



To: Assembly Committee on Housing and Real Estate
From: Cori Lamont, Vice President of Legal and Public Affairs
Date: February 14, 2024
RE: AB 918/SB 870 – Real Estate Practice Changes

The Wisconsin REALTORS® Association (WRA) supports the amendment modifying AB 918/SB 870 to address the concerns voiced by the Department of Safety and Professional Services (DSPS).

The bill continues to include five objectives from the original bill. In addition, the underlined language highlights the amendments, if any, made to those provisions.

- I. **Create a safe harbor for real estate licensees** when using government information and citing the source.

The amendment adds that the safe harbor does not apply if the licensee was aware the information was inaccurate at the time of attribution.

- II. **Allows payment of referral fees and commission to former licensees under certain circumstances.** SB 870/AB 918 clarifies that the payment of referral fees or commission can be made if the individual was licensed when the commission was earned, or referral fee arrangement was made.

The amendment makes no changes to this section.

- III. **Increases fines & forfeitures up to \$5,000 for the violations of Wis. Stat. Ch. 452.** Current law allows the Real Estate Examining Board (REEB) to assess a fine or forfeiture up to \$1,000. The original bill provided an increase of up to \$5,000 for the most severe violations of Wisconsin license law.

The amendment allows the REEB to assess a fine or forfeiture for all violations of Wis. Stat. Ch. 452 up to \$5,000.

- IV. **Requires a wholesaler to provide a written disclosure to buyers and sellers when a wholesaler is involved in the purchase or sale of a property.** This legislation requires a written disclosure from the wholesaler at the time of entering into the agreement. 1) disclosure to the seller that they are a wholesaler and 2) to the buyer they are a wholesaler with an equitable interest in the property and does not own title to the property.

The amendment makes no changes to this section.

V. Requires the REEB to notify the firm regarding disciplinary orders issued against a licensee associated with the firm. As originally drafted, AB 918/SB 870 required the REEB to notify the supervising broker of all complaints, order, limitations, suspension, and revocations including non-renewal of licenses relating to any licensee associated with their firm.

The amendment modifies the language to require the REEB notify the supervising broker via email when a disciplinary order has been issued relating to a licensee associated with the firm.

If you have any questions about AB 918/SB 870, please feel free to contact me at 262.309.2724.