
Wisconsin Legislative Council

ACT MEMO



Prepared by: Abby Gorzlancyk, Staff Attorney

March 27, 2024

2023 Wisconsin Act 208
[2023 Assembly Bill 918]

**Various Changes to the Laws
Governing Real Estate Practice
and Real Property Wholesalers**

2023 WISCONSIN ACT 208

2023 Wisconsin Act 208 makes various changes to the laws that govern the practice of real estate and creates requirements for real property wholesalers.

Laws Governing the Practice of Real Estate

Act 208 makes the following changes to the laws that govern the practice of real estate:

- Requires the Real Estate Examining Board to notify a firm in writing regarding all disciplinary orders issued against a licensee associated with that firm.
- Increases forfeitures from \$1,000 to \$5,000 for all violations under ch. 452, Stats.
- Creates an exception to the prohibition on paying a referral fee or commission to a person who is no longer licensed to practice real estate under ch. 452, Stats., or does not regularly or lawfully practice in another jurisdiction, if the person was licensed under ch. 452, Stats., when the commission was earned or a referral fee arrangement was made.
- Removes references to investigations regarding required inspections by brokers or salespersons.
- Creates immunity from civil liability for a licensee that provides information in good faith attributable to a governmental body if the information is subsequently determined to be inaccurate, unless the licensee knew it was inaccurate at the time it was provided.

Real Property Wholesalers

Act 208 also defines real property wholesalers and requires that they make certain disclosures. The act defines a real property wholesaler as a person that enters into a purchase agreement as a buyer and intends to assign their right as a buyer to a third party for consideration.

The act also requires that a wholesaler make two disclosures of its status as a real property wholesaler. First, the act requires a wholesaler to give a written disclosure of its status as a wholesaler to a seller before entering into a purchase agreement. If the wholesaler does not make the disclosure before the closing, the seller may rescind the purchase agreement without liability and retain any deposit or option fees paid by the wholesaler. Second, the act requires a wholesaler to give a written disclosure of its status as a wholesaler to the third party who will be assigned the wholesaler's right to buy under the purchase agreement. If the wholesaler does not make the disclosure before the closing, the third party may rescind the assignment without liability and is entitled to the return of any deposits or option fees paid to the wholesaler. Lastly, the act specifies that the right to rescind terminates if the person proceeds to closing.

Effective date: March 24, 2024, except that the provisions relating to real property wholesalers first apply to a purchase agreement or an assignment of a purchase agreement entered into on March 24, 2024.

For a full history of the bill, visit the Legislature's [bill history page](#).

AG:ksm