

# State of Wisconsin



2023 Assembly Bill 918

Date of enactment: **March 22, 2024**

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## 2023 WISCONSIN ACT 208

AN ACT *to renumber* 452.14 (2); *to amend* 452.14 (4m) (a), 452.14 (4r), 452.17 (1), 452.17 (3), 452.19 (1), 452.23 (title) and 452.23 (4); and *to create* 452.14 (2) (b), 452.14 (3) (im), 452.23 (5) and 710.13 of the statutes; **relating to:** various changes regarding the laws governing real estate practice, disclosures regarding real property wholesalers, and providing a penalty.

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

**SECTION 4.** 452.14 (2) of the statutes is renumbered 452.14 (2) (a).

**SECTION 5.** 452.14 (2) (b) of the statutes is created to read:

452.14 (2) (b) The board shall notify a firm in writing as to all disciplinary orders issued against a licensee associated with the firm. The notice shall be sent to the firm at the email address of the individual broker acting as a sole proprietor or the email address for the licensed business entity.

**SECTION 7.** 452.14 (3) (im) of the statutes is created to read:

452.14 (3) (im) Violated s. 710.13 (2).

**SECTION 8m.** 452.14 (4m) (a) of the statutes is amended to read:

452.14 (4m) (a) Assess against a licensee a forfeiture of not more than ~~\$1,000~~ \$5,000 for each violation enumerated under sub. (3).

**SECTION 10.** 452.14 (4r) of the statutes is amended to read:

452.14 (4r) The board may assess against a licensee who is an individual a forfeiture of ~~\$1,000~~ \$5,000 for a violation under s. 452.25 (2) (a).

**SECTION 11.** 452.17 (1) of the statutes is amended to read:

452.17 (1) Any person who engages in or follows the business or occupation of, or advertises or holds himself or herself out as or acts temporarily or otherwise as, a broker or salesperson in this state without a license under this chapter shall be prosecuted by the district attorney in the county where the violation occurs or by the attorney general and may be fined not more than ~~\$1,000~~ \$5,000 or imprisoned not more than 6 months or both.

**SECTION 12.** 452.17 (3) of the statutes is amended to read:

452.17 (3) Any person who otherwise violates any provision of this chapter may be fined not more than ~~\$1,000~~ \$5,000 or imprisoned for not more than 6 months or both.

**SECTION 13.** 452.19 (1) of the statutes is amended to read:

452.19 (1) No licensee may pay a fee or a commission or any part thereof for performing any act specified in this chapter or as compensation for a referral or as a finder's fee to any person who is not licensed under this chapter or who is not regularly and lawfully engaged in the real estate brokerage business in another state, a territory or possession of the United States, or a foreign coun-

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\* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

try, unless the person was licensed under this chapter when the commission was earned or when the referral fee arrangement was made.

**SECTION 14.** 452.23 (title) of the statutes is amended to read:

**452.23** (title) **Disclosures, investigations and inspections by brokers and salespersons.**

**SECTION 16.** 452.23 (4) of the statutes is amended to read:

452.23 (4) In performing an ~~investigation or~~ inspection and in making a disclosure in connection with a real estate transaction, a licensee shall exercise the degree of care expected to be exercised by a reasonably prudent person who has the knowledge, skills, and training required for licensure under this chapter.

**SECTION 17.** 452.23 (5) of the statutes is created to read:

452.23 (5) A licensee that in good faith provides information attributable to a state or local governmental or quasi-governmental entity, including an agency, department, board, commission, bureau, or division, or a military or public safety organization, may not be held civilly liable if that information is subsequently determined to be inaccurate, unless the licensee knew the information was inaccurate at the time the licensee provided the information. For the purpose of any proceeding, the good faith shall be presumed.

**SECTION 18.** 710.13 of the statutes is created to read:

**710.13 Disclosures regarding real property wholesalers.** (1) **DEFINITIONS.** (a) "Purchase agreement" means a contract for the sale, exchange, option, rental, or purchase of residential real property.

(b) "Real property wholesaler" means a person that enters into a purchase agreement as a buyer and intends to assign the person's rights as buyer under the purchase agreement to a 3rd party for consideration.

(c) "Residential real property" means real property in this state that includes one to 4 dwelling units, as defined in s. 101.61 (1).

(2) **REQUIRED DISCLOSURES.** A real property wholesaler shall provide all of the following disclosures:

(a) No later than entering into a purchase agreement as a buyer, written notice to the seller of the residential real property that the buyer is a real property wholesaler.

(b) No later than entering into a contract with a 3rd party to assign the real property wholesaler's rights as buyer under a purchase agreement to the 3rd party, written notice to the 3rd party that the assignor is a real property wholesaler that holds an equitable interest in the residential real property as a buyer under the purchase agreement and that the assignor is conveying the assignor's interest in the purchase agreement, not title to the residential real property.

(3) **RIGHTS TO RESCIND.** (a) If a real property wholesaler fails to timely provide the disclosure to a seller as required under sub. (2) (a), the seller may rescind the purchase agreement at any time before the closing, without any liability on the seller's part, by providing written notice of rescission to the real property wholesaler, and the seller is entitled to retain any deposits or option fees paid by the real property wholesaler in connection with the transaction.

(b) If a real property wholesaler fails to timely provide the disclosure to a 3rd party assignee as required under sub. (2) (b), the assignee may rescind the assignment of the purchase agreement at any time before the closing, without any liability on the assignee's part, by providing written notice of rescission to the real property wholesaler, and the assignee is entitled to the return of any deposits or option fees paid by the assignee in connection with the transaction.

(4) **WAIVER PROHIBITED.** A person may not waive the person's rights under this section. If the person proceeds to closing, the person's right to rescind under sub. (3) is terminated.

**SECTION 19. Initial applicability.**

(1) **DISCLOSURES REGARDING REAL PROPERTY WHOLESALEERS.** The treatment of s. 710.13 first applies to a purchase agreement or an assignment of a purchase agreement entered into on the effective date of this subsection.