



2001 ASSEMBLY BILL 34

January 19, 2001 - Introduced by Representatives RILEY, SCHOOFF, OLSEN, RICHARDS, MEYERHOFER, GRONEMUS, PLOUFF, SINICKI, BOCK, COGGS, CARPENTER, WILLIAMS, MILLER, POWERS, SYKORA, PETTIS, STASKUNAS, TURNER, NASS, MUSSER, WOOD, BLACK, BALOW, YOUNG, POCAN, CULLEN, F. LASEE, J. LEHMAN, RYBA, KREUSER and BERCEAU, cosponsored by Senators ROBSON, DECKER, ERPENBACH, HANSEN, MOEN, MOORE, PLACHE, RISSER, WIRCH, BAUMGART and GROBSCHMIDT. Referred to Committee on Labor and Workforce Development.

1 **AN ACT to amend** 109.09 (2) (c) of the statutes; **relating to:** the priority of a wage
2 claim lien.

Analysis by the Legislative Reference Bureau

Under current law, the department of workforce development (DWD) must investigate and attempt to adjust any claim by an employee that his or her employer has not paid the employee any wages that are owed to the employee (wage claim). Currently, DWD or an employee who brings a wage claim action has a lien upon all property of the employer, real and personal, located in this state for the full amount of any wages owed to the employee. Also, under current law, a wage claim lien takes precedence over all other debts, judgments, decrees, liens, or mortgages against an employer except for a lien of a financial institution, such as a bank, savings and loan association, or credit union, that originates before the wage claim lien takes effect and a lien of the department of natural resources for expenses incurred in cleaning up a hazardous substance discharge or other environmental pollution. This bill gives a wage claim lien precedence over a lien of a financial institution that originates before the wage claim lien takes effect.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 **SECTION 1.** 109.09 (2) (c) of the statutes is amended to read:

ASSEMBLY BILL 34**SECTION 1**

1 109.09 (2) (c) A lien under par. (a) takes precedence over all other debts,
2 judgments, decrees, liens, or mortgages against the employer, except a lien of a
3 ~~financial institution, as defined in s. 69.30 (1) (b), that originates before the lien~~
4 ~~under par. (a) takes effect~~ or a lien under s. 292.31 (8) (i) or 292.81. A lien under par.
5 (a) may be enforced in the manner provided in ss. 779.09 to 779.12, 779.20, and
6 779.21, insofar as those provisions are applicable. The lien ceases to exist if the
7 department of workforce development or the employee, does not bring an action to
8 enforce the lien within the period prescribed in s. 893.44 for the underlying wage
9 claim.

SECTION 2. Nonstatutory provisions.

10 (1) WAGE CLAIM LIENS. Notwithstanding section 109.09 (2) (c), 1999 stats., a lien
11 that exists under section 109.09 (2) (a) of the statutes on the day before the effective
12 date of this subsection takes precedence over a lien of a financial institution, as
13 defined in section 69.30 (1) (b) of the statutes, that originated before the lien under
14 section 109.09 (2) (a) of the statutes took effect.
15

16 (END)