

CERTIFICATE

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

TO ALL WHOM THESE PRESENTS SHALL COME, GREETINGS:

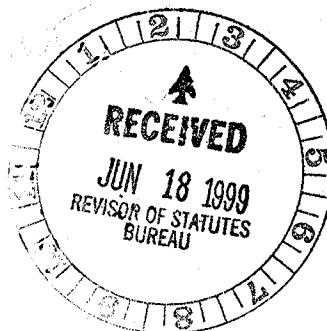
I, Marlene A. Cummings, Secretary, Wisconsin Department of Regulation and Licensing and custodian of the official records of the Department of Regulation and Licensing, hereby certify that the annexed rules were duly approved and adopted by the Department of Regulation and Licensing on the 16th day of June, 1999.

I further certify that said copy has been compared by me with the original on file in this office and that the same is a true copy thereof, and of the whole of such original.

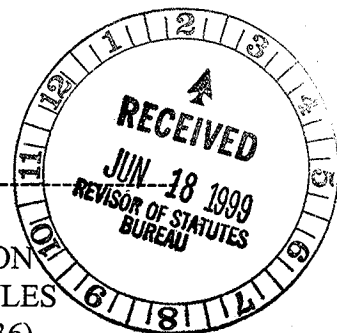
IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the department at 1400 East Washington Avenue, Madison, Wisconsin this 16th day of June, 1999.

Marlene A. Cummings

**Marlene A. Cummings, Secretary,
Department of Regulation and
Licensing**



STATE OF WISCONSIN
DEPARTMENT OF REGULATION AND LICENSING



IN THE MATTER OF RULE-MAKING : ORDER OF THE
PROCEEDINGS BEFORE THE : DEPARTMENT OF REGULATION
DEPARTMENT OF REGULATION : AND LICENSING ADOPTING RULES
AND LICENSING : (CLEARINGHOUSE RULE 99-036)

ORDER

An order of the Department of Regulation and Licensing to *repeal* RL 12.04 (1) (b), 25.05 (6) and the Note following (6), 25.066 (6) (b) and (i), 25.075 (4) and 25.076; to *amend* RL 12.04 (1) (a), 25.01 (3), (4) and (7), 25.02 (1) (intro.), (a), (2) (title), (2) (intro.) and (a), (b) to (g), 2. to 5., (h) and (i), 25.025 (title), (1) (intro.), (a), (2) (intro.), (a), (b) and (c), 25.03 (1), (2) (title), (3) (title), (3) (intro.), (a), 6., (b) to (L), 4. and (m) to (r), 25.035 (title), (1) (intro.), (a), (b), (2) (intro.) and (a) to (h), the Note following 25.05 (1) (e) and (3), 25.06 (title), (a) (a), the Note following (1) (a), and (b), 25.065 (5), 25.066 (1) and (4), 25.066 (6) (c) to (f) and (j), 25.07 (1) and (2) (c) 4. and 25.075 (3); to *repeal and recreate* RL 25.06 (1) (e); and to *create* RL 25.01 (2m) and (5m), 25.02 (2) (a) 7., 25.025 (2) (a) 7. and 25.066 (6) (k), relating to education, pre-license and continuing education programs and courses.

Analysis prepared by the Department of Regulation and Licensing.

ANALYSIS

Statutes authorizing promulgation: ss. 227.11 (2), 452.06 (2) and 452.07, Stats., and s. 452.05, Stats., as amended by 1997 Wisconsin Act 27.

Statutes interpreted: ss. 452.05, 452.09 (2) and 452.12 (5), Stats.

This proposed rule-making order was prepared with the assistance, review and recommendation of the Council of Real Estate Curriculum and Examinations and the Real Estate Board. These proposed rules make two substantive changes and many minor amendments relating to the primary changes. First, this proposal defines "distance education" and provides criteria for the department to approve educational programs and courses presented by distance education. "Distance education" is distinguished from "classroom education." The definition of "classroom education" focuses on the fact that an instructor is physically present in the classroom for the purpose of providing instruction in person, or a proctor is physically present in the classroom for the purpose of taking attendance and supervising the presentation of instruction by an instructor who is present by an electronic, audio or audiovisual medium. The definition of "distance learning" focuses on the fact that neither an instructor nor a proctor is physically present with the student. The student may undertake instruction by using a paper, electronic or audiovisual medium by himself or herself without an instructor or proctor present to take attendance or supervise the presentation of the instruction.

Secondly, this proposal creates criteria for the approval of pre-license and continuing education programs and courses presented by distance education. These criteria require an approved school to design distance education programs and courses so that, if the programs and courses were presented as classroom education, they would be presented for the number of hours required for classroom education for a specific number of hours. However, the specific number of hours are still required for "classroom education." Many minor amendments occur throughout the proposal, in order to clarify these primary changes.

The criteria for approval of distance education programs and courses have been added to ss. RL 25.06 and RL 25.066, relating to the approval of pre-license and continuing education noncredit programs and instructors. The criteria address the need for a school to describe how the following criteria will be met: ascertain that instructors are available to students at reasonable times and by reasonable means, that there will be a reasonable level of examination security for the examination given at the end of continuing education courses, that the courses will sufficiently cover the subjects specified for courses, that the school will provide reasonable oversight to ensure that the students who take the examination are the enrolled students, and that the school will provide a reasonable opportunity for student self-evaluation of mastery.

This proposal modifies some of the contents of the pre-license broker's and salesperson's courses in order to stay current with statutory changes, rule changes, and changes in the practices of the industry.

A few policies are amended because they are no longer needed. One example is the need for an approved school to submit a reapproval application every year. The requirement that a school must inform the department of changes in its structure or programming within 10 days after any changes remain in the rules. Some forms have been eliminated by these changes and the notes at the end of certain sections have been changed accordingly.

TEXT OF RULE

SECTION 1. RL 12.04 (1) (a) is amended to read:

RL 12.04 (1) (a) The applicant shall either provide proof of having successfully completed the classroom education which was required during the biennium preceding the date of renewal of the applicant's license, provide proof of having successfully passed the test-out examination which was administered during the biennium preceding the date of renewal of the applicant's license, or provide proof of having successfully completed any 8 of the 15 hours of education in s. RL 25.03 (3) (h) and the 4 hours of education in s. RL 25.03 (3) (m), or of having successfully completed the educational program in s. RL 25.035 (2). In this paragraph "successfully completed" means passing an examination pursuant to s. RL 25.066 (6) (d).

SECTION 2. RL 12.04 (1) (b) is repealed.

SECTION 3. RL 25.01 (2m) is created to read:

RL 25.01 (2m) "Classroom education" means the provision of educational programs or courses to one or more students in a setting in which either an instructor is physically present with the students or a representative of an approved school is physically present with the students for the purpose of taking attendance and providing instruction by audiotape, cable television, satellite line or other similar method and the instructor is available for student questions by telephone or E-mail, or by a continuous 2-way audio or audiovisual connection.

SECTION 4. RL 25.01 (3) and (4) are amended to read:

RL 25.01 (3) "Continuing education course" means an approved segment of ~~the total number of~~ a continuing education hours program required by the department pursuant to s. 452.05 (1) (d), Stats.

(4) "Continuing education program" means the total number of continuing education hours or subjects required by the department pursuant to s. 452.05 (1) (d), Stats.

SECTION 5. RL 25.01 (5m) is created to read:

RL 25.01 (5m) "Distance education" means the provision of educational programs or courses without an instructor or a representative of an approved school physically present with the students. "Distance education" includes, but is not limited to, the delivery of educational programs and courses on CD-ROM, computer disk, or the Internet.

SECTION 6. RL 25.01 (7) is amended to read:

RL 25.01 (7) "Hour" means a period of 50 minutes of actual ~~classroom~~ instruction and shall not include time spent in writing tests or examinations given by the school.

SECTION 7. RL 25.02 (1) (intro.), (a), (2) (title), (2) (intro.) and (a) are amended to read:

RL 25.02 (1) EDUCATIONAL REQUIREMENTS. (intro.) Each applicant for an original real estate broker's license shall ~~do~~ satisfy any one of the following requirements:

(a) Present evidence satisfactory to the department of successful completion, within 5 years before application for a license, of the ~~36-hour~~ educational program in sub. (2), which has been approved in accordance with this chapter, and either satisfy the salesperson's educational requirements in s. RL 25.03 (3) or present evidence satisfactory to the department of licensure as a salesperson;

(2) (title) BROKER'S 36-HOUR PRE-LICENSE PROGRAM. (intro.) The ~~36-hour~~ educational programs program for applicants for an original real estate broker's license shall cover all of the following topics under each paragraph title, be presented during and shall be

designed so that if the educational program were presented as classroom education, it would be presented in no less than the number of 36 hours stated after each paragraph title, and include:

(a) Contracts. ~~2 hours.~~

SECTION 8. RL 25.02 (2) (a) 7. is created to read:

RL 25.02 (2) (a) 7. Commercial real estate commission lien - s. 779.32, Stats.

SECTION 9. RL 25.02 (2) (b) to (g), 2. to 5., (h) and (i) are amended to read:

RL 25.02 (2) (b) Approved forms. ~~4 hours.~~

(c) Trust accounts, escrow, closing statement. ~~5 hours.~~

(d) Business management and marketing. ~~5 hours.~~

(e) Financial and office management. ~~4 hours.~~

(f) Personnel. ~~4 hours.~~

(g) Business ethics. ~~4 hours.~~

2. ~~Advertising - s² RL 24.04.~~

3. ~~Offers - ss². RL 24.12, 24.13.~~

4. ~~Self-dealing - s². RL 24.05.~~

5. ~~Disclosure - s² RL 24.07.~~

(h) Consumer protection. ~~5 hours.~~

(i) Specialty areas. ~~3 hours.~~

SECTION 10. RL 25.025 (title), (1) (intro.), (a), (b), (2) (intro.) and (a) are amended to read:

RL 25.025 (title) **Satisfaction of broker's 36-hour program educational requirements by out-of-state applicants.** (1) (intro.) An applicant who has held an active real estate broker's license in another licensing jurisdiction within the 2 year period prior to filing an application for an original real estate broker's license in Wisconsin may satisfy the broker's educational requirements of s. RL 25.02 (2) (1) if the applicant submits by submitting evidence of all one of the following:

(a) ~~Attendance at 3 hours of~~ Completion of the education educational programs under sub. (2) and s. RL 25.035 (2) at a school approved by the department under s. RL 25.05 or 25.06.

(b) ~~Attendance at 33 hours of education on some or all contents of~~ Satisfaction of the requirements in s. RL 25.02 (2), completed at any school (1) (b) or (c).

(2) (intro.) The ~~content~~ contents of the 3-hour course educational program under this subsection shall include all of the following and shall be designed so that if the educational program were presented as classroom education, it would be presented in no less than 3 hours:

(a) Broker-only contracts and contract issues. ~~Minimum of .5 hours.~~

SECTION 11. RL 25.025 (2) (a) 7. is created to read:

RL 25.025 (2) (a) 7. Commercial real estate broker's commission lien - s. 779.32, Stats.

SECTION 12. RL 25.025 (2) (b) and (c) are amended to read:

RL 25.025 (2) (b) Miscellaneous Wisconsin laws. ~~Minimum of .5 hours.~~

(c) Review, update or more in-depth coverage of any of the contents of the ~~13-hour~~ salesperson's educational course in s. RL 25.035 (2).

SECTION 13. RL 25.03 (1), (2) (title), (3) (title), (3) (intro.), (a), 6., (b) to (L), 4. and (m) to (r) are amended to read:

RL 25.03 (1) GENERAL REQUIREMENTS. Each applicant for an original real estate salesperson's license shall present evidence of attendance, within 5 years before application for a license, at the ~~72-hour~~ educational program in sub. (3), which has been approved by the department in accordance with this chapter s. RL 25.05 or 25.06.

(2) (title) ~~TEN HOUR~~ TEN SEMESTER-HOUR WAIVER.

(3) (title) SALESPERSON'S 72-HOUR PRE-LICENSE PROGRAM. (intro.) The ~~72-hour~~ educational program for applicants for an original real estate salesperson's license shall include cover all of the following topics and shall be designed so that if the educational program were presented as classroom education, it would be presented in no less than 72 hours:

(a) Real property. ~~4 hours.~~

6. ~~Types of housing~~ Mobile homes - s. 70.043, Stats.

(b) The real estate business. ~~1 hour.~~

- (c) Real estate brokerage. ~~3 hours.~~
- (d) Listing agreements. ~~5 hours.~~
- (e) Interests in real estate. ~~5 hours.~~
- (f) Legal descriptions. ~~3 hours.~~
- (g) Taxes and other liens. ~~2 hours.~~
- (h) Real estate contracts. ~~15 hours.~~
- (i) Title records and transfers of title. ~~2 hours.~~
- (j) Real estate finance and basic math. ~~7 hours.~~
- (k) Appraisal - market analysis. ~~5 hours.~~
- (L) Fair housing laws. ~~2 hours.~~

4. Equal rights - s. ~~101.22~~ 106.04, Stats.

- (m) Ethical real estate practices. ~~4 hours.~~
- (n) Leases. ~~2 hours.~~
- (o) Property management. ~~1 hour.~~
- (p) Land use control and development. ~~3 hours.~~
- (q) Environmental concerns. ~~3 hours.~~
- (r) Miscellaneous Wisconsin license laws. ~~5 hours.~~

SECTION 14. RL 25.035 (title), (1) (intro.), (a), (b), (2) (intro.) and (a) to (h) are amended to read:

RL 25.035 (title) **Satisfaction of salesperson's ~~72-hour program~~ educational requirements by out-of-state applicants.** (1) (intro.) An applicant who has held an active real estate salesperson's license in another licensing jurisdiction within the 2-year period prior to filing an application for an original real estate salesperson's license in Wisconsin may satisfy the educational requirements of s. RL 25.03 (3) if the applicant submits evidence of all one of the following:

(a) ~~Attendance at no less than 13 hours of education~~ Completion of the educational program in sub. (2) at a school approved by the department under s. RL 25.05 or 25.06.

(b) ~~Attendance at 59 hours of education on some or all contents of~~ Satisfaction of the 10 semester-hour waiver in s. RL 25.03 (3) (2), completed at any school.

(2) (intro.) The ~~content~~ contents of the 13-hour course educational program under this subsection shall include all of the following and shall be designed so that if the educational program were presented as classroom education, it would be presented in no less than 13 hours:

- (a) Contracts. ~~Minimum of 3.5 hours.~~
- (b) Agency. ~~Minimum of 2 hours.~~
- (c) Business conduct. ~~Minimum of 1 hour.~~
- (d) Consumer protection. ~~Minimum of 2 hours.~~
- (e) Fair housing. ~~Minimum of .5 hours.~~ Wisconsin law - s. RL 24.03 (1), ss. 66.432, 106.04, Stats.
- (f) Environmental factors. ~~Minimum of 1 hour.~~
- (g) Trust accounts and escrows. ~~Minimum of 1.5 hours.~~
- (h) Miscellaneous issues. ~~Minimum of 1.5 hours.~~

SECTION 15. The Note following RL 25.05 (1) (e) is amended to read:

Note: An applicant may obtain a copy of the Application for Approval of Pre-license Credit Courses ~~which satisfy the 72-hour and 36 requirement~~, Form #828, from the Wisconsin Department of Regulation and Licensing, 1400 East Washington Avenue, Room 281, P.O. Box 8935, Madison, Wisconsin 53708.

SECTION 16. RL 25.05 (3) is amended to read:

RL 25.05 (3) When approving one or more pre-license credit courses, the department shall specify the single course or combination of courses which satisfy cover either the ~~36 hours~~ topics in s. RL 25.02 (2) or the ~~72 hours~~ topics in s. RL 25.03 (3).

SECTION 17. RL 25.05 (6) and the Note following (6) are repealed.

SECTION 18. RL 25.06 (title), (1) (a), the Note following (1) (a), and (b) are amended to read:

RL 25.06 (title) **Requirements for approval of pre-license noncredit programs and instructors.** (1) APPROVAL OF PROGRAMS. (a) A school seeking initial approval from the department of pre-license educational noncredit programs or courses shall submit its application on a form provided by the department. ~~The approval of programs shall expire on August 15 following the date of initial approval and every August 15 thereafter. A school shall obtain approval of credit courses before the school conducts courses in the year following August 15.~~

Note: An applicant may obtain a copy of the Application for Approval of Pre-license Non-credit 72-hour and 36-Hour Noncredit Programs, Form #830, and the Application for Reapproval of Programs and Courses, Form #829, from the Wisconsin Department of Regulation and Licensing, 1400 East Washington Avenue, Room 281, P.O. Box 8935, Madison, Wisconsin 53708.

(b) The department may require a school seeking initial approval and reapproval of pre-license ~~educational~~ noncredit programs or courses to describe or furnish its organizational structure, registration policies, fee schedules, promotional materials, detailed outlines of each program or course with specific allocations of classroom hours to each topic presented as classroom education, student records system, the names and qualifications of instructors, the method of instruction, the method for evaluating instructors and a summary of evaluations conducted, and the time, date and location of each program.

SECTION 19. RL 25.06 (1) (e) is repealed and recreated to read:

RL 25.06 (1) (e) A school seeking the approval of pre-license noncredit programs or courses presented as distance education is not required to designate the number of hours of instruction. However, it shall describe to the department how it will do all of the following:

1. Ensure that instructors approved by the department under sub. (2) are available to the students at reasonable times and by reasonable means.
2. Ensure that the distance education programs and courses will sufficiently cover the required subjects.
3. Provide reasonable oversight to ensure that students who complete the distance education program are the enrolled students.
4. Ensure that the school's distance education program and courses will provide a reasonable opportunity for student self-evaluation of mastery.

SECTION 20. RL 25.065 (5) is amended to read:

RL 25.065 (5) A person who receives an original salesperson's or broker's license during a licensing biennium, ~~and who was not licensed as either a salesperson or broker on the first day of the biennium~~ is not required to satisfy the continuing education requirement during the biennium in which the person ~~becomes a licensee~~ receives that license. ~~However, a person who held a salesperson's license before the first day of a biennium and subsequently receives a broker's license must satisfy the continuing education requirement during the biennium in which the person receives a broker's license.~~

SECTION 21. RL 25.066 (1) and (4) are amended to read:

RL 25.066 (1) A school seeking ~~initial~~ approval from the department of ~~the~~ a continuing education program or a course shall submit its application on a form provided by the department. A school shall submit ~~applications~~ an application for approval of a continuing education ~~programs and program~~ or course to the department before conducting ~~any~~ the continuing education program or course which the department has prescribed for a licensing biennium.

(4) The department may require a school seeking initial approval and reapproval of continuing education programs and courses to describe or furnish its organizational structure, registration policies, fee schedules, promotional materials, detailed outlines of each program with specific allocations of ~~classroom~~ hours to each topic presented as classroom instruction, student records system, the names and qualifications of administrators and instructors, the method of instruction, a summary of evaluations conducted, information about the school's response to complaints concerning an instructor, ~~and the time, date and location of each continuing education program.~~

SECTION 22. RL 25.066 (6) (b) is repealed.

SECTION 23. RL 25.066 (6) (c) to (f) are amended to read:

RL 25.066 (6) (c) A school shall submit to the department with the application for approval at least 5 15 multiple-choice questions for each ~~hour of instruction course~~. The school shall clearly indicate the answer to each question and the portion of the course outline to which the question relates. The questions shall comply with reasonable standards of test development and shall relate to the substantive contents of the continuing education program or course. The questions shall be the original work of the writer and not be published. A school may only make questions available to school personnel.

(d) A school shall agree to conduct an examination at the end of each continuing education program or course. The examination shall contain at least 5 15 multiple-choice questions for each hour of instruction course. ~~The examination shall be closed book and the~~ The passing score shall be no less than 70%, unless the school provides substantial justification to the department for a lower score and the department approves the lower passing score.

(e) A school shall agree not to make available to students before the students take a specific examination the questions or answers to the questions. A school shall keep tests and answer sheets in a secure location at all times before and after administration of the examination, ~~including during construction and printing.~~

(f) A school shall agree to inform students about the number of points of credit for each question in the examination and the passing score. It shall also provide clear instructions to students for recording their responses ~~on the examination booklet~~ to the questions.

SECTION 24. RL 25.066 (6) (i) is repealed.

SECTION 25. RL 25.066 (6) (j) is amended to read:

RL 25.066 (6) (j) A school may not count examination time as part of the ~~required~~ classroom hours required in a classroom education course.

SECTION 26. RL 25.066 (6) (k) is created to read:

RL 25.066 (6) (k) A school seeking the approval of continuing education programs and courses presented as distance education is not required to designate the number of hours of instruction. However, it shall describe to the department how it will do all of the following:

1. Ensure that instructors approved by the department under sub. (2) are available to the students at reasonable times and by reasonable means.
2. Provide a reasonable level of examination security for the examination given at the end of each distance education continuing education course.
3. Sufficiently cover the subjects specified for continuing education courses.
4. Provide reasonable oversight to ensure that the students who take the examination are the enrolled students.
5. Provide a reasonable opportunity for student self-evaluation of mastery.

SECTION 27. RL 25.07 (1) and (2) (c) 4. are amended to read:

RL 25.07 (1) ATTENDANCE REQUIREMENTS. A student shall attend all the required hours of a classroom education course and receive all the required contents of a classroom education course or a distance education course before a school may give a certificate of attendance to the student. In addition, for continuing education programs and courses, a student

shall also satisfactorily complete the course examination administered by the school, as provided in s. RL 25.066 (6) ~~(g) to (i)~~ (d).

(2) (c) 4. Clearly state the number of hours the student has successfully completed ~~both by attending the complete program or course or by passing the program or course examination~~ in an educational program presented as classroom education.

SECTION 28. RL 25.075 (3) is amended to read:

RL 25.075 (3) The continuing education examination shall cover the subjects required for continuing education approved by the department under s. 452.05 (1) (d) and (g), Stats., and shall have no less than 5 questions for each hour of instruction in classroom education courses or 5 questions for each hour of instruction if the topics presented in a distance education course were presented as a classroom education course or courses in the approved continuing education program or courses.

SECTION 29. RL 25.075 (4) is repealed.

SECTION 30. RL 25. 076 is repealed.

(END OF TEXT OF RULE)

The rules adopted in this order shall take effect on the first day of the month following publication in the Wisconsin administrative register pursuant to s. 227.22 (2) (intro.), Stats.

Dated

6/16/99

Agency

Marlene A. Cummings

Marlene A. Cummings, Secretary
Department of Regulation and Licensing

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6/16/99



State of Wisconsin

DEPARTMENT OF REGULATION AND LICENSING

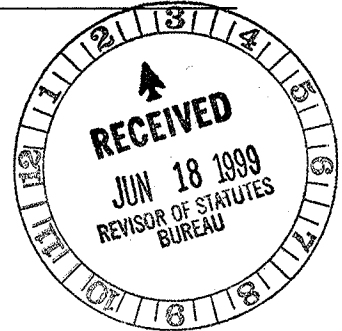
CORRESPONDENCE/MEMORANDUM

DATE: June 18, 1999

TO: Gary Poulson
Assistant Revisor of Statutes

FROM: Pamela A. Haack, Administrative Rules Coordinator
Department of Regulation and Licensing
Office of Administrative Rules

SUBJECT: Final Order Adopting Rules



Agency: Department of Regulation and Licensing

Attached is a copy and a certified copy of a final order adopting rules.

Please stamp or sign a copy of this letter to acknowledge receipt.

Thank you.