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*Testimony before the Senate Committee on Insurance, Licensing and Forestry
State Senator André Jacque
February 23, 2022*

Chair Felzkowski and Members of the Senate Committee on Insurance, Licensing and Forestry,

Thank you for the opportunity to testify before you today as the author of Senate Bill 469, reciprocal credentials for workforce growth.

Shortages of licensed professionals in a number of critical fields have become increasingly acute in recent years. To help fill those gaps, we will be introducing legislation to establish reciprocal licensing in Wisconsin similar to what has already been implemented successfully in Arizona, and what was recently signed into law in Wisconsin for active duty military spouses and veterans and their spouses (2019 Wisconsin Act 143). Under SB 469, licensing boards will recognize out-of-state occupational licenses for people who:

- Have been licensed in their profession for at least one year
- Are in good standing in all states where they are licensed
- Do not have any past or pending investigations, complaints, or license revocations
- Establish residency in Wisconsin
- Pay applicable fees (waived for the next 12 months to deal with the current health crisis)
- Meet all testing and background check requirements per law

Individuals seeking to work in occupations that require a background check will still need to complete them, and additionally professionals receiving licenses under the new law can only become licensed in practice within areas they have been trained and certified to practice in their original state. Wisconsin licensing boards will be required to verify that an individual is in good standing in all states where they are licensed. Individual boards may have several pathways to licensure already in statute such as interstate compact, licensure by endorsement, reciprocity, etc. Ultimately, universal recognition is not meant to replace these pathways to licensure, but represents an important new pathway that expands the options available to those looking to join our workforce.

It's important to note that this law does not automatically recognize other states' occupational licenses. This means that workers licensed in other states will still need to apply for a license through the appropriate Wisconsin State licensing board. With the passage of this reform, Wisconsin's capacity to fill critical existing or impending vacancies in our workforce will be proactively and dramatically strengthened.

Thank you for your consideration of SB 469.



Wisconsin REALTORS® Association

To: Senate Committee on Insurance, Licensing and Forestry
From: Cori Lamont, Senior Director of Legal and Public Affairs
Date: February 23, 2022
RE: SB 469/ AB 902 – reciprocal credentials

The Wisconsin REALTORS® Association (WRA) has concerns about SB 469/ AB 902, legislation that creates a new reciprocal credentialing process at the Department of Safety and Professional Services (DPS) and associated examining boards, including credentials issued by the Real Estate Examining Board (REEB).

The WRA appreciates the bill author's attempt to address concerns raised about allowing candidates to practice real estate in Wisconsin without the appropriate level of competency.

As amended in Senate Substitute Amendment 1, Section 9, attempts to exempt most credentials issued by the REEB. However, as drafted, there are two problematic matters relating to the language of Section 9:

- 1) the bill treats reciprocal applicants licensed to practice law in Wisconsin differently than non-reciprocal Wisconsin attorneys and
- 2) misleads the type of license issued by the REEB.

Background

While some professions may be heavily regulated by federal laws, thus making it easier to move from state-to-state, Wisconsin real estate transactions, the obligations and privileges surrounding Wisconsin real estate licensees are different than other states. Therefore, real estate licensees hold a unique license at DPS for the following reasons:

Real estate is unlike other professions regulated by the DPS.

- **No other profession regulated at DPS has the same authority.** Wisconsin real estate licensees have a limited capacity to practice law. This authority has been acknowledged and granted under statute Wis. Stat. § 452.40 as an exception under Supreme Court Rule Chapter 23 Unauthorized Practice of Law and by the Wisconsin Supreme Court in *State ex rel. Reynolds v. Dinger* in 1961.

Accordingly, real estate licensees are permitted, with established parameters in law, to draft real estate contracts on behalf of others in the single largest investment in an individual's lifetime.

The credential issued by the REEB grants a real estate licensee that through statute, Supreme Court Rule, and case law, allows Wisconsin real estate licensees the limited right to practice law.

- **Regulation of Wisconsin real estate licensees is Wisconsin specific.** Wisconsin real estate licensees must use state-approved (WB) forms by completing the blank lines, using additional provisions and addenda for the purpose of accomplishing the objectives of the party in a specific real estate transaction. When a WB form is not available, Wisconsin law provides specific direction as to the practice. WB forms are updated regularly to address legal and transactional changes. Lastly, Wisconsin statute and administrative code allows real estate licensees to provide a general explanation of approved forms.
- **Without exemption, all Wisconsin real state license applicants must pass the Wisconsin license examination.** While education requirements may vary depending on reciprocal agreements between states, all individuals granted a Wisconsin real estate license must complete the state license exam(s) to ensure a basic level of competency to provide brokerage services in this state, including applicants licensed in other states and Wisconsin attorneys.

Wis. Stat. § 452.09(3) sets forth the competency requirements of applicants for sales and broker licenses and provides examinations, “shall reliably measure an applicant’s ability to competently engage in real estate practice.” The REEB establishes the criteria for both the education curriculum and license examinations after consulting with the council on real estate curriculum and examinations. See Wis. Stat. § 452.05 (1)(c). The 7-member council, created under Wis. Stat. § 15.407(5), is comprised of five licensed broker or salesperson members and two public members. The council annually reviews the subjects covered on each of the license exams¹.

Wisconsin has well-established reciprocal requirements for out-of-state applicants in Administrative Code and education requirements. See Wis. Admin. Code Ch. § REEB 12 and Wis. Admin. Code Ch. § REEB 25, respectively.

For these reasons, WRA expresses concerns as to the current language of section 9 in Senate Substitute Amendment 1 to SB 469.

¹ Wis. Stat. § 452.06(2)(b). After consultation with the council on real estate curriculum and examinations, promulgate rules establishing criteria for the approval of educational programs and training sessions under s. 452.09 (2) and approve such programs and sessions in accordance with the established criteria.



**Wisconsin Institute of
Certified Public Accountants**

DATE: February 22, 2022

TO: Chair Felzkowski and members of the Senate Committee on Insurance, Licensing and Forestry

FROM: Tammy Hofstede, President & CEO
Wisconsin Institute of Certified Public Accountants

RE: Oppose SB469/AB902 authored by Senator Jacque, Senator Nass, and Rep. Murphy, Rep. Horlacher, Rep. Brandtjen, Rep. Cabral-Guevara, Rep. Dittrich, Rep. Edming, Rep. Moses, Rep. Rozar, Rep. Thiesfeldt, Rep. Wichgers, and Rep. Knodl

Thank you, Chairman Felzkowski and members of this committee, for the opportunity to submit written testimony today on SB469/AB902. Despite a substitute amendment added by the bill's author, the Wisconsin Institute of CPAs remains opposed. I am submitting written testimony today because I am not able to be present due to a schedule conflict but wish to make you aware of our concerns.

The Wisconsin Institute of CPAs (WICPA), which represents over 7,100 members across this state is concerned that the bill is before this committee today with a substitute amendment that does not address the impact to the CPA profession. We welcome the opportunity to work with both authors to add further changes to this bill to enable the Wisconsin Institute of CPAs to revoke its current opposition from "oppose" to "support." Today we remain opposed, for the following reasons:

SB469 and AB902 establishes a process for credential holders from other states to obtain reciprocal credentials to practice their professions in Wisconsin.

- The bill does not account for those professions with an existing system of reciprocity and could negatively impact these systems that have for decades successfully allowed credential holders from other states to practice in Wisconsin.
- To allow CPAs a wider range of professional mobility and opportunity, licensing jurisdictions in the United States have adopted a concept known as *substantial equivalency* to ensure all CPAs are licensed and regulated equally regardless of where they practice or who employs them.
- Senate Bill 469 undermines the current license and mobility systems for certified public accountants that has well served the consumers in Wisconsin for decades.

- The bill forces the acceptance of out-of-state licenses with no assurance of minimum qualifications or accountability measures for proper practice. It also requires an individual who avails themselves of the universal license concept contemplated in the bill to become a resident of Wisconsin; a provision that is not required for certified public accountants.
- While the bill's aim is to reduce barriers to practice one's profession, it creates new barriers for public accounting practice within the decades old established system of reciprocity.

For these reasons we urge the lead author or this Committee to amend the bill to account for these existing systems of reciprocity and to remove the residency requirement that does not account for the ways in which business is conducted across state borders.

Suggested Language – Senate Bill 469

Amend Section 14 by deleting section (3):

~~3. The individual establishes residence in this state.~~

Amend Section 14 by adding:

10. The individual pays all applicable fees, including the fee specified under s. 17440.05

(b) 1. Paragraph (a) does not apply to any credentials or other forms of permission granted pursuant to an interstate compact or to the extent that its application conflicts with an interstate compact.

(c) Paragraph (a) does not apply if a board has entered into a national reciprocal or endorsement agreement with one or more states; those agreements remain in effect.

(d) Nothing in this section supersedes a compact or reciprocity or comity agreement; established by the Legislature or board.

Remove language related to practice of law.

By making this simple change, it would account for the CPA profession in Wisconsin that already has an existing system of reciprocity and mobility. It already successfully allows credential holders from other states to practice in Wisconsin.

We look forward to working with Senator Jacque on an amendment and ask you not to consider a vote on SB469 until our concerns have been addressed.

Thank you for your time and leadership and consideration on this issue. For more information I can be reached at 262-893-8963 or tammy@wicpa.org or via our legislative counsel, Alice O'Connor at aoc@constituency services or 608-225-9391.