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2005 SENATE BILL 40

February 2, 2005 – Introduced by Senators Hansen, Robson, Breske, Carpenter, Coggs, Decker, Erpenbach, Jauch, Lassa, Miller, Plale, Risser, Taylor and Wirch, cosponsored by Representatives Sheridan, Sinicki, Turner, Sherman, Kreuser, Richards, Pocan, Kessler, Boyle, Black, Hebl, Molepske, Nelson, Vruwink, Berceau, Schneider, Young, Parisi, Shilling, Toles, Van Akkeren, Fields, Colon, A. Williams, Zepnick, Pope-Roberts, Grigsby, Benedict, Seidel, Steinbrink, Lehman and Krusick. Referred to Committee on Labor and Election Process Reform.

AN ACT to renumber 104.01 (1); to renumber and amend 104.045, 104.08 (1), 104.08 (2) and 104.08 (3); to amend 49.141 (1) (g), 104.01 (intro.), 104.01 (5), 104.01 (8), 104.02, 104.03, 104.04, 104.05, 104.06, 104.07 (1), 104.07 (2), 104.10, 104.11, 104.12, 234.94 (5), 234.94 (8), 800.09 (1) (b), 800.095 (4) (b) 3. and 895.035 (2m) (c); and to create 104.01 (1d), 104.01 (5g), 104.01 (5m), 104.01 (7m), 104.035, 104.045 (2) and (3), 104.08 (1m) (b) and 104.08 (3) (a) of the statutes; relating to: a state minimum wage, granting rule-making authority, and providing a penalty.

Analysis by the Legislative Reference Bureau

Currently, the state minimum wage law requires that employers pay a living wage to their employees. Under that law, the Department of Workforce Development (DWD) has provided, by rule, minimum wages for various types of employees, including employees, generally; opportunity employees, which are defined as employees under 20 years of age in their first 90 days of employment with a particular employer; tipped employees; agricultural employees; camp counselors; golf caddies; students employed at independent colleges and universities for less than 20 hours per week; student learners employed in bona fide school training programs; and individuals who are unable to earn the standard minimum wage

because of a disability. DWD has exempted, by rule, from the minimum wage law employees who perform less than 15 hours per week of casual employment, such as baby-sitting or lawn mowing, in and around an employer's home; employees who provide companionship services to elderly or infirm individuals; and elementary and secondary school students performing work-like activities in their schools. DWD has also promulgated rules providing allowances against the minimum wage for employers that provide meals or lodging for their employees.

Under this bill, DWD will continue to provide the exemptions listed above and separate minimum wages for students employed at independent colleges and universities for less than 20 hours per week, student learners employed in bona fide school training programs, and individuals who are unable to earn the standard minimum wages because of a disability. For other employees, however, the bill sets the minimum wages as follows:

Employees generally

Current minimum wage	\$5.15 per hour
Minimum wage on enactment	\$5.70 per hour
Minimum wage on October 1, 2005	\$6.50 per hour

Minor employees

Current minimum wage	\$5.15 per hour

Minimum wage on enactment \$5.30 per hour

Minimum wage on October 1, 2005 \$5.90 per hour

Opportunity employees

Current minimum wage	\$4.25 per hour
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Minimum wage on enactment \$5.30 per hour

Minimum wage on October 1, 2005 \$5.90 per hour

<u>Tipped employees</u>

Current minimum wage \$2.33 per hour for nonop-

portunity employees

\$2.13 per hour for opportu-

nity employees

Minimum wage on enactment No change

Agricultural employees

Current minimum wage \$4.05 per hour for adults

\$3.70 per hour for minors

Minimum wage on enactment \$5.15 per hour for adults

\$4.25 per hour for minors

Adult camp counselors

Current minimum wage \$140 per week if meals and

lodging not furnished

\$110 per week if meals, but not lodging, furnished \$91 per week if meals and

lodging furnished

Minimum wage on enactment \$215 per week if meals and

lodging not furnished

\$164 per week if meals, but not lodging, furnished \$129 per week if meals and

lodging furnished

Minimum wage on October 1, 2005 \$270 per week if meals and

lodging not furnished

\$217 per week if meals, but not lodging, furnished

\$171 per week if meals and

lodging furnished

Minimum wage on October 1, 2006 \$315 per week if meals and

lodging not furnished

\$240 per week if meals, but

not lodging, furnished \$189 per week if meals and

lodging furnished

Minor camp counselors

Current minimum wage \$123 per week if meals and

lodging not furnished

\$92 per week if meals, but not lodging, furnished \$74 per week if meals and

lodging furnished

Minimum wage on enactment \$175 per week if meals and

lodging not furnished

\$133 per week if meals, but not lodging, furnished \$105 per week if meals and

lodging furnished

Minimum wage on October 1, 2005 \$225 per week if meals and

lodging not furnished

\$171 per week if meals, but not lodging, furnished \$135 per week if meals and

lodging furnished

Minimum wage on October 1, 2006 \$275 per week if meals and

lodging not furnished

\$209 per week if meals, but not lodging, furnished \$165 per week if meals and

lodging furnished

$Golf\ caddies$

Current minimum wage \$5.95 for 18 holes

\$3.35 for nine holes

Minimum wage on enactment \$10.50 for 18 holes

\$5.90 for nine holes

The bill also increases the allowance against the minimum wage that an employer who provides room and board for an employee may take, as follows:

Employees generally

Lodging

Current allowance \$41.20 per week or \$5.90

per day

Allowance on enactment \$45.60 per week or \$6.50

per day

Allowance on October 1, 2005 \$52 per week or

\$7.40 per day

Meals

Current allowance \$61.80 per week or \$2.95

per meal

Allowance on enactment \$68.40 per week or \$3.25

per meal

Allowance on October 1, 2005 \$78 per week or

\$3.70 per meal

Minor employees

Lodging

Current allowance \$41.20 per week or \$5.90

per day

Allowance on enactment \$42.40 per week or \$6.05

per day

Allowance on October 1, 2005 \$47.20 per week or \$6.75

per day

Meals

Current allowance \$61.80 per week or \$2.95

per meal

Allowance on enactment \$63.60 per week or

\$3 per meal

Allowance on October 1, 2005 \$70.80 per week or \$3.35

per meal

Opportunity employees

Lodging

Current allowance \$34 per week or

\$4.85 per day

Allowance on enactment \$42.40 per week or \$6.05

per day

Allowance on October 1, 2005 \$47.20 per week or \$6.75

per day

Meals

Current allowance \$51 per week or

\$2.45 per meal

Allowance on enactment \$63.60 per week or

\$3 per meal

Allowance on October 1, 2005 \$70.80 per week or \$3.35

per meal

Adult agricultural employees

Lodging

Current allowance \$32.40 per week or \$4.65

per day

Allowance on enactment \$41.20 per week or \$5.90

per day

Meals

Current allowance \$48.60 per week or \$2.30

per meal

Allowance on enactment \$61.80 per week or \$2.95

per meal

Minor agricultural employees

Lodging

Current allowance \$29.60 per week or \$4.25

per day

Allowance on enactment \$34 per week or

\$4.85 per day

Meals

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Current allowance \$44.40 per week or \$2.10

per meal

Allowance on enactment

\$51 per week or \$2.40 per meal

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

SECTION 1. 49.141 (1) (g) of the statutes is amended to read:

49.141 (1) (g) "Minimum wage" means the state minimum hourly wage under ch. 104 s. 104.035 (1) or the federal minimum hourly wage under 29 USC 206 (a) (1), whichever is applicable.

Section 2. 104.01 (intro.) of the statutes is amended to read:

104.01 **Definitions.** (intro.) The following terms as used in ss. 104.01 to 104.12 shall be construed as follows In this chapter:

Section 3. 104.01 (1) of the statutes is renumbered 104.01 (1m).

Section 4. 104.01 (1d) of the statutes is created to read:

104.01 **(1d)** "Agricultural employee" means an employee who is employed in farming, as defined in s. 102.04 (3).

SECTION 5. 104.01 (5) of the statutes is amended to read:

104.01 **(5)** The term "living-wage" shall mean "Living wage" means compensation for labor paid, whether by time, piecework, or otherwise, sufficient to enable the employee receiving it to maintain himself or herself under conditions consistent with his or her welfare.

SECTION 6. 104.01 (5g) of the statutes is created to read:

Except as provided in subs. (2) to (8), the minimum wage is as follows:

1. For wages earned before October 1, 2005, \$5.70 per hour.

2. For wages earned beginning on October 1, 2005, \$6.50 per hour.

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\$3.35 per meal.

1	(b) Allowances for meals and lodging. Except as provided in subs. (2) (b) and
2	(4) (b), if an employer furnishes an employee with meals or lodging in accordance
3	with rules promulgated by the department under s. 104.045 (2), the employer may
4	deduct the following amounts from the wages of the employee:
5	1. For lodging furnished before October 1, 2005, \$45.60 per week or \$6.50 per
6	day and for meals furnished before October 1, 2005, \$68.40 per week or \$3.25 per
7	meal.
8	2. For lodging furnished beginning on October 1, 2005, \$52 per week or \$7.40
9	per day and for meals furnished beginning on October 1, 2005, \$78 per week or \$3.70
10	per meal.
11	(2) MINOR AND OPPORTUNITY EMPLOYEES. (a) Minimum rates. Except as provided
12	in subs. (3) to (8), the minimum wage for a minor employee or an opportunity
13	employee is as follows:
14	1. For wages earned before October 1, 2005, \$5.30 per hour.
15	2. For wages earned beginning on October 1, 2005, \$5.90 per hour.
16	(b) Allowances for meals and lodging. Except as provided in sub. (4) (b), if an
17	employer furnishes a minor employee or an opportunity employee with meals or
18	lodging in accordance with rules promulgated by the department under s. 104.045
19	(2), the employer may deduct the following amounts from the wages of the employee:
20	1. For lodging furnished before October 1, 2005, \$42.40 per week or \$6.05 per

day and for meals furnished before October 1, 2005, \$63.60 per week or \$3 per meal.

per day and for meals furnished beginning on October 1, 2005, \$70.80 per week or

2. For lodging furnished beginning on October 1, 2005, \$47.20 per week or \$6.75

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- (3) TIPPED EMPLOYEES. (a) Minimum rates. Except as provided in subs. (4) to (8), if an employer of a tipped employee establishes by the employer's payroll records that, when adding the tips received by the tipped employee in a week to the wages paid to the tipped employee in that week, the tipped employee receives not less than the applicable minimum wage specified in sub. (1) or (2), the minimum wage for the tipped employee is as follows:
- 1. For wages earned by a tipped employee who is not an opportunity employee, \$2.33 per hour.
 - 2. For wages earned by a tipped employee who is an opportunity employee, \$2.13 per hour.
 - Allowances for meals and lodging. If an employer furnishes a tipped employee with meals or lodging in accordance with rules promulgated by the department under s. 104.045 (2), the employer may deduct the applicable amounts specified in subs. (1) (b) or (2) (b) from the wages of the tipped employee.
 - (4) AGRICULTURAL EMPLOYEES. (a) Minimum rates. Except as provided in subs. (7) and (8), the minimum wage for an agricultural employee is as follows:
 - 1. For wages earned by an adult agricultural employee, \$5.15 per hour.
 - 2. For wages earned by a minor agricultural employee, \$4.25 per hour.
 - (b) Allowances for meals and lodging. If an employer furnishes an agricultural employee with meals or lodging in accordance with rules promulgated by the department under s. 104.045 (2), the employer may deduct the following amounts from the wages of the employee:
 - 1. For lodging furnished to an adult agricultural employee, \$41.20 per week or \$5.90 per day and for meals furnished to an adult agricultural employee, \$61.80 per week or \$2.95 per meal.

1	2. For lodging furnished to a minor agricultural employee, \$34 per week or
2	\$4.85 per day and for meals furnished to a minor agricultural employee, \$51 per week
3	or \$2.40 per meal.
4	(5) Camp counselors. (a) Minimum rates for adult counselors. The minimum
5	wage for a counselor at a seasonal recreational or educational camp, including a day
6	camp, who is an adult is as follows:
7	1. For wages earned before October 1, 2005, \$215 per week if meals and lodging
8	are not furnished, \$164 per week if only meals are furnished, and \$129 per week if
9	both meals and lodging are furnished.
10	2. For wages earned beginning on October 1, 2005, \$270 per week if meals and
11	lodging are not furnished, \$217 per week if only meals are furnished, and \$171 per
12	week if both meals and lodging are furnished.
13	3. For wages earned beginning on October 1, 2006, \$315 per week if meals and
14	lodging are not furnished, \$240 per week if only meals are furnished, and \$189 per
15	week if both meals and lodging are furnished.
16	(b) Minimum rates for minor counselors. The minimum wage for a counselor
17	at a seasonal recreational or educational camp, including a day camp, who is a minor
18	is as follows:
19	1. For wages earned before October 1, 2005, \$175 per week if meals and lodging
20	are not furnished, \$133 per week if only meals are furnished, and \$105 per week if
21	both meals and lodging are furnished.
22	2. For wages earned beginning on October 1, 2005, \$225 per week if meals and
23	lodging are not furnished, \$171 per week if only meals are furnished, and \$135 per

week if both meals and lodging are furnished.

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- 3. For wages earned beginning on October 1, 2006, \$275 per week if meals and lodging are not furnished, \$209 per week if only meals are furnished, and \$165 per week if both meals and lodging are furnished.
 - **(6)** GOLF CADDIES. The minimum wage for a golf caddy is as follows:
 - (a) For 18 holes, \$10.50.
- 6 (b) For 9 holes, \$5.90.
- 7 MINIMUM WAGE ESTABLISHED BY DEPARTMENT. The department shall **(7)** promulgate rules providing the minimum wage for all of the following: 8
- 9 (a) An employee or worker with a disability covered under a license under s. 10 104.07.
 - (b) A student learner.
 - (c) A student employed by an independent college or university for less than 20 hours per week.
 - (8) EMPLOYMENT EXEMPTED BY DEPARTMENT. The department shall promulgate rules exempting from the minimum wage requirements under subs. (1) to (7) all of the following:
 - (a) A person engaged in casual employment in and around an employer's home on an irregular or intermittent basis for not more than 15 hours per week.
 - (b) A person who resides with and who provides companionship and care, not including practical or professional nursing, as defined in s. 441.001 (3) and (4), and not more than 15 hours per week of general household work for an employer who, due to advanced age or physical or mental disability, cannot care for his or her own needs.
 - (c) An elementary or secondary school student performing student work-like activities in the student's school.

(9) Department may revise. The department may promulgate rules to increase a minimum wage or an allowance for meals and lodging provided under subs. (1) to (7).

Section 13. 104.04 of the statutes is amended to read:

104.04 Classifications; department's authority. The department shall investigate, ascertain, determine, and fix such reasonable classifications, and shall impose general or special orders, determining the living wage living wage, and shall carry out the purposes of ss. 104.01 to 104.12. Such this chapter. Those investigations, classifications, and orders shall be made as provided under s. 103.005, and the penalties specified in s. 103.005 (12) shall apply to and be imposed for any violation of ss. 104.01 to 104.12 this chapter. In determining the living-wage living wage, the department may consider the effect that an increase in the living-wage living wage might have on the economy of the state, including the effect of a living-wage living wage increase on job creation, retention, and expansion, on the availability of entry-level jobs, and on regional economic conditions within the state. The department may not establish a different minimum wage for men and women. Said Those orders shall be subject to review in the manner provided in ch. 227.

SECTION 14. 104.045 of the statutes is renumbered 104.045 (intro.) and amended to read:

104.045 Tipped employees Tips, meals, lodging, and hours worked.

(intro.) The department shall by rule determine what amount of promulgate rules governing all of the following:

(1) The counting of tips or similar gratuities may be counted toward fulfillment of the employer's obligation under this chapter.

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Section 15. 104.045 (2) and (3) of the statutes are created to read:

104.045 (2) The deduction of meals or lodging provided by an employer to an employee from the employer's obligation under this chapter.

(3) The determination of hours worked by an employee during which the employee is entitled to a living wage under this chapter.

Section 16. 104.05 of the statutes is amended to read:

104.05 Complaints; investigation. The department shall, within 20 days after the filing of a verified complaint of any person setting forth alleging that the wages paid to any employee in any occupation are not sufficient to enable the employee to maintain himself or herself under conditions consistent with his or her welfare, investigate and determine whether there is reasonable cause to believe that the wage paid to any the employee is not a living-wage living wage.

Section 17. 104.06 of the statutes is amended to read:

department finds that there is reasonable cause to believe that the wages paid to any employee are not a living-wage, it living wage, the department shall appoint a wage council, selected so as fairly to represent employers, employees, and the public, to assist in its investigations and determinations. The living-wage department may use the results of an investigation under this section to establish a living wage. A living wage so determined upon shall be the living-wage living wage for all employees within the same class as established by the classification of the department under s. 104.04.

Section 18. 104.07 (1) of the statutes is amended to read:

104.07 (1) The department shall make promulgate rules and, except as provided under subs. (5) and (6), grant licenses, to any employer who employs any

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instruction reasonably necessary.

amended to read:

employee who is unable to earn the living-wage theretofore determined upon, permitting such person to a living wage so that the employee may work for a wage which shall be that is commensurate with the employee's ability and each. Each license so granted shall establish a wage for the licensee employees of the licensee who are unable to earn a living wage. **Section 19.** 104.07 (2) of the statutes is amended to read: 104.07 (2) The department shall make promulgate rules and, except as provided under subs. (5) and (6), grant licenses to sheltered workshops to permit the employment of workers with disabilities who are unable to earn the living-wage at a living wage so that those workers may work for a wage that is commensurate with their ability abilities and productivity. A license granted to a sheltered workshop under this section may be issued for the entire workshop or a department of the workshop. **Section 20.** 104.08 (1) of the statutes is renumbered 104.08 (2m) and amended to read: 104.08 (2m) All persons Any person working in an occupation a trade industry for which a living-wage living wage has been established for minors, and who shall have has no trade, shall, if employed in an occupation which is a trade industry, be indentured under the provisions of s. 106.01. **Section 21.** 104.08 (1m) (b) of the statutes is created to read: 104.08 (1m) (b) "Trade industry" means an industry involving physical labor and characterized by mechanical skill and training such as render a period of

Section 22. 104.08 (2) of the statutes is renumbered 104.08 (1m) (intro.) and

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1	104.08 (1m) (intro.) A "trade" or a "trade industry" within the meaning of ss.
2	104.01 to 104.12 shall be a trade or In this section:
3	(a) "Trade" means an industry occupation involving physical labor and
4	characterized by mechanical skill and training such as render a period of instruction
5	reasonably necessary. The department shall investigate, determine and declare
6	what occupations and industries are included within the phrase a "trade" or a "trade
7	industry".
8	Section 23. 104.08 (3) of the statutes is renumbered 104.08 (3) (b) and
9	amended to read:
10	104.08 (3) (b) The department may make exceptions to the operation of subs.
11	(1) and (2) $(1m)$ and $(2m)$ where conditions make their application unreasonable.
12	Section 24. 104.08 (3) (a) of the statutes is created to read:
13	104.08 (3) (a) The department shall investigate, determine, and declare what
14	occupations and industries are included within a trade or a trade industry.
15	Section 25. 104.10 of the statutes is amended to read:
16	104.10 Penalty for intimidating witness. Any employer who discharges or
17	threatens to discharge, or who in any way discriminates, or threatens to
18	discriminate, against any employee because the employee has testified or is about
19	to testify, or because the employer believes that the employee may testify, in any
20	investigation or proceeding relative to the enforcement of ss. 104.01 to 104.12, is
21	guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine of
22	\$25 this chapter may be fined \$500 for each offense.
23	Section 26. 104.11 of the statutes is amended to read:
24	104.11 Definition of violation. Each day during which any an employer

shall employ employs a person for whom a living-wage living wage has been fixed

established at a wage less than the living-wage fixed established living wage shall constitute a separate and distinct violation of ss. 104.01 to 104.12 this chapter.

SECTION 27. 104.12 of the statutes is amended to read:

104.12 Complaints. Any person may register with the department a complaint that the wages paid to employees for whom a living-wage living wage has been established are less than that rate, and the department shall investigate the matter and take all proceedings necessary to enforce the payment of a wage not less than the living-wage a living wage. Section 111.322 (2m) applies to discharge and other discriminatory acts arising in connection with any proceeding under this section.

SECTION 28. 234.94 (5) of the statutes is amended to read:

234.94 (5) "Primary employment" means work which that pays at least the minimum wage as established under ch. 104 s. 104.035 (1) or under federal law, whichever is greater, offers adequate fringe benefits, including health insurance, and is not seasonal or part time.

Section 29. 234.94 (8) of the statutes is amended to read:

234.94 (8) "Target group" means a population group for which the unemployment level is at least 25% higher than the statewide unemployment level, or a population group for which the average wage received is less than 1.2 times the minimum wage as established under ch. 104 s. 104.035 (1) or under federal law, whichever is greater. No population group is required to be located within a contiguous geographic area to be considered a target group.

Section 30. 800.09 (1) (b) of the statutes is amended to read:

800.09 (1) (b) If the defendant agrees to perform community service work in lieu of making restitution or paying the forfeiture, assessments, and costs, or both,

the court may order that the defendant perform community service work for a public agency or a nonprofit charitable organization that is designated by the court. Community service work may be in lieu of restitution only if also agreed to by the public agency or nonprofit charitable organization and by the person to whom restitution is owed. The court may utilize any available resources, including any community service work program, in ordering the defendant to perform community service work. The number of hours of community service work required may not exceed the number determined by dividing the amount owed on the forfeiture by the minimum wage established under ch. 104 for adults in nonagriculture, nontipped employment s. 104.035 (1). The court shall ensure that the defendant is provided a written statement of the terms of the community service order and that the community service order is monitored.

Section 31. 800.095 (4) (b) 3. of the statutes is amended to read:

800.095 (4) (b) 3. That the defendant perform community service work for a public agency or a nonprofit charitable organization designated by the court, except that the court may not order the defendant to perform community service work unless the defendant agrees to perform community service work and, if the community service work is in lieu of restitution, unless the person to whom the restitution is owed agrees. The court may utilize any available resources, including any community service work program, in ordering the defendant to perform community service work. The number of hours of community service work required may not exceed the number determined by dividing the amount owed on the forfeiture, or restitution, or both, by the minimum wage established under ch. 104 for adults in nonagriculture, nontipped employment s. 104.035 (1). The court shall

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ensure that the defendant is provided a written statement of the terms of the community service order and that the community service order is monitored.

Section 32. 895.035 (2m) (c) of the statutes is amended to read:

895.035 (2m) (c) The court assigned to exercise jurisdiction under chs. 48 and 938 may order that the juvenile perform community service work for a public agency or nonprofit charitable organization that is designated by the court in lieu of making restitution or paving the forfeiture or surcharge. If the parent agrees to perform community service work in lieu of making restitution or paying the forfeiture or surcharge, the court may order that the parent perform community service work for a public agency or a nonprofit charitable organization that is designated by the court. Community service work may be in lieu of restitution only if also agreed to by the public agency or nonprofit charitable organization and by the person to whom restitution is owed. The court may utilize any available resources, including any community service work program, in ordering the juvenile or parent to perform community service work. The number of hours of community service work required may not exceed the number determined by dividing the amount owed on the restitution, forfeiture, or surcharge by the minimum wage established under ch. 104 for adults in nonagriculture, nontipped employment s. 104.035 (1). The court shall ensure that the juvenile or parent is provided with a written statement of the terms of the community service order and that the community service order is monitored.

SECTION 33. Effective date.

(1) MINIMUM WAGE. This act takes effect on the first day of the 3rd month beginning after publication.