

**Report From Agency**

**STATE OF WISCONSIN  
DEPARTMENT OF SAFETY AND PROFESSIONAL SERVICES**

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**IN THE MATTER OF RULEMAKING : REPORT TO THE LEGISLATURE**  
**PROCEEDINGS BEFORE THE : CR 20-086**  
**DEPARTMENT OF SAFETY :**  
**AND PROFESSIONAL SERVICES :**

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**I. THE PROPOSED RULE:**

The proposed rule, including the analysis and text, is attached.

**II. REFERENCE TO APPLICABLE FORMS:**

N/A

**III. FISCAL ESTIMATE AND EIA:**

The Fiscal Estimate and EIA is attached.

**IV. DETAILED STATEMENT EXPLAINING THE BASIS AND PURPOSE OF THE PROPOSED RULE, INCLUDING HOW THE PROPOSED RULE ADVANCES RELEVANT STATUTORY GOALS OR PURPOSES:**

The proposed rule creates s. SPS 85.230 (2m) to implement s. 440.09, Stats., as amended by 2019 Wisconsin Act 143. Section 440.09, Stats., specifies the requirements for issuing reciprocal credentials to service members, former service members, and the spouses of service members and former service members.

The proposed rule also revises the Licensed Appraiser classification under s. SPS 85.500 to reflect a May 15, 2020 change to the real property appraiser classifications within the Appraiser Qualifications Board's *Real Property Appraiser Qualification Criteria*. Specifically, the Licensed Residential Real Property Appraiser classification in the Criteria was changed from applying to complex one-to-four residential units having a transaction value of less than \$250,000 to those having a transaction value of less than \$400,000.

**V. SUMMARY OF PUBLIC COMMENTS AND THE BOARD'S RESPONSES, EXPLANATION OF MODIFICATIONS TO PROPOSED RULES PROMPTED BY PUBLIC COMMENTS:**

The Department of Safety and Professional Services and Real Estate Appraisers Board held a public hearing on February 9, 2021. No public comments were received.

**VI. RESPONSE TO LEGISLATIVE COUNCIL STAFF RECOMMENDATIONS:**

**1. Statutory authority**

This recommendation asks the Department to evaluate and explain whether adding requirements for obtaining a reciprocal credential beyond those listed in s. 440.09 (2), Stats., is necessary to effectuate the purpose of the statute.

The provisions in question specify an individual would not be in good standing, and thus not qualify for a reciprocal credential, under 2 circumstances. The first circumstance arises if the individual has had an appraiser credential limited, suspended, revoked, or surrendered for cause within 5 years of applying for reciprocity (s. SPS 85.230 (2m) (e) 1.). The second circumstance arises if the individual has been convicted of certain felonies within five years of applying for reciprocity (s. SPS 85.230 (2m) (e) 2.).

The Department has determined the requirement under s. SPS 85.230 (2m) (e) 1. is not necessary to effectuate the purpose of the statute, and has removed this provision.

The Department has determined the requirement under s. SPS 85.230 (2m) (e) 2. is necessary to effectuate the purpose of the statute. Under federal statutes and regulations, all states that certify real estate appraisers for purposes of conducting appraisals in federally related transactions must assure compliance with the criteria established by the Appraiser Qualifications Board (AQB). The AQB Criteria provides that “[a]n applicant shall not be eligible for a real property appraiser credential if, during at least the five (5) year period immediately preceding the date of the application for licensing or certification, the applicant has been convicted of, or pled guilty or nolo contendere to a crime that would call into question the applicant’s fitness for licensure.” As such, the provision under s. SPS 85. 230 (2m) (e) 2. is necessary to comply with applicable federal statutes and regulations.

All other Legislative Council recommendations have been accepted in whole.

**VII. REPORT FROM THE SBRRB AND FINAL REGULATORY FLEXIBILITY ANALYSIS:**

N/A