

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

<p>1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected</p>	<p>2. Date 12/29/23</p>
<p>3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) REEB 12 and 25 (Permanent Rule)</p>	
<p>4. Subject License Renewal and Continuing Education for real estate brokers and salespersons</p>	
<p>5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S</p>	<p>6. Chapter 20, Stats. Appropriations Affected s.20.165(1)(g)</p>
<p>7. Fiscal Effect of Implementing the Rule <input type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Could Absorb Within Agency's Budget</p>	
<p>8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses (if checked, complete Attachment A)</p>	
<p>9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$N/A</p>	
<p>10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>11. Policy Problem Addressed by the Rule To update and clarify provisions relating to original, renewal and expired real estate broker and salesperson licenses, and to update and clarify provisions relating to continuing education and requirements for real estate brokers and real estate salespersons.</p>	
<p>12. 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 rule will be posted on the Department's website for 14 days to solicit public comment on economic impact, including how the proposed rules may affect businesses, local government units, and individuals.</p>	
<p>13. Identify the Local Governmental Units that Participated in the Development of this EIA. N/A</p>	
<p>14. 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) DSPA estimates a total of \$10,600 in one-time costs and \$6,800 in annual costs for staffing and an indeterminate IT impact to implement the rule. The estimated one-time staffing need for 0.3 limited term employee (LTE) is for form and site updates, staff training, and resource development. The estimated annual staffing need for 0.1 full time employee (FTE) is for legal investigations, processing of records requests, license monitoring, and board meetings. The one-time and annual estimated costs cannot be absorbed in the currently appropriated agency budget.</p>	
<p>15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule The benefits are to provide code language that is more clear and specific pertaining to licensure for real estate brokers and salespersons.</p>	
<p>16. Long Range Implications of Implementing the Rule The long range implications of implementing this rule are clear rules for licensure and continuing education for real estate brokers and salespersons.</p>	
<p>17. Compare With Approaches Being Used by Federal Government</p>	

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N/A

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

Illinois: The Illinois Department of Financial and Professional Regulation is responsible for the licensure and regulation of residential leasing agents and brokers in Illinois. Illinois requires an applicant for a broker's license to be at least 18 years of age, graduated from high school or equivalent, complete 15 hours of specified education or be admitted to practice law in Illinois and pass an examination. An applicant for a managing broker's license is required to be at least 20 years of age, graduated from high school or equivalent, complete 165 credit hours of specified education or be admitted to practice law in Illinois, be actively licensed for 2 of the last 3 years and pass an examination. An out of state applicant who holds a license in a state with standards substantially equivalent to Illinois is required to take an Illinois specific real estate brokerage laws exam. Illinois residential leasing agents, brokers, and managing brokers are required to complete 8, 12, and 18 hours of continuing education, respectively during their term. Reciprocity is granted to brokers and managing brokers who hold an active managing broker license, or its equivalent, by examination in a state with a reciprocal agreement with the Department, the broker has been actively engaged in licensed activities as a broker during the preceding 2 years in the state of licensure, and the broker's licensing standards are substantially equivalent to or greater than the minimum standards in Illinois. [225 ILCS 454].

Iowa: The Iowa Real Estate Commission is responsible for the licensure and regulation of real estate salespeople and brokers in Iowa. Iowa requires an applicant for a salesperson's license to be at least 18 years of age, complete 96 hours of specified education and pass an examination. An applicant for a broker's license is required to complete 60 hours of live instruction in addition to the required salesperson's education, have engaged in real estate practice for a period of at least 24 months and pass an examination. Iowa licensees shall complete 36 hours of continuing education approved programs, courses or activities. Reciprocity may be achieved by conforming to the prevailing licensing rules issued for real estate salespersons and brokers. [IA 193E-3.1-193E5.12 (543B)]

Michigan: The Michigan Department of Licensing and Regulatory Affairs is responsible for the licensure and regulation of real estate salespersons and brokers in Michigan. Michigan requires an applicant for a salesperson's license to complete 40 hours of education and pass an examination. An applicant for a broker's license must complete 90 hours of education (a law degree counts towards 60 hours and a master's degree in business administration counts as 60 hours of education, respectively), have real estate experience and pass an examination. Michigan real estate salespersons and brokers must complete 18 hours of continuing education approved programs, courses or activities. Reciprocity may be achieved by conforming to the prevailing licensing rules issued for real estate salespersons and brokers. [MCL 339.2502-339.2514].

Minnesota: The Minnesota Department of Commerce is responsible for the licensure and regulation of real estate salespersons and brokers in Minnesota. Minnesota requires an applicant for a real estate salesperson to be at least 18 years of age, complete 30 hours of instruction prior to passing an examination and an additional 60 hours of education after passing the examination. An applicant for a broker's license is required to complete 30 hours of education and 3 years of experience as a licensed salesperson. All real estate salespersons and brokers are required to complete 30 hours of real estate continuing education during the licensing period and each successive 24-month period. Real estate salespersons and brokers seeking license reciprocity with the State of Minnesota may be granted provided (1) there is a written reciprocal licensing agreement in effect between the commissioner and the licensing officials of that jurisdiction, (2) the individual is licensed and in good standing in that jurisdiction, and (3) the licensing requirements of that jurisdiction are substantially similar to existing Minnesota provisions. [Minnesota Statutes 2022, section 82]

19. Contact Name	20. Contact Phone Number
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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
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