



1997 ASSEMBLY BILL 143

February 24, 1997 - Introduced by Representatives LADWIG, SCHAFFER, AINSWORTH, ALBERS, GOETSCH, GUNDERSON, HAHN, JENSEN, KREIBICH, F. LASEE, MUSSER, NASS, OLSEN, OTTE, OWENS, PORTER, SERATTI, SKINDRUD, SPRINGER, SYKORA, URBAN and WASSERMAN, cosponsored by Senators WIRCH, DARLING, DRZEWIECKI, FARROW and ROSENZWEIG. Referred to Committee on Consumer Affairs.

1 **AN ACT to amend** 440.03 (7) and 440.08 (2g) (c); and **to create** 440.01 (2) (ce),
2 440.01 (2) (e), 440.03 (13), 440.08 (2g) (b) 3., 440.08 (2w) and 440.08 (4) (c) of the
3 statutes; **relating to:** denial by the department of regulation and licensing of
4 applications for renewal of a health care credential based on the credential
5 holder's default on a student loan.

Analysis by the Legislative Reference Bureau

Under current law, the department of regulation and licensing (DORL) and examining and affiliated credentialing boards (boards) issue certain professional and occupational credentials. A person who holds a credential issued by DORL or a board (a credential holder) must renew his or her credential periodically (generally every 2 years). As part of the renewal process, a credential holder must provide DORL with his or her social security number (or, if the credential holder is not a natural person, its federal employer identification number) on the application form for renewal. The department of revenue (DOR) uses this information to determine whether the credential holder is liable for any delinquent taxes owed to this state. If so, DORL may not renew the credential unless the credential holder shows at a hearing conducted by DOR that DOR's determination is mistaken.

This bill requires DORL to deny an application to renew a health care credential if the applicant is in default on a student loan made, insured or guaranteed by a federal or state governmental entity. "Health care credential" is defined as any credential issued by DORL or a board to an audiologist, chiropractor,

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dental hygienist, dentist, dietitian, marriage and family therapist, nurse, nurse-midwife, occupational therapist, occupational therapy assistant, optometrist, pharmacist, physical therapist, physician, physician assistant, podiatrist, professional counselor, psychologist, respiratory care practitioner, social worker or speech-language pathologist.

The bill also requires DORL to establish a procedure for determining whether an applicant to renew a health care credential is in default on a student loan. In establishing this procedure, DORL may contract with a private credit reporting agency or bureau. The bill prohibits DORL from disclosing any information obtained from a private credit reporting agency or bureau except to the applicant and except as necessary in the course of judicial proceedings. If DORL determines that the applicant is in default on a student loan, DORL may not renew the applicant's health care credential unless he or she shows to DORL's satisfaction at a hearing that either: 1) the applicant is not in default; or 2) the applicant has made satisfactory arrangements to repay any student loan on which the applicant is in default.

The bill requires an applicant for renewal of a health care credential to sign a statement attesting whether or not he or she is in default on a student loan and allowing DORL to release any information provided by the applicant on the application form (including the applicant's social security number) to a private credit reporting agency or bureau, if the release of the information is necessary to determine whether the applicant is in default on a student loan.

For further information see the *state* 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:

1 **SECTION 1.** 440.01 (2) (ce) of the statutes is created to read:

2 440.01 (2) (ce) "Health care credential" means a license, permit, or certificate
3 of certification or registration that is issued under chs. 441, 446 to 450, 455, 457 or
4 459, but does not include a license issued to a hearing instrument specialist under
5 subch. I of ch. 459.

6 **SECTION 2.** 440.01 (2) (e) of the statutes is created to read:

7 440.01 (2) (e) "Student loan" means a loan to provide educational assistance
8 to a borrower that is made, insured or guaranteed by a federal or state governmental
9 entity.

10 **SECTION 3.** 440.03 (7) of the statutes is amended to read:

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1 440.03 (7) The department shall establish the style, content and format of all
2 credentials and of all forms for applying to the department for renewal of any
3 credential issued under chs. 440 to 480. When establishing the format of credential
4 renewal application forms, the department shall provide a place on the form for the
5 information required under s. 440.08 (2g) (b) 1. and 2. and, for health care credential
6 renewal applications, the information required under s. 440.08 (2g) (b) 3. Upon
7 request of any person who holds a credential and payment of a \$10 fee, the
8 department may issue a wall certificate signed by the governor.

9 **SECTION 4.** 440.03 (13) of the statutes is created to read:

10 440.03 (13) The department shall establish a procedure for making the
11 determination under s. 440.08 (2w) concerning whether a health care credential
12 holder is in default on a student loan. In establishing the procedure under this
13 subsection, the department may contract with a private credit reporting agency or
14 bureau to provide information that assists the department in making the
15 determination. The department may not disclose any information obtained from a
16 private credit reporting agency or bureau except to the applicable credential holder
17 or except as necessary in the course of judicial proceedings.

18 **SECTION 5.** 440.08 (2g) (b) 3. of the statutes is created to read:

19 440.08 (2g) (b) 3. If the application is for renewal of a health care credential,
20 sign a statement attesting whether or not the applicant is in default on a student loan
21 and authorizing the department to release to a private credit reporting agency or
22 bureau any information provided by the applicant on the application form if the
23 department determines that the release of the information is necessary to assist the
24 department in making the determination required under sub. (2w).

25 **SECTION 6.** 440.08 (2g) (c) of the statutes is amended to read:

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1 440.08 **(2g)** (c) Neither the department nor any examining board or affiliated
2 credentialing board may disclose a social security number obtained from an
3 applicant for credential renewal on a form established under par. (a) to any person
4 except to the department of revenue for the sole purpose of making the determination
5 required under sub. (2r) or to a private credit reporting agency or bureau for the sole
6 purpose of making the determination required under sub. (2w).

7 **SECTION 7.** 440.08 (2w) of the statutes is created to read:

8 440.08 **(2w)** DETERMINATION CONCERNING DEFAULT ON STUDENT LOAN. Before
9 granting an application to renew a health care credential, the department shall
10 determine, in accordance with the procedure established under s. 440.03 (13),
11 whether the applicant for the health care credential renewal is in default on any
12 student loan.

13 **SECTION 8.** 440.08 (4) (c) of the statutes is created to read:

14 440.08 **(4)** (c) *Default on student loan.* 1. If the department determines under
15 sub. (2w) that an applicant for renewal of a health care credential is in default on any
16 student loan, or if an applicant for renewal of a health care credential does not
17 complete the information on the credential renewal application form that is required
18 under sub. (2g) (b) 3., the department shall deny the applicant's application for
19 health care credential renewal unless the applicant shows to the satisfaction of the
20 department that he or she has made satisfactory arrangements to repay any student
21 loan on which the applicant is in default.

22 2. The department shall notify an applicant for health care credential renewal
23 that his or her application has been denied under subd. 1. by mailing the holder of
24 the health care credential a notice of denial that includes a statement of the facts that
25 warrant the denial and a notice that the applicant may, within 30 days after the date

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1 on which the notice of denial is mailed, file a written request with the department
2 to have the denial reviewed at a hearing before the department.

3 3. If the denial of an application for renewal of a health care credential is
4 reviewed at a hearing requested under subd. 2., the department shall affirm the
5 denial unless the applicant shows to the satisfaction of the department that he or she
6 is not in default on any student loan or has made satisfactory arrangements to repay
7 any student loan on which the applicant is in default.

8 **SECTION 9. Initial applicability.**

9 (1) This act first applies to the renewal of health care credentials that expire
10 on October 1, 1999.

11 (END)