

1991 Assembly Bill 599

Date of enactment: **November 20, 1991**Date of publication*: **December 5, 1991**

1991 WISCONSIN ACT 78

AN ACT *to repeal* 458.05 (1), 458.06 (1) (intro.), 458.06 (3) (b) 2, 458.06 (4) (b) 2 and 458.08 (1) (intro.); *to renumber* 215.26 (8) (a); *to renumber and amend* 458.06 (1) (a) and (b), 458.06 (3) (b) 1, 458.06 (4) (b) 1, 458.08 (1) (a) and (b) and 458.08 (3) (c); *to amend* 15.405 (10r) (a) 1, 15.405 (10r) (a) 3, 15.405 (10r) (b), 15.405 (10r) (c), 440.08 (2) (a) 11 and 12, 458.01 (3), 458.01 (11), 458.01 (11m), 458.01 (13), 458.01 (14), 458.02, 458.03 (1) (b), 458.06 (2) (d), 458.06 (3) (c), 458.06 (4) (c), 458.08 (2) (b), 458.08 (3) (intro.), (b) 1, (d) and (e), 458.08 (3) (b) 2, 458.08 (4) (intro.), 458.09 (2) (a) and (b), 458.11, 458.13 (1), 458.16 (1), 458.16 (2), 458.18 (1), 458.19 (intro.) and 458.26 (3) (b); *to repeal and recreate* 458.085 and 458.24; and *to create* 186.52, 215.26 (8) (a) 2, 224.092, 458.03 (1) (e), 458.055 (intro.), 458.08 (3) (c) 2, 458.08 (3m) and 458.095 of the statutes, **relating to:** the regulation of real estate appraisers, permitting customer access to appraisal reports and granting rule-making authority.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 15.405 (10r) (a) 1. of the statutes is amended to read:

15.405 (10r) (a) 1. ~~Four~~ Three appraisers who are certified or licensed under ch. 458 and who are members in good standing of an organization that is a charter member of the appraisal foundation, as defined in s. 458.01 (2).

SECTION 1m. 15.405 (10r) (a) 3. of the statutes is amended to read:

15.405 (10r) (a) 3. ~~Two~~ Three public members.

SECTION 2. 15.405 (10r) (b) of the statutes is amended to read:

15.405 (10r) (b) Of the appraiser members of the board, ~~2 one~~ shall be certified under ~~ch. 458 as general appraisers and 2 s. 458.06 as a general appraiser.~~ one shall be certified under ch. 458 s. 458.06 as a residential appraisers appraiser and one shall be licensed under s. 458.08 as appraisers. No public member of the board may be connected with or have any financial interest in an appraisal business or in any other real estate-related business. Section 15.08 (1m) (am) applies to the public

members of the board. No member of the board may serve more than 2 consecutive terms.

SECTION 2b. 15.405 (10r) (c) of the statutes is amended to read:

15.405 (10r) (c) Notwithstanding s. 15.07 (4), a majority of the board constitutes a quorum to do business only if at least ~~3~~ 2 of the members present are appraiser members and at least one of the members present is a public member.

SECTION 2d. 186.52 of the statutes is created to read:

186.52 Customer access to appraisals. If requested by an individual who is a customer, loan applicant or credit applicant, a financial institution, as defined in s. 705.01 (3), shall provide that individual with a copy of any written appraisal report which is held by the financial institution, which relates to residential real estate that the individual owns or has agreed to purchase and for which a fee is imposed.

SECTION 2h. 215.26 (8) (a) of the statutes is renumbered 215.26 (8) (a) 1.

SECTION 2p. 215.26 (8) (a) 2. of the statutes is created to read:

215.26 (8) (a) 2. If requested by an individual who is a customer, loan applicant or credit applicant, a financial

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institution, as defined in s. 705.01 (3), shall provide that individual with a copy of any written appraisal report which is held by the financial institution, which relates to residential real estate that the individual owns or has agreed to purchase and for which a fee is imposed.

SECTION 2t. 224.092 of the statutes is created to read:

224.092 Customer access to appraisals. If requested by an individual who is a customer, loan applicant or credit applicant, a financial institution, as defined in s. 705.01 (3), shall provide that individual with a copy of any written appraisal report which is held by the financial institution, which relates to residential real estate that the individual owns or has agreed to purchase and for which a fee is imposed.

SECTION 3. 440.08 (2) (a) 11. and 12. of the statutes, as created by 1991 Wisconsin Act 39, are amended to read:

440.08 (2) (a) 11. Appraiser, real estate, certified general: July 1 of each odd-numbered year; \$39.

12. Appraiser, real estate, licensed: July 1 of each odd-numbered year; \$39.

SECTION 3m. 458.01 (3) of the statutes is amended to read:

458.01 (3) "Appraisal report" means a written ~~or oral~~ communication of an appraisal.

SECTION 4. 458.01 (11) of the statutes is amended to read:

458.01 (11) "General appraiser" means an individual who conducts appraisals of commercial real estate, ~~or of both commercial real estate and residential real estate,~~ without regard to transaction value.

SECTION 5. 458.01 (11m) of the statutes, as created by 1991 Wisconsin Act 39, is amended to read:

458.01 (11m) "Licensed appraiser" means an individual who is licensed as a an appraiser under s. 458.08.

SECTION 6. 458.01 (13) of the statutes is amended to read:

458.01 (13) "Residential appraiser" means an individual who conducts appraisals of residential real estate or of commercial real estate having a transaction value of not more than \$250,000.

SECTION 7. 458.01 (14) of the statutes is amended to read:

458.01 (14) "Residential real estate" means real estate that, in the opinion of the appraiser who conducts an appraisal of the real estate, has the highest and best use as a residence of not more than 4 dwelling units, ~~as an unimproved recreational or unimproved woodland area or as a residential subdivision of not more than 20 single-family residential lots.~~

SECTION 7m. 458.02 of the statutes, as affected by 1991 Wisconsin Act 39, is amended to read:

458.02 Limitations and exceptions. Nothing in this chapter shall be construed to prohibit a person who is not a certified appraiser or licensed appraiser from appraising real estate or from cosigning a written an appraisal

report with a certified appraiser or licensed appraiser if the person complies with ~~ss. 458.06 (1) and 458.08 (1) s. 458.055.~~

SECTION 8. 458.03 (1) (b) of the statutes, as affected by 1991 Wisconsin Act 39, is amended to read:

458.03 (1) (b) Subject to the procedure under s. 458.05, promulgate rules establishing criteria for the approval of educational and continuing educational programs and courses of study for appraisers ~~which have been approved by the appraisal foundation~~ and establishing criteria for the approval of the courses required under ss. 458.06 (2) (d) and 458.08 (2) (d).

SECTION 9. 458.03 (1) (e) of the statutes is created to read:

458.03 (1) (e) Promulgate rules specifying the types of real estate that may be appraised by licensed appraisers.

SECTION 10. 458.05 (1) of the statutes is repealed.

SECTION 10m. 458.055 (intro.) of the statutes is created to read:

458.055 Prohibited conduct. (intro.) Except as provided in s. 458.095, no person may do any of the following:

SECTION 11m. 458.06 (1) (intro.) of the statutes, as affected by 1991 Wisconsin Act 39, is repealed.

SECTION 11s. 458.06 (1) (a) and (b) of the statutes are renumbered 458.055 (1) and (2) and amended to read:

458.055 (1) Use the title "certified appraiser", "certified general appraiser", "certified residential appraiser" or any similar title or use the initials "CA", "CGA", "CRA" or any similar initials after the person's name unless the person holds an applicable appraiser certificate issued under s. 458.06.

(2) Describe or refer to an appraisal of real estate located in this state by the term "certified" or any similar term unless the person holds an applicable appraiser certificate issued under s. 458.06.

SECTION 12. 458.06 (2) (d) of the statutes is amended to read:

458.06 (2) (d) The applicant attends an educational course that includes at least 15 hours of instruction in the professional standards, and code of ethics ~~and state laws~~ applicable to appraisers and passes an examination conducted to test the applicant's knowledge of such standards, ~~code and laws.~~ The course shall be approved by the department and the examination shall be approved or conducted by the department.

SECTION 13. 458.06 (3) (b) 1. of the statutes is renumbered 458.06 (3) (b) and amended to read:

458.06 (3) (b) Submits evidence satisfactory to the department that he or she has successfully completed at least 200 hours of instruction in educational courses that are related to conducting appraisals, ~~including the course described in sub. (2) (d), and that are conducted by a vocational, technical and adult education school under ch. 38 or an accredited college or university, or by a~~

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~~nationally recognized appraisal organization approved by the appraiser qualifications board of the appraisal foundation the applicable educational requirements specified in the rules promulgated under s. 458.085 (1).~~

SECTION 14. 458.06 (3) (b) 2. of the statutes is repealed.

SECTION 15. 458.06 (3) (c) of the statutes is amended to read:

458.06 (3) (c) Submits evidence satisfactory to the department that he or she has at least 2 years of experience as a general appraiser ~~within the 5 years immediately preceding the date of application.~~

SECTION 16. 458.06 (4) (b) 1. of the statutes is renumbered 458.06 (4) (b) and amended to read:

458.06 (4) (b) Submits evidence satisfactory to the department that he or she has successfully completed at least 120 hours of instruction in educational courses that are related to conducting appraisals, including the course described in sub. (2) (d), and that are conducted by a vocational, technical and adult education school under ch. 38 or an accredited college or university, or by a nationally recognized appraisal organization approved by the appraiser qualifications board of the appraisal foundation the applicable educational requirements specified in the rules promulgated under s. 458.085 (1).

SECTION 17. 458.06 (4) (b) 2. of the statutes is repealed.

SECTION 18. 458.06 (4) (c) of the statutes is amended to read:

458.06 (4) (c) Submits evidence satisfactory to the department that he or she has at least 2 years of experience as a residential appraiser ~~within the 5 years immediately preceding the date of application.~~

SECTION 19g. 458.08 (1) (intro.) of the statutes, as created by 1991 Wisconsin Act 39, is repealed.

SECTION 19m. 458.08 (1) (a) and (b) of the statutes, as created by 1991 Wisconsin Act 39, are renumbered 458.055 (3) and (4) and amended to read:

458.055 (3) Use the title “licensed appraiser” or any similar title or use the initials “LA” or any similar initials after the person’s name unless the person is a certified appraiser or licensed appraiser.

(4) Describe or refer to an appraisal of real estate located in this state by the term “licensed” or any similar term unless the person is a certified appraiser or licensed appraiser.

SECTION 19r. 458.08 (2) (b) of the statutes, as created by 1991 Wisconsin Act 39, is amended to read:

458.08 (2) (b) The applicant pays the fee specified in s. 440.05 (1), except as provided in sub. subs. (3m) and (4).

SECTION 20. 458.08 (3) (intro.), (b) 1., (d) and (e) of the statutes, as created by 1991 Wisconsin Act 39, are amended to read:

458.08 (3) APPRAISER LICENSURE. (intro.) The department shall grant and issue a certificate of licensure

as a an appraiser to any individual who does all of the following:

(b) 1. Submits evidence satisfactory to the department that he or she has successfully completed the educational requirements specified in the rules promulgated under s. 458.085 (1).

(d) Passes an examination conducted by the department under s. 458.10 to determine fitness to perform an appraisal of real estate described in the rules promulgated under s. 458.03 (1) (e).

(e) Satisfies any other requirements that the department determines, by rule, are necessary to ensure that he or she is qualified to perform an appraisal of real estate described in the rules promulgated under s. 458.03 (1) (e) in a federally related transaction.

SECTION 20e. 458.08 (3) (b) 2. of the statutes, as created by 1991 Wisconsin Act 39, is amended to read:

458.08 (3) (b) 2. Subdivision 1 does not apply to certificates granted an individual who is granted a certificate under this section before July 1, 1993, if the individual satisfies par. (c) 1.

SECTION 20f. 458.08 (3) (c) of the statutes, as created by 1991 Wisconsin Act 39, is renumbered 458.08 (3) (c) 1. and amended to read:

458.08 (3) (c) 1. Submits evidence satisfactory to the department that he or she has successfully completed the experience requirements specified in the rules promulgated under s. 458.085 (2).

SECTION 20g. 458.08 (3) (c) 2. of the statutes is created to read:

458.08 (3) (c) 2. Subdivision 1 does not apply to an individual who is granted a certificate under this section before July 1, 1993, if the individual satisfies par. (b) 1.

SECTION 20m. 458.08 (3m) of the statutes is created to read:

458.08 (3m) LICENSURE OF CERTIFIED APPRAISERS. The department shall grant and issue a certificate of licensure as an appraiser to each certified appraiser at the same time that the department issues the certificate of certification to the certified appraiser under s. 458.06 (3) or (4). A certified appraiser may not be charged a fee for licensure under this subsection. The department may issue an appraiser license under this subsection that is separate from a residential appraiser certificate or general appraiser certificate, or may issue one certificate of licensure and certification.

SECTION 21. 458.08 (4) (intro.) of the statutes, as created by 1991 Wisconsin Act 39, is amended to read:

458.08 (4) RECIPROCAL LICENSURE. (intro.) Upon application and payment of the fee specified in s. 440.05 (2), the department shall grant and issue a certificate of licensure as a an appraiser to any applicant to whom any of the following applies:

SECTION 22. 458.085 of the statutes, as created by 1991 Wisconsin Act 39, is repealed and recreated to read:

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458.085 Appraiser educational and experience requirements; rules. The department shall promulgate rules establishing all of the following:

(1) Educational requirements for certification and for licensure under this chapter.

(2) Experience requirements for licensure under this chapter.

SECTION 23. 458.09 (2) (a) and (b) of the statutes, as affected by 1991 Wisconsin Act 39, are amended to read:

458.09 (2) (a) The period of experience required under s. 458.06 (3) (c) shall be reduced by the period ~~during the 5 years immediately preceding the date of application under sub. (3)~~ that the applicant has been employed as an assessor of commercial real estate or of both commercial real estate and residential real estate and that the department determines is substantially equivalent to experience as a general appraiser.

(b) The period of experience required under s. 458.06 (4) (c) or 458.08 (3) (c) shall be reduced by the period ~~during the 5 years immediately preceding the date of application under sub. (4)~~ that the applicant has been employed as an assessor of residential real estate or commercial real estate and that the department determines is substantially equivalent to experience as a residential appraiser.

SECTION 24. 458.095 of the statutes is created to read:

458.095 Temporary use of titles; appraisers certified or licensed in other states. A certificate under this chapter is not required for an appraiser who holds a current appraiser certificate in another state if all of the following apply:

(1) The appraisal is performed in a federally related transaction.

(2) The appraiser's practice in this state is of a temporary nature, as determined by the department by rule.

(3) The appraiser is registered with the department.

(4) The appraiser meets all other requirements established in rules promulgated by the department for the regulation of temporary appraiser practice.

SECTION 25. 458.11 of the statutes, as affected by 1991 Wisconsin Act 39, is amended to read:

458.11 Expiration and renewal. Renewal applications shall be submitted to the department on a form provided by the department on or before the applicable renewal date specified under s. 440.08 (2) (a) and shall include the applicable renewal fee specified under s. 440.08 (2) (a). Renewal of an appraiser certificate automatically renews the individual's appraiser license without payment of the renewal fee for the appraiser license or completion of any additional continuing education requirements that would otherwise be required for renewal of the appraiser license. Renewal applications shall be accompanied by proof of completion of the continuing education requirements in s. 458.13. Notwithstanding ~~ss. s.~~ 458.06 (3) (b) 2. and (4) (b) 2., ~~1989 stats.,~~ and s. 458.08 (3) (b) 2. and (c) 2., the department may not

renew a certificate that expires on July 1, 1993, unless the holder of the certificate satisfies the requirement in s. 458.06 (3) (b) ~~4~~ or (4) (b) ~~4~~ or 458.08 (3) (b) 1. or (c) 1., as appropriate.

SECTION 26. 458.13 (1) of the statutes, as affected by 1991 Wisconsin Act 39, is amended to read:

458.13 (1) At the time of renewal of a certificate issued under this chapter, each applicant shall submit proof of attendance at and completion of, within the 2 years immediately preceding the date on which the renewal application is submitted, continuing education programs or courses of study approved for at least ~~30~~ 20 hours of credit by the department ~~and the appraisal foundation.~~

SECTION 27. 458.16 (1) of the statutes, as affected by 1991 Wisconsin Act 39, is amended to read:

458.16 (1) Each certified appraiser shall place his or her certificate number adjacent to or immediately below the title "Wisconsin certified general appraiser" or "Wisconsin certified residential appraiser" on each ~~written~~ appraisal report and each written appraisal agreement used by the certified appraiser in conducting appraisal activities. The title "Wisconsin certified residential appraiser" may be used only on a ~~written~~ an appraisal report or written appraisal agreement pertaining to commercial real estate having a transaction value of not more than \$250,000 or to residential real estate.

SECTION 28. 458.16 (2) of the statutes, as created by 1991 Wisconsin Act 39, is amended to read:

458.16 (2) Each licensed appraiser shall place his or her certificate number adjacent to or immediately below the title "Wisconsin licensed appraiser" on each ~~written~~ appraisal report and each written appraisal agreement used by the licensed appraiser in conducting appraisal activities. The title "Wisconsin licensed appraiser" may be used only on an appraisal report or written appraisal agreement pertaining to real estate described in the rules promulgated under s. 458.03 (1) (e).

SECTION 28g. 458.18 (1) of the statutes, as affected by 1991 Wisconsin Act 39, is amended to read:

458.18 (1) Unless a longer period of retention is required under sub. (2), a certified appraiser or licensed appraiser shall retain for at least 5 years the originals or true copies of each contract for the employment of the appraiser's professional services, each ~~written~~ appraisal report prepared by the appraiser and all other records that, in the opinion of the appraiser, are material to each ~~written~~ appraisal report prepared by the appraiser. The period of retention required under this subsection begins on the date on which the appraiser submits the appraisal report to the person for whom the appraisal report is prepared.

SECTION 28r. 458.19 (intro.) of the statutes is amended to read:

458.19 Requirements for appraisal reports. (intro.) An appraiser shall include all of the following in each ~~written~~ appraisal report prepared by the appraiser:

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SECTION 29. 458.24 of the statutes, as affected by 1991 Wisconsin Act 39, is repealed and recreated to read:

458.24 Code of professional conduct. 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 30. 458.26 (3) (b) of the statutes is amended to read:

458.26 (3) (b) Engaged in unprofessional or unethical conduct in violation of rules promulgated under s. 458.24.

SECTION 31. Initial applicability; appraiser experience requirements. (1) The treatment of sections 458.06 (3) (b) 2. and (c) and (4) (b) 2. and (c) and 458.08 (3) (c) of the statutes and the creation of section 458.08 (3) (c) 2. of the statutes first apply to certificates granted under section 458.06 or 458.08 of the statutes, as affected

by this act, on the effective date of this subsection.

(2) The treatment of sections 186.52, 215.26 (8) (a) and 224.092 of the statutes and the creation of section 215.26 (8) (a) 2. of the statutes first apply to a written appraisal report that is prepared on the effective date of this subsection.

SECTION 32. Effective dates. This act takes effect on the day after publication, except as follows:

(1) The treatment of section 15.405 (10r) (a) 1. and 3. and (b) of the statutes takes effect as follows:

(a) On May 1, 1992, if the term of one member of the real estate appraisers board who is certified as a general appraiser under section 458.06 of the statutes and the term of one member of that board who is certified as a residential appraiser under section 458.06 of the statutes expire on May 1, 1992.

(b) On May 1, 1992, with respect to the appointment of one member of the real estate appraisers board who is licensed as an appraiser under section 458.08 of the statutes, as affected by this act, and on May 1, 1994, with respect to the appointment of the public member of that board, if the term of one of the members specified in paragraph (a) expires on May 1, 1992, and the term of the other member specified in paragraph (a) expires on May 1, 1994.