

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis

Original Updated Corrected

2. Administrative Rule Chapter, Title and Number

SPS 80- 87

3. Subject

Examination, Education and experience requirements for real estate appraisers

4. Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

5. Chapter 20, Stats. Appropriations Affected

20.165 (1)(g)

6. Fiscal Effect of Implementing the Rule

No Fiscal Effect Increase Existing Revenues Increase Costs
 Indeterminate Decrease Existing Revenues Could Absorb Within Agency's Budget
 Decrease Cost

7. The Rule Will Impact the Following (Check All That Apply)

State's Economy Specific Businesses/Sectors
 Local Government Units Public Utility Rate Payers
 Small Businesses **(if checked, complete Attachment A)**

8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes No

9. Policy Problem Addressed by the Rule

Real estate appraisers are regulated by state and federal regulations. On the state level real estate appraisers are regulated by ch. 458, Stats. and Wis. Admin. Code SPS 80-87. On the federal level real estate appraisers are regulated by the Financial Institutions Reform Recovery Act of 1989 ("FIRREA") 12 U.S.C. 3331 et seq. Implementation of the federal standards are overseen by the Appraisal Subcommittee (ASC). The ASC monitors state regulations of certified and licensed appraisers and reviews each state's compliance with federal legislation. The ASC also monitors the Appraiser Qualifications Board (AQB) which establishes the minimum education, experience and examination requirements for real property appraisers to obtain state credentials. The minimum education, experience and examination requirements, as set by the AQB, will change as of January 1, 2015. Consequently, the state regulations must be amended to bring them into conformity with the federal mandate.

10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments.

The proposed rule will primarily affect current real estate appraisers credential holders and applicants for real estate appraiser credentials. The rule was posted on the Department of Safety and Professional Service's website for 14 days in order to solicit comments from businesses, associations representing businesses, local governmental units and individuals that may be affected by the rule. No comments were received.

11. Identify the local governmental units that participated in the development of this EIA.

No local governmental units participated in the development of this EIA.

12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

This proposed rule will not have a significant impact on specific businesses, business sectors, public utility rate payers, local governmental units or the state's economy as a whole.

13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

The main benefit of implementing the proposed rule is bringing relevant Wis. Admin. Code into conformity with the federally mandated minimum education, experience and examination requirements established by the AQB.

14. Long Range Implications of Implementing the Rule

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

The proposed rule will provide greater guidance to applicants seeking licensure within the real estate appraiser profession.

15. Compare With Approaches Being Used by Federal Government

The Financial Institutions Reform Recovery Act of 1989, (“FIRREA”) 12 U.S.C 3331, et. seq. regulates real estate appraisers on the federal level. The purpose of FIRREA “is to provide that Federal financial and public policy interests in real estate related transactions will be protected by requiring that real estate appraisals utilized in connection with federally related transactions are performed in writing, in accordance with uniform standards, by individuals whose competency has been demonstrated and whose professional conduct will be subject to effective supervision.” 12 U.S.C. 3331. This federal mandate is accomplished via the Appraiser Qualification Board (AQB) and the Appraisal Subcommittee (ASC). The ASC monitors state regulation of certified and licensed appraisers and reviews each state’s compliance with federal legislation.

The AQB sets the minimum qualifications of real estate appraisers. The minimum qualifications criteria established by the AQB are set forth in the *Real Property Appraiser Qualifications Criteria and Interpretations of the Criteria* (“Criteria”) The AQB Criteria includes the minimum experience, examination, qualifying education, and continuing education requirements that must be satisfied by an individual in order to obtain and maintain an appraiser credential.

16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

All states must be in compliance with the federal minimum criteria established by the AQB by January 1, 2015.

Illinois: Illinois issues certified general, certified residential and associate real estate trainee appraiser credentials. The licensure, educational, experience and continuing education requirements set forth in 68 Ill. Admin. Code 1455.10 et. seq. (2013) meets the minimum requirements set by the AQB.

Iowa: Iowa credentials certified residential, certified general and associate real property appraisers. The associate real property appraiser is substantially equivalent to the federal category of trainee real property appraisers. Unlike Iowa, Wisconsin does not credential trainee real property appraisers. The education, experience, and examination requirements promulgated by Iowa Admin Code 193F-4.1, 193F-5.1 (1) and 193F-6.1 (2013), meet the minimum requirements set forth by the AQB.

Michigan: Michigan credentials limited real estate appraisers, state licensed real estate appraisers, certified residential real estate appraisers, and certified general real estate appraisers. The state licensed real estate appraiser is similar to Wisconsin’s licensed appraiser. The certified general and certified residential requirements are consistent with the AQB’s minimum requirements. The limited real estate appraiser is equivalent to the trainee real property appraiser. MCLS § 339.2601 (2013).

Minnesota: Minnesota regulates trainee real property appraisers, licensed residential real property appraisers, certified residential real property appraisers, and certified general real property appraisers. The Licensed residential real property appraiser credential is similar to Wisconsin’s licensed appraiser credential. The education, examination, and experience requirements for all classes of credentials for real estate appraisers is set forth in Minn. Stat. §§82B.11, 82B.12, 82B.13, 82B.14 (2013), and are consistent with the minimum requirements established by the AQB.

17. Contact Name

Shawn Leatherwood

18. Contact Phone Number

608-261-4438

ADMINISTRATIVE RULES
Fiscal Estimate & Economic Impact Analysis

This document can be made available in alternate formats to individuals with disabilities upon request.

ADMINISTRATIVE RULES
Fiscal Estimate & Economic Impact Analysis

ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
 - Less Stringent Schedules or Deadlines for Compliance or Reporting
 - Consolidation or Simplification of Reporting Requirements
 - Establishment of performance standards in lieu of Design or Operational Standards
 - Exemption of Small Businesses from some or all requirements
 - Other, describe:
-

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

5. Describe the Rule's Enforcement Provisions

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
-