

**SENATE AMENDMENT 1,  
TO 2007 SENATE BILL 80**

April 18, 2007 – Offered by Senator GROTHMAN.

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 1, line 3: after “crews” insert “and independent direct sellers”.

3 **2.** Page 7, line 2: after that line insert:

4 “**SECTION 1m.** 21.72 (1) (a) 10m. of the statutes is created to read:  
5 21.72 **(1)** (a) 10m. A registration issued under s. 100.55 (2) (d).”.

6 **3.** Page 7, line 9: after that line insert:

7 “**SECTION 3m.** 100.55 of the statutes is created to read:

8 **100.55 Regulation of independent direct sellers. (1) DEFINITIONS.** In this  
9 section:

10 (a) “Independent direct seller” means an individual engaged in independent  
11 direct seller activities who is a permanent resident of this state, who sells goods or  
12 services that are distributed by a business entity that maintains a permanent fixed  
13 retail location, or who meets any 4 of the following conditions:

1           1. The individual is a direct seller, as defined in 26 USC 3508 (b) (2), and is in  
2 good standing with all applicable federal, state, and local tax collecting agencies.

3           2. The individual controls or is otherwise personally responsible for the  
4 safekeeping of any moneys received from the individual's customers for any goods or  
5 services sold to those customers.

6           3. The individual has title to the goods sold and delivered to the individual's  
7 customers.

8           4. The individual establishes proof of financial responsibility as provided under  
9 sub. (2) (c).

10          5. The individual sells only goods or services that are provided by business  
11 entities that are subject to the jurisdiction of the courts of this state.

12          (b) "Independent direct seller activities" means the sale by an independent  
13 direct seller of goods or services to consumers from house to house, on any street, or  
14 in any other place that is open to the public.

15          (c) "Registration" means a registration issued under this section authorizing  
16 an individual to work as an independent direct seller.

17          **(2) REGISTRATION REQUIRED.** (a) No individual may work as an independent  
18 direct seller unless the individual first registers with the department as provided  
19 under par. (b), establishes proof of financial responsibility if required under par. (c),  
20 and receives, and acknowledges receipt of, a copy of the laws and rules of this state  
21 relating to consumer protection and public safety that are applicable to independent  
22 direct seller activities, as specified in par. (d).

23          (b) An individual who intends to engage in independent direct seller activities  
24 shall register with the department by doing all of the following:

1           1. Providing on a form prescribed by the department the individual's name,  
2           social security number, permanent home address, telephone number, and, if  
3           intending to reside in a temporary residence while engaged in independent direct  
4           seller activities, the temporary residence address.

5           2. Establishing to the satisfaction of the department that the individual meets  
6           the definition of an independent direct seller.

7           3. Paying a registration fee determined by the department based on the  
8           reasonable cost of registering the individual under this subsection.

9           (c) An individual who is required to establish proof of financial responsibility  
10          in order to meet the definition of an independent direct seller shall prove the  
11          individual's ability to pay any damages, liabilities, penalties, costs, and other  
12          expenses arising out of the individual's independent direct seller activities by  
13          maintaining a bond, certificate of deposit, escrow account, or irrevocable letter of  
14          credit in an amount approved by the department, but not more than \$10,000, and in  
15          a form approved by the department. The bond, certificate of deposit, escrow account,  
16          or irrevocable letter of credit shall be established in favor of or be made payable to  
17          the department, for the benefit of the state and any customer of the individual who  
18          may incur damages arising out of the individual's independent direct seller  
19          activities. The individual shall file with the department any agreement, instrument,  
20          or other document necessary to enforce the bond, certificate of deposit, escrow  
21          account, or irrevocable letter of credit against the individual.

22          (d) If the department is satisfied that an individual who has completed a  
23          registration form under par. (b) 1. and paid the registration fee under par. (b) 3. meets  
24          the definition of an independent direct seller as required under par. (b) 2., the  
25          department shall register the individual as an independent direct seller and provide

1 the individual with a copy of the laws and rules of this state relating to consumer  
2 protection and public safety that are applicable to independent direct seller  
3 activities, as determined by the department. On receipt of the copy of those laws and  
4 rules, the individual shall sign a statement acknowledging receipt of that copy and  
5 file with the department a copy of that signed statement.

6 **(3) NONPREEMPTION.** An individual who is registered under sub. (2) (d) is  
7 authorized to engage in independent direct seller activities in any municipality in  
8 this state, but is not exempt from compliance with any municipal ordinance that  
9 requires an individual to obtain a license, permit, or registration before the  
10 individual may sell goods or services to consumers from house to house, on any street,  
11 or in any other place that is open to the public or that prohibits the sale of goods or  
12 services to consumers from house to house, on any street, or in any other place that  
13 is open to the public.”.

14 **4.** Page 9, line 7: after “convention” insert “, 2 or more individuals who are  
15 traveling together for the purpose of engaging in independent direct seller activities,  
16 as defined in s. 100.55 (1) (b),”.

17 **5.** Page 9, line 9: after “the sale” insert “by a traveling sales crew worker”.

18 **6.** Page 27, line 15: delete “The treatment of”.

19 **(END)**