.
3. Policy manual - s. RL 17.08.

(c) Review, update or more in-depth coverage of any of the contents of the 13-hour course in s. RL 25.035 (2).

SECTION 4. RL 25.03 (3) (q) 2m is created to read:

RL 25.03 (3) (q) 2m. Lead-based paint.

SECTION 5. RL 25.03 (4) is repealed.

SECTION 6. RL 25.035 is created to read:

RL 25.035 SATISFACTION OF SALESPERSON'S 72-HOUR PROGRAM BY OUT-OF-STATE APPLICANTS. (1) An applicant who has held an active real estate salesperson's license in another licensing jurisdiction within the 2-year period prior to filing an application for an original real estate salesperson's license may satisfy the requirements of s. RL 25.03 (3) if the applicant submits evidence of attendance at no less than 13 hours of education in sub. (2) at a school approved by the department under s. RL 25.05 or RL 25.06. Some or all contents in s. RL 25.03 (3) may be completed at any school.

(2) The content of the 13-hour course shall include all of the following:

- (a) Contracts. Minimum of 3.5 hours.

706.03, Stats.

1. The law of conveyances.
 - a. Conveyance defined - s. 706.01, Stats.
 - b. Requirements for a void conveyance - ss. 706.02, 706.03, Stats.
2. Chapter RL 16.
3. Review of forms approved by the department.
 - a. Listing contracts.
 - b. Offers to purchase.
 - c. Counteroffer and multiple counteroffer.
 - d. Amendment/notice.
 - e. Buyer agency agreement.
 - f. Grant of option.
 - g. Bill of sale.
 - h. Exchange agreement.
 - i. Cancellation and mutual release.
 - j. Other approved forms.

(b) Agency. Minimum of 2 hours.

1. Duties owed to parties and clients. - s. 452.133, Stats.
2. Requirement for an agency agreement and disclosure of agency - s. 452.135, Stats.
3. Multiple representation - s. 452.137, Stats.
4. Revisions to common law duties and responsibilities - s. 452.139, Stats.

(c) Business conduct. Minimum of 1 hour.

1. Direct contact with the public.
 - a. Competence in area of service - s. RL 24.03.
 - b. Tie-ins - s. RL 24.075.
 - c. Agreements in writing - s. RL 24.08.
 - d. Misleading market values - s. RL 24.09.
 - e. Net listings - s. RL 24.10.
2. Advertising - s. RL 24.04.
3. Completing and presenting offers - ss. RL 24.12, 24.13.
 - a. Confidentiality.
 - b. Drafting and submitting offers.
 - c. Prompt delivery to buyer.
 - d. Fair presentation of offers.
 - e. Prompt notification.
4. Self-dealing - s. RL 24.05.
 - a. Dual compensation.
 - b. Disclosure of interest.
 - c. Referral services.
 - d. Disclosure of profits.
 - e. Disclosure of licensure.

(d) Consumer protection. Minimum of 2 hours.

1. Property inspections - s. RL 24.07 (1) (a).
2. Inquiry by listing broker - s. RL 24.07 (1) (b).
3. Disclosure of material adverse facts - s. RL 24.07 (2).

s. RL 24.07 (3).

4. Disclosure of material suggesting adverse material facts -

5. Disclosure of side agreements - s. RL 24.07 (4).

6. Reliance upon third parties - s. RL 24.07 (5).

7. Investigations and inspections - s. 452.23, Stats.

8. Civil liability for misrepresentation.

9. Seller's disclosure duties - ch. 709, Stats.

(e) Fair housing. Minimum of .5 hours. Wisconsin law - s. RL 24.03 (1), ss. 66.432, 101.22, Stats.

(f) Environmental factors. Minimum of 1 hour.

1. Underground storage tanks - ss. ILHR 10.74 to 10.805.

2. Floodplains - s. 87.30, Stats., ss. NR 116.01, 116.06.

3. Wetland - s. 23.32, Stats.

4. Farmland preservation - ss. 91.01 to 91.21, Stats.

5. Rental unit energy efficiency standards - ss. ILHR 67.03, 67.08.

(g) Trust accounts and escrows. Minimum of 1.5 hours.

1. Trust accounts - s. 452.13, Stats., ch. RL 18.

a. Definition of trust account.

b. Interest-bearing and non-interest-bearing accounts.

c. Definition of trust funds.

d. When a trust account is required.

e. Deposit of trust funds.

2. Escrow agreement procedures.

- a. Escrows requiring separate escrow agreements.
- b. Pre-closing earnest money escrows.
- c. Post-closing escrows.
- d. Escrows not requiring separate escrow agreement.
- e. Drafting escrow agreements.

(h) Miscellaneous issues. Minimum of 1.5 hours.

- 1. Condominiums - ss. 703.08, 703.21, 703.33, Stats.
- 2. Homestead - ss. 706.01 (7), 766.065, Stats.
- 3. Taxes - ss. 74.15, 74.47 (1) and (2), Stats.
- 4. Taxation and transfer fee - ss. 77.22, 77.27, Stats.
- 5. Residential rental practices - ss. ATCP 134.02, 134.06, 134.09.
- 6. Platting and subdivisions - ss. 236.01 to 236.03 and 236.31 to 236.35, Stats.
- 7. Documents and records - ch. RL 15.
- 8. Licensure and supervision of employes - ch. RL 17.
- 9. Commercial bulk sales - ss. 406.101 to 406.108, Stats.
- 10. Property provision for aliens and corporations - ss. 710.01, 710.02, Stats.
- 11. Property rights of married persons - ss. 766.31, 766.51, 766.60, 766.63, Stats.
- 12. Mortgage banking - s. 224.71, Stats., s. RL 40.03 (4) (b).

SECTION 7. RL 25.066 (1) is amended to read:

RL 25.066 (1) A school seeking initial approval from the department of the continuing education program or a course shall submit its application on a form provided by the department. ~~Approval of continuing education programs and courses shall terminate on December 31 following the last day of the licensing biennium.~~ A school shall submit applications for approval

of continuing education programs and courses to the department before conducting any continuing education program or course which the department has prescribed for a subsequent licensing biennium.

SECTION 8. RL 25.066 (6) (h) is repealed.

(END OF TEXT OF RULE)

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.

Dated

5/14/97

Agency

Marlene A. Cummings

Marlene A. Cummings, Secretary
Department of Regulation and Licensing

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5/13/97



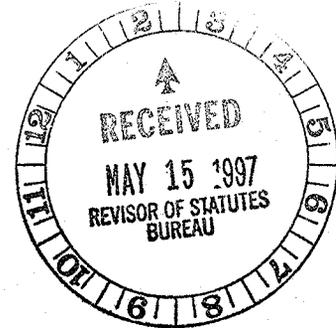
State of Wisconsin
DEPARTMENT OF REGULATION AND LICENSING
CORRESPONDENCE/MEMORANDUM

DATE: May 15, 1997

TO: Gary Poulson
Assistant Revisor of Statutes

FROM: Pamela A. Haack, Rules Center Coordinator
Department of Regulation and Licensing
Office of Administrative Rules

SUBJECT: Final Order Adopting Rules



Agency: DEPARTMENT OF REGULATION AND LICENSING

Clearinghouse Rule 97-001

Attached is a copy and a certified copy of a final order adopting rules. Would you please publish these rules in the register.

Please stamp or sign a copy of this letter to acknowledge receipt.

Thank you.