



1999 ASSEMBLY BILL 657

January 19, 2000 - Introduced by Representatives RILEY, NASS, KREUSER, BOCK, MUSSER, HASENOHRL, POCAN, OLSEN, TURNER, ZIEGELBAUER, RYBA, J. LEHMAN, RICHARDS, MILLER, PLOUFF, GRONEMUS, F. LASEE, WILLIAMS, BERCEAU and MEYERHOFER, cosponsored by Senators ROBSON, GEORGE, WIRCH, PLACHE, ERPENBACH, BURKE, ROESSLER and BAUMGART. Referred to Committee on Labor and Employment.

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 employe that his or her employer has not paid the employe any wages that are owed to the employe (wage claim). Currently, DWD or an employe 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 employe. 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, as affected by 1999 Wisconsin Act 9,
4 is amended to read:

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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 employe 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) of the statutes,
11 as affected by 1999 Wisconsin Act 9, a lien that exists under section 109.09 (2) (a) of
12 the statutes on the day before the effective date of this subsection takes precedence
13 over a lien of a financial institution, as defined in section 69.30 (1) (b) of the statutes,
14 that originated before the lien under section 109.09 (2) (a) of the statutes took effect.

16 (END)