

Report From Agency

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

**IN THE MATTER OF RULE-MAKING : REPORT TO THE LEGISLATURE
PROCEEDINGS BEFORE THE : ON CLEARINGHOUSE RULE 06-033
DEPARTMENT OF REGULATION : (s. 227.19 (3), Stats.)
AND LICENSING :**

I. THE PROPOSED RULE:

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

II. REFERENCE TO APPLICABLE FORMS:

No new or revised forms are required by these rules.

III. FISCAL ESTIMATES:

The change in requirements will result in minimal costs to the department. The department finds that this rule has no significant fiscal effect on the private sector.

IV. STATEMENT EXPLAINING NEED:

This rule will establish the criteria for approval of educational programs and experience requirements for licensed and certified appraisers to implement the Appraiser Qualifications Board (AQB) qualifications criteria that will become effective January 1, 2008.

VI. NOTICE OF PUBLIC HEARING:

A public hearing was held on May 10, 2006. There were no appearances at the public meeting.

Written comments in the form of emails were received from the following:

(1) Mick Mullee, Certified General Appraiser, Madison, WI: Inquired as to whether the revisions in the proposed rules relating to the qualifying and continuing education requirements relate to appraisers who are currently licensed and/or certified. In general, the proposed changes to the qualifying educational requirements relate only to individuals who apply for appraiser credentials on or after January 1, 2008, not to

appraisers who hold credentials prior to that date. In reference to the continuing education requirements, those revisions will apply to all appraisers.

(2) Douglas Quenzer, Licensed Appraiser, Webster, WI: Commented on several issues. The first issue relates to the increase in the qualifying education hours required for licensure and certification, and the availability of approved courses. In reference to the increase in the educational hours, those changes are primarily mandated by federal law. In reference to the availability of approved courses, the department has approved distance education courses that may be claimed for qualifying education. In addition, the Appraiser Qualifications Board of the Appraisal Foundation maintains a list of its approved distance education courses, which the Department accepts for purposes of qualifying education hours.

The second issue relates to continuing education hours for licensed and certified appraisers. States that it is a burden for an individual who holds a credential as a real estate broker to have to complete the 30 hours of continuing education required for renewal of his or her appraiser credential, as well as the continuing education hours required for the renewal of his or her real estate broker's license. In reference to the continuing education requirements for licensed and certified appraisers, those requirements are mandated by federal law. An appraiser who is initially licensed or certified within a biennium is permitted to complete 14 of the 28 hours required for renewal of his or her credential.

Finally, proposes that the department create a certified general appraiser provisional credential that would allow appraisers to appraise commercial properties having a transaction value up to \$400,000. First, the Wisconsin Legislature determines the type of appraiser credentials that the Department may grant. Second, the scope of practice, including the limitation on the amount of the transaction values that appraisers may appraise, is established by federal laws. The rules relating to scope of practice that have been adopted by the department mirror the federal requirements.

(3) Bill Otto, Licensed Appraiser, West Bend, WI & Ann Katt: Commented that the current continuing education requirements are a waste of time and money. First, the proposed rules do not address whether appraisers should be required to complete continuing education hours. The Wisconsin Legislature has already determined, as evidenced in Wis. Stats., ch., 458, that licensed and certified appraisers must complete continuing education course work. In addition, the subject matter and the number of hours required for continuing education are mandated by federal law.

(4) Mark Buechel, Elkhart Lake, WI. Comments relate primarily to appraisal experience required to obtain an appraiser credential. The proposed rules focus primarily on the educational requirements required for an appraiser credential, not the experience requirements. Only, minor and technical changes relating to appraisal experience are made in the proposed rules. In addition, Mr. Buechel recommended that the department add a Licensed General credential that would permit a licensed appraiser to practice

under the supervision of a Certified General appraiser. As noted above, the Wisconsin Legislature determines what type of credentials the department may grant.

(5) Ronald Hanson, AQB Board Certified USPAP Instructor: Commented that the proposed definition of “mass appraisal” that is proposed in s. RL 80.03 (10), is too narrow in that it limits who may claim mass appraisal experience for purposes of obtaining an appraiser credential. Based upon Mr. Hanson’s comments, the department has amended the definition of “mass appraisal” to read: “Mass appraisal” means the process of valuing a universe of properties as of a given date using standard methodology, employing common data, and allowing for statistical testing.

VII. RESPONSE TO LEGISLATIVE COUNCIL STAFF RECOMMENDATIONS:

All of the recommendations suggested in the Clearinghouse Report were accepted in whole.

VIII. FINAL REGULATORY FLEXIBILITY ANALYSIS:

These proposed rules will have no significant economic impact on small businesses, as defined in s. 227.114 (1) (a), Stats.