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State of Misconsin 2007 - 2008 LEGISLATURE





ASSEMBLY SUBSTITUTE AMENDMENT, TO 2007 SENATE BILL 80

AN ACT to amend 21.72 (1) (a) 10., 49.857 (1) (d) 10., 73.0301 (1) (d) 3m., 103.005 (10), 111.322 (2m) (a) and 111.322 (2m) (b); and to create 103.34 of the statutes; relating to: the regulation of traveling sales crews, requiring the exercise of rule-making authority, and providing penalties.

Analysis by the Legislative Reference Bureau CURRENT LAW

HOUSE-TO-HOUSE EMPLOYMENT OF MINORS

Under current law, no person may employ, offer to employ, or recruit a minor to sell goods or services from house-to-house (house-to-house street trades) without obtaining a house-to-house employer certificate from the Department of Workforce Development (DWD). A person may obtain a house-to-house employer certificate by submitting an application to DWD that contains certain information required under current law, including documentation proving that the person has the ability to pay any compensation owed to a minor employee, which proof may be in the form of a bond, certificate of deposit, escrow account, or irrevocable letter of credit in an amount of at least \$5,000 (proof of financial responsibility). If the applicant establishes proof of financial responsibility and if DWD is satisfied that the applicant will comply with the laws relating to house-to-house street trades, DWD must issue a house-to-house employer certificate, which is valid for a 12-month period.

When a minor applies for a job in house-to-house street trades, the house-to-house employer must inform the minor in writing of the terms and conditions of employment, including the compensation to be paid, the time and manner of payment of compensation, the number of days per week and hours per day that the minor would be required to conduct house-to-house street trades, the nature and frequency of required employment-related meetings and how compensation is paid for attendance at those meetings, whether and how the employer provides transportation, and the expenses that the minor would be required to pay. A house-to-house employer may change those terms and conditions by a supplemental document in writing, if the change applies prospectively only.

DWD may suspend or revoke a house-to-house employer certificate if the employer submits false information in the application, fails to notify DWD of any change in that information within 30 days after the change occurs, fails to comply with the terms and conditions of a written disclosure statement, fails to maintain proof of financial responsibility, or fails to comply with the laws relating to house-to-house street trades.

THE SUBSTITUTE AMENDMENT TRAVELING SALES CREWS TRAVELING SALES CREWS

TRAVELING SALES CREWS

Introduction

This substitute amendment regulates traveling sales crews, which the substitute amendment defines as a group of three or more traveling sales crew members, by doing all of the following:

- Requiring a traveling sales crew operator to obtain a certificate of registration from DWD before the operator may use a traveling sales crew to engage in the sale of goods or services to consumers from house to house or on any street or in related support work, including operating a motor vehicle, on the person's behalf (traveling sales crew activities) or employ, offer to employ, or otherwise recruit a person to work as a traveling sales crew member.
- 2. Requiring a traveling sales crew operator to obtain a permit for a traveling sales crew member before the member may be employed or permitted to work in traveling sales crew activities. The substitute amendment defines "traveling sales crew member" as a person who engages in traveling sales crew activities as part of or in association with a traveling sales crew, who travels with the traveling sales crew overnight away from his or her permanent place of residence, and who maintains no fixed place of local residence (lodging in this state at which the person (intends to reside for not less than 30 days) or fixed retail establishment in this state. The substitute amendment excludes from the definition of "traveling sales crew member" a person who maintains a fixed place of local residence or a fixed retail establishment in this state, who is a reseller of goods that the person buys at wholesale and to which the person takes title, or who sells services that are regulated by a state or federal agency
- 3. Requiring a traveling sales crew operator to comply with certain obligations to a traveling sales crew member, including obligations relating to the disclosure of certain information, record keeping, payment of compensation, deductions from compensation, and transportation and housing safety.

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4. Providing provisions to enforce the substitute amendment, including penalties and injunctive relief for a violation of the substitute amendment, any rules promulgated under the substitute amendment, or any order issued by DWD under the substitute amendment or for hindering or delaying DWD in the performance of its duties, or a law enforcement officer in the performance of his or her duties, under the substitute amendment.

Traveling sales crew operator registration

Under the substitute amendment, a person may not use a traveling sales crew to engage in traveling sales crew activities on the person's behalf or employ, offer to employ, or otherwise recruit a person to work as a traveling sales crew member unless the person first obtains a certificate of registration from DWD. A person may obtain a certificate of registration by filing with DWD a written application, meeting the standards under the substitute amendment and under rules promulgated by DWD for issuance of a certificate of registration, and paying a registration fee determined by DWD by rule. The application must contain certain information specified in the substitute amendment, including all of the following:

- 1. A designation of an agency upon whom service of process may be made in this state.
- 2. The social security number or federal employer identification number of the applicant.
- 3. Any other information that DWD considers necessary for the protection of the health, safety, and welfare of the traveling sales crew members working on behalf of the applicant, the consumers of goods or services sold by those members, and the public.

After completing any investigation that DWD considers appropriate, DWD must issue a certificate of registration, which is valid for a 12-month period, if the applicant meets the standards for issuance of a certificate of registration. DWD may deny, suspend, revoke, or refuse to renew a certificate of registration if DWD determines that the applicant has been convicted of any crime.

Traveling sales crew member permits

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The substitute amendment prohibits a person from being employed or permitted to work as a traveling sales crew member unless the traveling sales crew operator on whose behalf the person will be working first obtains from DWD a traveling sales crew member permit (permit) for the person. A traveling sales crew operator may obtain a permit for a traveling sales crew member by the operator filing with DWD a written application and paying a registration fee determined by DWD by rule and by the member meeting the standards under the substitute amendment and under rules promulgated by DWD for issuance of a permit. The application must contain certain information specified in the substitute amendment, including all of the following:

- 1. The social security number of the applicant.
- 2. Any other information that DWD considers necessary for the protection of the health, safety, and welfare of the traveling sales crew members working on behalf of the traveling sales crew operator, the consumers of goods or services sold by those members, and the public.

After completing any investigation that DWD considers appropriate, DWD must issue a permit, which is valid for a 12-month period, if the traveling sales crew member meets the standards for issuance of a certificate of registration. DWD may deny, suspend, revoke, or refuse to renew a permit if DWD determines that the traveling sales crew member has been convicted of any crime.

The bill also requires a traveling sales crew member to carry at all times while engaged in traveling sales crew activities the member's permit and an identification card issued by a state or federal governmental agency that includes, at a minimum, a photograph of the member.

Obligations of traveling sales crew operators to members

Disclosure statement. The substitute amendment requires a traveling sales crew operator to provide a person who is **effected** employment as a traveling sales crew member with a written disclosure statement that includes all of the following information:

- 1. The address of the principal place of business of the traveling sales crew operator or of the agent for service of process.
 - 2. The compensation to be paid.

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- 3. The type or types of work that the person may be required to perform.
- 4. The frequency of wage payments to traveling sales crew members.
- 5. The period of employments several
- 6. A description of the transportation, board, lodging, and other benefits to be provided and any costs chargeable to the person for those benefits.

Records. The substitute amendment also requires a traveling sales crew operator to keep records, with respect to each traveling sales crew member working on behalf of the traveling sales crew operator, of all of the following information:

- 1. The basis on which compensation is paid.
- 2. The number of piecework units earned, if the traveling sales crew member is paid on a piecework basis.
 - 3. The number of hours worked.
 - 4. The total earnings of the traveling sales crew member for a pay period.
- 5. The specific sums withheld from the traveling sales crew member's pay and the purpose of each sum withheld.
 - 6. The net pay of the traveling sales crew member for a pay period.

The traveling sales crew operator must provide that information to a traveling sales crew member when compensation is paid.

Payment of compensation; deductions. In addition, the substitute amendment does all of the following:

- 1. Requires a traveling sales crew operator to pay all compensation owed to a traveling sales crew member promptly, when due, in U.S. currency or by a negotiable instrument such as a bank check or draft.
- 2. Permits a traveling sales crew operator to deduct from a traveling sales crew member's compensation the reasonable cost to the operator of furnishing board, lodging, or other facilities to the member, but only if the board, lodging, or other facilities are customarily furnished by the operator to its members and if the amount

deducted does not exceed the fair market value of the board, lodging, or other facilities and does not include any profit to the operator.

3. Prohibits a traveling sales crew operator from imposing on any traveling sales crew member any of the traveling sales crew operator's business expenses, including the cost of maintaining and operating a motor vehicle that is used to transport traveling sales crew members.

Transportation safety. Moreover, the substitute amendment requires a traveling sales crew operator to do all of the following:

- 1. Ensure that each motor vehicle that the operator uses or causes to be used to transport traveling sales crew members conforms to all applicable state and federal safety standards.
- 2. Ensure that each person who operates a motor vehicle that is used to transport a traveling sales crew member has a valid and appropriate driver's license.
- 3. Have in force, for each motor vehicle used to transport a traveling sales crew member, a policy of insurance or a liability bond that insures the operator, in an amount prescribed by DWD by rule, against liability for damages to persons and property arising out of the ownership or operation of the motor vehicle for that purpose or out of causing the motor vehicle to be operated for that purpose.

Housing safety. Finally, with respect to the obligations of a traveling sales crew operator to a traveling sales crew member, the substitute amendment requires a traveling sales crew operator to ensure that any facility or property that is used to house a traveling sales crew member complies with all federal, state, and local safety and health standards that are applicable to the facility or property.

Enforcement

Finally, under the substitute amendment:

- 1. Any person who willfully and knowingly violates the substitute amendment, any rule promulgated under the substitute amendment, or any order issued by DWD under the substitute amendment or who hinders or delays DWD in the performance of its duties or hinders or delays any law enforcement officer in the performance of his or her duties under the substitute amendment (violation) may be fined not more than \$10,000 or imprisoned for not more than one year in the county jail or both and any person who, having been convicted of a prior violation, willfully and knowingly commits a subsequent violation may be fined not more than \$50,000 or imprisoned for not more than three years and six months or both.
- 2. Any person who commits a violation, but not willfully and knowingly, may be required to forfeit \$10,000, depending on the gravity of the violation and the previous record of the person in terms of compliance with the substitute amendment, any rules promulgated under the substitute amendment, and any orders issued by DWD under the substitute amendment.
- 3. If DWD determines that any person has committed a violation, DWD may refer the matter to the attorney general or the district attorney of the county in which

department under sub. (2) (c).

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the violation occurred, and the attorney general or district attorney may bring a civil action for appropriate injunctive relief.

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

1	SECTION 1. 21.72 (1) (a) 10. of the statutes is amended to read:
2	21.72 (1) (a) 10. A certificate <u>or permit</u> issued under s. 103.275, <u>103.34</u> , 103.91,
3	or 103.92.
4	Section 2. 49.857 (1) (d) 10. of the statutes is amended to read:
5	49.857 (1) (d) 10. A certificate <u>or permit</u> issued under s. $103.275, \underline{103.34}, 103.91, \underline{103.34}$
6	or 103.92.
7	Section 3. 73.0301 (1) (d) 3m. of the statutes is amended to read:
8	73.0301 (1) (d) 3m. A license, permit, or certificate issued by the department
9	of workforce development under s. 102.17 (1) (c), 103.275 (2) (b), $\underline{103.34}$ (2) (c) or (3)
10	(c), 103.91 (1), 103.92 (3), 104.07 (1) or (2), or 105.13 (1).
11	Section 4. 103.005 (10) of the statutes is amended to read:
12	103.005 (10) Except as provided in ss. 103.275 (2) (bm) and (br), 103.34 (5) (b)
13	$\underline{and}\ (c),\ 103.91\ (4)\ (b)\ and\ (c),\ 103.92\ (6)\ and\ (7),\ 104.07\ (5)\ and\ (6),\ and\ 105.13\ (2)\ and\ (6),\ and\ (6),\$
14	(3), orders of the department under chs. 103 to 106 shall be subject to review in the
15	manner provided in ch. 227.
16	Section 5. 103.34 of the statutes is created to read:
17	103.34 Regulation of traveling sales crews. (1) Definitions: In this
18	section:
19	(a) "Certificate of registration" means a certificate of registration issued by the

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- (b) "Fixed place of local residence" means a place of lodging in this state at (2)which a person intends to reside for not less than 30 days.
 - (c) "Goods" means wares, products, commodities, or merchandise of any type, including magazine subscriptions.
 - (d) "Permit" means a permit issued by the department under sub. (3) (c).
 - (e) "Sale" means a transfer for consideration of title to a good or the right to use a good or service and includes any sale, exchange, contract to sell, consignment for sale, shipment for sale, or other disposition of goods or services and any attempt to obtain information for the purpose of making such a sale, exchange, contract, consignment, shipment, or other disposition of goods or services in the future, including the taking of an order for future delivery.
 - (f) "Traveling sales crew" means a group of 3 or more traveling sales crew members, not including an immediate family member of a traveling sales crew operator.
 - (g) "Traveling sales crew activities" means the sale of goods or services to consumers from house to house or on any street or related support work, including operating a motor vehicle.
 - (h) "Traveling sales crew member" means a person who engages in traveling sales crew activities as part of or in association with a traveling sales crew, who travels with the traveling sales crew overnight away from his or her permanent place of residence, and who maintains no fixed place of local residence or fixed retail establishment in this state. "Traveling sales crew member" does not include a person who maintains a fixed place of local residence or a fixed retail establishment in this state, who is a reseller of goods that the person buys at wholesale and to which the person takes title, or who sells services that are regulated by a state or federal agency.

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- (i) "Traveling sales crew operator" means a person who uses a traveling sales crew to engage in traveling sales crew activities on the person's behalf.
- (2) Traveling sales crew operator registration. (a) Registration required. No person may use a traveling sales crew to engage in traveling sales crew activities on the person's behalf or employ offer to employ or otherwise recruit an individual to work as a traveling sales crew member unless the person first obtains a certificate of registration from the department. To obtain a certificate of registration, a person shall file with the department a written application under par. (b), meet the standards specified in par. (c) for issuance of a certificate of registration, and pay a registration fee determined by the department by rule promulgated under sub. (7).
- (b) Application for registration. To obtain a certificate of registration, a person shall file with the department a written application prescribed by the department by rule promulgated under sub. (7) that contains all of the following information:
- 1. A designation of an agency upon whom service of process may be made in this state. The agent shall be a resident of this state or a corporation authorized to do business in this state.
- 2. The social security number or federal employer identification number of the applicant as provided in sub. (5) (a).
- 3. Any other information that the department considers necessary for the protection of the health, safety, and welfare of the traveling sales crew members working on behalf of the applicant, the consumers of goods or services sold by those members, and the public.
- (c) Issuance of registration. Subject to sub. (5) (b) and (c), after completing any investigation that the department considers appropriate, the department shall issue a certificate of registration to the applicant if the department determines that the

- applicant meets the standards under this section and rules promulgated under sub. (7) for issuance of a certificate of registration. Notwithstanding ss. 111.321, 111.322, and 111.335, the department may deny, suspend, revoke, or refuse to renew a certificate of registration if the department determines that the applicant or registrant has been convicted of any crime.
- (d) Registration; transfer, expiration, extension, and renewal. 1. A certificate of registration is not transferable or assignable.
- 2. Unless earlier suspended or revoked, a certificate of registration expires 12 months after its date of issuance. The department, in its discretion, may temporarily extend a certificate of registration if the registrant files an application for temporary extension not less than 30 days before the expiration of the certificate of registration.
- 3. A registrant may renew a certificate of registration by filing with the department an application under par. (b) and paying the renewal fee determined by the department by rule promulgated under sub. (7). The department shall renew the certificate of registration if the registrant meets the standards specified in par. (c) for renewal of a certificate of registration.
- (e) Notice of changes; amendment of registration. 1. If during the period for which a certificate of registration is in effect any change occurs in any of the information provided to the department under par. (b), the registrant shall notify the department of that change within 30 days after the change occurs.
- 2. If during the period for which a certificate of registration is in effect the registrant intends to engage in any form of traveling sales crew activity that is not identified in the certificate of registration, the registrant shall apply to the department to amend the certificate of registration.

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- be employed or permitted to work as a traveling sales crew member unless the traveling sales crew operator on whose behalf the person will be working first obtains from the department a permit for the person. To obtain a permit, the traveling sales crew operator shall file with the department on behalf of the applicant a written application under par. (b) and pay a permit fee determined by the department by rule promulgated under sub. (7) and the applicant shall meet the standards specified in par. (c) for issuance of a permit.
- (b) Application for permit. To obtain a permit for an applicant, a traveling sales crew operator shall file with the department on behalf of the applicant a written application prescribed by the department by rule promulgated under sub. (7) that contains all of the following information:
 - 1. The social security number of the applicant as provided in sub. (5) (a).
- 2. Any other information that the department considers necessary for the protection of the health, safety, and welfare of the traveling sales crew members working on behalf of the traveling sales crew operator, the consumers of goods or services sold by those members, and the public.
- (c) Issuance of permit. Subject to sub. (5) (b) and (c), after completing any investigation that the department considers appropriate, the department shall issue a permit to the applicant if the department determines that the applicant meets the standards under this section and rules promulgated under sub. (7) for issuance of a permit. Notwithstanding ss. 111.321, 111.322, and 111.335, the department may deny, suspend, revoke, or refuse to renew a permit if the department determines that the applicant or permit holder has been convicted of any crime.

- (d) Permit; transfer, expiration, extension, and renewal. 1. A permit is not transferable or assignable.
- 2. Unless earlier suspended or revoked, a permit expires 12 months after its date of issuance. The department, in its discretion, may temporarily extend a permit if the traveling sales crew operator on whose behalf the permit holder is working files an application for temporary extension not less than 30 days before the expiration of the permit.
- 3. A traveling sales crew operator may renew the permit of a permit holder who is working on behalf of the traveling sales crew operator by filing with the department an application under par. (b) and paying the renewal fee determined by the department by rule promulgated under sub. (7). The department shall renew the permit if the permit holder meets the standards specified in par. (c) for renewal of a permit.
- (e) Notice of changes; amendment of permit. 1. If during the period for which a permit is in effect any change occurs in any of the information provided to the department under par. (b), the traveling sales crew operator on whose behalf the permit holder is working shall notify the department of that change within 30 days after the change occurs.
- 2. If during the period for which a permit is in effect the traveling sales crew operator intends to have the permit holder engage in any form of traveling sales crew activity that is not identified in the permit, the traveling sales crew operator shall apply to the department to amend the permit.
- (f) *Display of permit.* 1. A traveling sales crew operator shall ensure that a traveling sales crew member who is performing traveling sales crew activities on behalf of the traveling sales crew operator possesses at all times while engaging in

- those activities a valid permit and an identification card issued by a federal or state governmental agency that includes, at a minimum, a photograph of the traveling sales crew member.
- 2. A traveling sales crew member shall carry at all times while engaging in traveling sales crew activities the member's permit and identification card and shall promptly produce that permit and identification card upon the request of any deputy of the department, law enforcement officer, or person with whom the member is doing business.
- (g) Validity of permit; compliance with local ordinances. A permit is valid in every municipality in this sate, but the issuance of a permit does not exempt a traveling sales crew operator or member from compliance with any municipal ordinance that requires the operator or member to obtain a solicitor's license or that prohibits the sale of goods or services to consumers from house to house, on any street, or in any other place that is open to the public.
- (4) Obligations of traveling sales crew operators to members. (a) Disclosure statement. At the time a person is offered employment as a traveling sales crew member or is otherwise recruited to work as a traveling sales crew member, the traveling sales crew operator shall provide the person with a written disclosure statement that includes all of the following information:
- 1. The address of the principal place of business of the traveling sales crew operator or of the agent for service of process under sub. (2) (b) 1.
 - 2. The compensation to be paid.
 - 3. The type or types of work that the person may be required to perform.
 - 4. The frequency of wage payments to traveling sales crew members.
 - 5. The period of employment evangement

- 6. A description of the transportation, board, lodging, and other benefits to be provided by the traveling sales crew operator to the person and any costs chargeable to the person for those benefits.
- (b) *Records*. A traveling sales crew operator shall, with respect to each traveling sales crew member working on behalf of the traveling sales crew operator, make, keep, and preserve for 3 years after the end of a pay period all of the following information:
 - 1. The basis on which compensation is paid.
- 2. The number of piecework units earned, if the traveling sales crew member is paid on a piecework basis.
 - 3. The number of hours worked.
 - 4. The total earnings of the traveling sales crew member for the pay period.
- 5. The specific sums withheld from the traveling sales crew member's pay and the purpose of each sum withheld.
 - 6. The net pay of the traveling sales crew member for the pay period.
- (c) Payment of compensation when due. A traveling sales crew operator shall pay all compensation owed to a traveling sales crew member when due as provided under par. (a) 4. Compensation shall be paid in U.S. currency or by a negotiable instrument such as a bank check or draft. A traveling sales crew operator shall provide with each payment of compensation a written statement itemizing the information specified in par. (b) for the pay period.
- (d) *Deductions; cost of business expenses*. A traveling sales crew operator may deduct from a traveling sales crew member's compensation the reasonable cost to the operator of furnishing board, lodging, or other facilities to the member if the board, lodging, or other facilities are customarily furnished by the operator to its members

- and if the amount deducted does not exceed the fair market value of the board, lodging, or other facilities and does not include any profit to the operator. Except as provided in this paragraph, a traveling sales crew operator may not impose on any traveling sales crew member any of the traveling sales crew operator's business expenses, including the cost of maintaining and operating a motor vehicle that is used to transport traveling sales crew members.
- (e) *Transportation safety*. A traveling sales crew operator shall do all of the following:
- 1. Ensure that each motor vehicle that the operator uses or causes to be used to transport a traveling sales crew member conforms to all applicable state and federal safety standards.
- 2. Ensure that each person who operates a motor vehicle that is used to transport a traveling sales crew member has a valid and appropriate operator's license issued under ch. 343 or under a comparable law of another state.
- 3. Have in force, for each motor vehicle that is used to transport a traveling sales crew member, a policy of insurance or a liability bond that insures the operator, in an amount prescribed by the department by rule promulgated under sub. (7), against liability for damages to persons and property arising out of the ownership or operation of the motor vehicle for that purpose or out of causing the motor vehicle to be operated for that purpose.
- (f) *Housing safety*. A traveling sales crew operator shall ensure that any facility or property that is used to house a traveling sales crew member complies with all federal, state, and local safety and health standards that are applicable to the facility or property. If the facility or property is not owned or controlled by the traveling sales crew operator, the operator shall obtain verification that the owner or operator of the

- facility or property is licensed and insured in accordance with all applicable state and local laws prior to housing any traveling sales crew member in the facility or property.
- (5) CHILD SUPPORT; DELINQUENT TAXES. (a) Provision of social security or employer identification number. 1. Except as provided in subd. 3., the department shall require each applicant for a certificate of registration or permit who is an individual to provide the department with the applicant's social security number, and shall require each applicant for a certificate of registration who is not an individual to provide the department with the applicant's federal employer identification number, when initially applying for or applying to renew the certificate of registration or permit.
- 2. If an applicant who is an individual fails to provide the applicant's social security number to the department or if an applicant who is not an individual fails to provide the applicant's federal employer identification number to the department, the department may not issue or renew a certificate of registration or permit to or for the applicant unless the applicant is an individual who does not have a social security number and the applicant submits a statement made or subscribed under oath or affirmation as required under subd. 3.
- 3. If an applicant who is an individual does not have a social security number, the applicant shall submit a statement made or subscribed under oath or affirmation to the department that the applicant does not have a social security number. The form of the statement shall be prescribed by the department. A certificate of registration or permit issued in reliance upon a false statement submitted under this subdivision is invalid.

- 4. The department may not disclose the social security number or the federal employer identification number to any person except to the department of revenue for the sole purpose of requesting certifications under s. 73.0301 or on the request of the department of children and families under s. 49.22 (2m).
- (b) Child support. The department shall deny, suspend, refuse to renew, or otherwise withhold a certificate of registration or permit for failure of the applicant or registrant to pay court-ordered payments of child or family support, maintenance, birth expenses, medical expenses, or other expenses related to the support of a child or former spouse or for failure of the applicant or registrant to comply, after appropriate notice, with a subpoena or warrant issued by the department of children and families or a county child support agency under s. 59.53 (5) and related to paternity or child support proceedings, as provided in a memorandum of understanding entered into under s. 49.857. Notwithstanding s. 103.005 (10), an action taken under this paragraph is subject to review only as provided in the memorandum of understanding entered into under s. 49.857 and not as provided in ch. 227.
- (c) *Delinquent taxes*. The department shall deny an application for the issuance or renewal of a certificate of registration or permit, or revoke a certificate of registration or permit already issued, if the department of revenue certifies under s. 73.0301 that the applicant or registrant is liable for delinquent taxes. Notwithstanding s. 103.005 (10), an action taken under this paragraph is subject to review only as provided under s. 73.0301 (5) and not as provided in ch. 227.
- (6) Enforcement. (a) Criminal penalties. 1. Any person who willfully and knowingly violates this section, any rule promulgated under sub. (7), or any order issued under this section or who hinders or delays the department in the

- performance of its duties or hinders or delays any law enforcement officer in the performance of his or her duties under this section may be fined not more than \$10,000 or imprisoned for not more than one year in the county jail or both.
- 2. Whoever, having been convicted of a prior violation described in subd. 1., willfully and knowingly commits a violation described in subd. 1. is guilty of a Class I felony, except that, notwithstanding the maximum fine specified in s. 939.50 (3) (i), the person may be fined not more than \$50,000.
- (b) Forfeitures. Any person who violates this section, any rule promulgated under sub. (7), or any order issued under this section or who hinders or delays the department in the performance of its duties or hinders or delays any law enforcement officer in the performance of his or her duties under this section may be required to forfeit \$10,000. Each day of continued violation constitutes a separate offense. In determining the amount of a forfeiture under this paragraph, the court shall consider the gravity of the violation and the previous record of the person in terms of compliance with this section, any rules promulgated under sub. (7), and any orders issued under this section.
- (c) Injunctive relief. In addition to any other remedy under this subsection, if the department determines that any person has violated this section, any rule promulgated under sub. (7), or any order issued under this section or has hindered or delayed the department in the performance of its duties or hindered or delayed any law enforcement officer in the performance of his or her duties under this section, the department may refer the matter to the attorney general or the district attorney of the county in which the violation occurred, and the attorney general or district attorney may bring a civil action for injunctive relief as may be appropriate to compel compliance with this section, the rule, or the order or to permit the performance of

- those duties. In addition to any injunctive relief ordered in an action under this paragraph, the court, notwithstanding s. 814.01 (1), shall award to a party that obtains the injunctive relief reasonable actual attorney fees and other actual costs as may be incurred in the action.
- (d) Referral for prosecution. The department may refer violations of this section, of any rules promulgated under sub. (7), or of any orders issued under this section for prosecution by the attorney general or the district attorney of the county in which the violation occurred.
- (7) RULES. The department shall promulgate rules to implement this section.

 Those rules shall include all of the following:
- (a) The information that an applicant for a certificate of registration or permit is required to provide in an application under sub. (2) (b) or (3) (b).
- (b) A fee for obtaining, renewing, or extending a certificate of registration or permit. The department shall determine the fee based on the cost of issuing certificates of registration and permits.
 - (c) Standards for the issuance of a certificate of registration or permit.
- (d) The amount of liability insurance or of a liability bond that a traveling sales crew operator shall have in force under sub. (4) (e) 3.
- (8) Nonapplicability. This section does not apply to the employment of a person in a fund-raising sale for a nonprofit organization, as defined in s. 103.21 (2), a public school, as defined in s. 103.21 (5), or a private school, as defined in s. 103.21 (4).
 - **Section 6.** 111.322 (2m) (a) of the statutes is amended to read:
- 111.322 (2m) (a) The individual files a complaint or attempts to enforce any right under s. 103.02, 103.10, 103.13, 103.28, 103.32, 103.34, 103.455, 103.50,

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publication.

1	104.12, 109.03, 109.07, 109.075, or 146.997 or ss. 101.58 to 101.599 or 103.64 to
2	103.82.
3	SECTION 7. 111.322 (2m) (b) of the statutes is amended to read:
4	111.322 (2m) (b) The individual testifies or assists in any action or proceeding
5	held under or to enforce any right under s. 103.02, 103.10, 103.13, 103.28, 103.32,
6	103.34, 103.455, 103.50, 104.12, 109.03, 109.07, 109.075, or 146.997 or ss. 101.58 to
7	101.599 or 103.64 to 103.82.
8	Section 8. Nonstatutory provisions.
9	(1) Rule making. The department of workforce development shall submit in
10	proposed form the rules required under section 103.34 (7) of the statutes, as created
11	by this act, to the legislative council staff under section 227.15 (1) of the statutes no
12	later than the first day of the 6th month beginning after the effective date of this
13	subsection. Notwithstanding section 227.137 (2) of the statutes, the secretary of
14	administration may not require the department of workforce development to prepare
15	an economic impact report for those rules.
16	SECTION 9. Effective dates. This act takes effect on the first day of the 12th

(1) Rule making. Section 8 (1) of this act takes effect on the day after

(END)

month beginning after publication, except as follows:

Malaise, Gordon

From:

Seaholm, Matthew

Sent:

Friday, February 15, 2008 1:32 PM

To:

Malaise, Gordon

Subject:

A few other changes to sub amendment to SB 80

Hi Gordon,

In Senate Bill 80, there are a number of prohibited practices that we removed in our substitute amendment (LRB s0215/2). Would you be able to make our sub a /3 and insert the following list as prohibited practices? I will send the amendment jacket back for the changes. Let me know if you have any questions. We really need this by Monday afternoon if that's possible.

Thanks, Matt Matt Seaholm Office of Rep. Moulton 6-9172

- 1. Employing a minor on a traveling sales crew. Employing an adult who has been adjudged incompetent on a traveling sales crew unless the person's guardian has approved the employment.
- 2. Requiring a traveling sales crew member to engage in any in-person sales or solicitation activities before 9 a.m. or after 9 p.m.
- 3. Requiring a traveling sales crew member to relinquish custody of any of his or her personal property to the employer or any person.
- 4. Prohibiting or restricting a traveling sales crew worker from contacting their family.
- 5. Intentionally inflicting or threatening to inflict any bodily harm on a traveling sales crew worker or damage to the worker's property.
- 6. Advising or counseling a traveling sales crew worker to make false representations to a person to whom he or she is offering goods or services for sale.
- 7. Discharging or discriminating against a traveling sales crew worker for opposing any practice prohibited under this bill.



State of Misconsin 2007 - 2008 LEGISLATURE

MON 2/18 Noon

LRBs0215/2 GMM:wljfrs

ASSEMBLY SUBSTITUTE AMENDMENT,

TO 2007 SENATE BILL 80

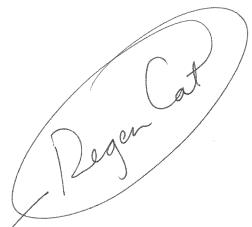
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 $AN\ ACT\ \textit{to amend}\ 21.72\ (1)\ (a)\ 10., 49.857\ (1)\ (d)\ 10., 73.0301\ (1)\ (d)\ 3m., 103.005$

 $(10), 111.322\,(2m)\,(a)\,and\,111.322\,(2m)\,(b); and\,\textit{to create}\,\,103.34\,of\,the\,statutes;$

relating to: the regulation of traveling sales crews, requiring the exercise of

rule-making authority, and providing penalties.

Analysis by the Legislative Reference Bureau CURRENT LAW

HOUSE-TO-HOUSE EMPLOYMENT OF MINORS

Under current law, no person may employ, offer to employ, or recruit a minor to sell goods or services from house-to-house (house-to-house street trades) without obtaining a house-to-house employer certificate from the Department of Workforce Development (DWD). A person may obtain a house-to-house employer certificate by submitting an application to DWD that contains certain information required under current law, including documentation proving that the person has the ability to pay any compensation owed to a minor employee, which proof may be in the form of a bond, certificate of deposit, escrow account, or irrevocable letter of credit in an amount of at least \$5,000 (proof of financial responsibility). If the applicant establishes proof of financial responsibility and if DWD is satisfied that the applicant will comply with the laws relating to house-to-house street trades, DWD must issue a house-to-house employer certificate, which is valid for a 12-month period.

2007 - 2008 Legislature

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Sales crew member advising a traveling sales crew member to make false representations in steering souds or services for sale and discharging or discriminating against any person for a possing a practice probable under the substitute amendment. When a minor applies for a job in house-to-house street trades, the house-to-house employer must inform the minor in writing of the terms and conditions of employment, including the compensation to be paid, the time and manner of payment of compensation, the number of days per week and hours per day that the minor would be required to conduct house-to-house street trades, the nature and frequency of required employment-related meetings and how compensation is paid for attendance at those meetings, whether and how the employer provides transportation, and the expenses that the minor would be required to pay. A house-to-house employer may change those terms and conditions by a supplemental document in writing, if the change applies prospectively only.

DWD may suspend or revoke a house-to-house employer certificate if the employer submits false information in the application, fails to notify DWD of any change in that information within 30 days after the change occurs, fails to comply with the terms and conditions of a written disclosure statement, fails to maintain proof of financial responsibility, or fails to comply with the laws relating to house-to-house street trades.

THE SUBSTITUTE AMENDMENT

Traveling sales crews

Introduction

This substitute amendment regulates traveling sales crews, which the substitute amendment defines as a group of three or more traveling sales/crew members, by doing all of the following:

- Requiring a traveling sales crew operator to obtain a certificate of registration from DWD before the operator may use a traveling sales crew to engage in the sale of goods or services to consumers from house to house or on any street or in related support work, including operating a motor vehicle, on the person's behalf (traveling sales crew activities) or employ, offer to employ, or otherwise recruit a person to work as a traveling sales crew member.
- 2. Requiring a traveling sales crew operator to obtain a permit for a traveling sales crew member before the member may be permitted to work in traveling sales crew activities. The substitute amendment defines "traveling sales crew member" as a person who engages in traveling sales crew activities as part of or in association with a traveling sales crew, who travels with the traveling sales crew overnight away from his or her permanent place of residence, and who maintains no fixed place of local residence (lodging in this state at which the person has tenancy for at least one month) or fixed retail establishment in this state. The substitute amendment excludes from the definition of "traveling sales crew member" a person who maintains a fixed place of local residence or a fixed retail establishment in this state, who is a reseller of goods that the person buys at wholesale and to which the person takes title, or who sells services that are regulated by the office of the Commissioner of Insurance or the Federal Communications Commission.
- 3. Requiring a traveling sales crew operator to comply with certain obligations to a traveling sales crew member, including obligations relating to the disclosure of certain information, record keeping, payment of compensation, deductions from compensation, and transportation and housing safety.

4. Prohibiting a travelent sales crew operator from engagingin certain prohibited practices, such as permitting a minor or incompetent adult to work on a travelog sales crew, requiring a travelog sales crew member to work during certain home orto relinquish custody of his or her property, prohibiting a travelog of

Providing provisions to enforce the substitute amendment, including penalties and injunctive relief for a violation of the substitute amendment, any rules promulgated under the substitute amendment, or any order issued by DWD under the substitute amendment or for hindering or delaying DWD in the performance of its duties, or a law enforcement officer in the performance of his or her duties, under the substitute amendment.

Traveling sales crew operator registration

Under the substitute amendment, a person may not use a traveling sales crew to engage in traveling sales crew activities on the person's behalf or recruit a person to work as a traveling sales crew member unless the person first obtains a certificate of registration from DWD. A person may obtain a certificate of registration by filing with DWD a written application, meeting the standards under the substitute amendment and under rules promulgated by DWD for issuance of a certificate of registration, and paying a registration fee determined by DWD by rule. The application must contain certain information specified in the substitute amendment, including all of the following:

- 1. A designation of an agency upon whom service of process may be made in this state.
- 2. The social security number or federal employer identification number of the applicant.
- 3. Any other information that DWD considers necessary for the protection of the health, safety, and welfare of the traveling sales crew members working on behalf of the applicant, the consumers of goods or services sold by those members, and the public.

After completing any investigation that DWD considers appropriate, DWD must issue a certificate of registration, which is valid for a 12-month period, if the applicant meets the standards for issuance of a certificate of registration. DWD may deny, suspend, revoke, or refuse to renew a certificate of registration if DWD determines that the applicant has been convicted of any crime.

Traveling sales crew member permits

The substitute amendment prohibits a person from being permitted to work as a traveling sales crew member unless the traveling sales crew operator on whose behalf the person will be working first obtains from DWD a traveling sales crew member permit (permit) for the person. A traveling sales crew operator may obtain a permit for a traveling sales crew member by the operator filing with DWD a written application and paying a registration fee determined by DWD by rule and by the member meeting the standards under the substitute amendment and under rules promulgated by DWD for issuance of a permit. The application must contain certain information specified in the substitute amendment, including all of the following:

- 1. The social security number of the applicant.
- 2. Any other information that DWD considers necessary for the protection of the health, safety, and welfare of the traveling sales crew members working on behalf of the traveling sales crew operator, the consumers of goods or services sold by those members, and the public.

After completing any investigation that DWD considers appropriate, DWD must issue a permit, which is valid for a 12-month period, if the traveling sales crew member meets the standards for issuance of a certificate of registration. DWD may deny, suspend, revoke, or refuse to renew a permit if DWD determines that the traveling sales crew member has been convicted of any crime.

The bill also requires a traveling sales crew member to carry at all times while engaged in traveling sales crew activities the member's permit and an identification card issued by a state or federal governmental agency that includes, at a minimum, a photograph of the member.

Obligations of traveling sales crew operators to members

Disclosure statement. The substitute amendment requires a traveling sales crew operator to provide a person who is recruited to work as a traveling sales crew member with a written disclosure statement that includes all of the following information:

- 1. The address of the principal place of business of the traveling sales crew operator or of the agent for service of process.
 - 2. The compensation to be paid.
 - 3. The type or types of work that the person may be required to perform.
 - 4. The frequency of wage payments to traveling sales crew members.
 - 5. The period of engagement.
- 6. A description of the transportation, board, lodging, and other benefits to be provided and any costs chargeable to the person for those benefits.

Records. The substitute amendment also requires a traveling sales crew operator to keep records, with respect to each traveling sales crew member working on behalf of the traveling sales crew operator, of all of the following information:

- 1. The basis on which compensation is paid.
- 2. The number of piecework units earned, if the traveling sales crew member is paid on a piecework basis.
 - 3. The number of hours worked.
 - 4. The total earnings of the traveling sales crew member for a pay period.
- 5. The specific sums withheld from the traveling sales crew member's pay and the purpose of each sum withheld.
 - 6. The net pay of the traveling sales crew member for a pay period.

The traveling sales crew operator must provide that information to a traveling sales crew member when compensation is paid.

Payment of compensation; deductions. In addition, the substitute amendment does all of the following:

- 1. Requires a traveling sales crew operator to pay all compensation owed to a traveling sales crew member promptly, when due, in U.S. currency or by a negotiable instrument such as a bank check or draft.
- 2. Permits a traveling sales crew operator to deduct from a traveling sales crew member's compensation the reasonable cost to the operator of furnishing board, lodging, or other facilities to the member, but only if the board, lodging, or other facilities are customarily furnished by the operator to its members and if the amount

deducted does not exceed the fair market value of the board, lodging, or other facilities and does not include any profit to the operator.

3. Prohibits a traveling sales crew operator from imposing on any traveling sales crew member any of the traveling sales crew operator's business expenses, including the cost of maintaining and operating a motor vehicle that is used to transport traveling sales crew members.

Transportation safety. Moreover, the substitute amendment requires a traveling sales crew operator to do all of the following:

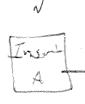
- 1. Ensure that each motor vehicle that the operator uses or causes to be used to transport traveling sales crew members conforms to all applicable state and federal safety standards.
- 2. Ensure that each person who operates a motor vehicle that is used to transport a traveling sales crew member has a valid and appropriate driver's license.
- 3. Have in force, for each motor vehicle used to transport a traveling sales crew member, a policy of insurance or a liability bond that insures the operator, in an amount prescribed by DWD by rule, against liability for damages to persons and property arising out of the ownership or operation of the motor vehicle for that purpose or out of causing the motor vehicle to be operated for that purpose.

Housing safety. Finally, with respect to the obligations of a traveling sales crew operator to a traveling sales crew member, the substitute amendment requires a traveling sales crew operator to ensure that any facility or property that is used to house a traveling sales crew member complies with all federal, state, and local safety and health standards that are applicable to the facility or property.

Enforcement

Finally, under the substitute amendment:

- 1. Any person who willfully and knowingly violates the substitute amendment, any rule promulgated under the substitute amendment, or any order issued by DWD under the substitute amendment or who hinders or delays DWD in the performance of its duties or hinders or delays any law enforcement officer in the performance of his or her duties under the substitute amendment (violation) may be fined not more than \$10,000 or imprisoned for not more than one year in the county jail or both and any person who, having been convicted of a prior violation, willfully and knowingly commits a subsequent violation may be fined not more than \$50,000 or imprisoned for not more than three years and six months or both.
- 2. Any person who commits a violation, but not willfully and knowingly, may be required to forfeit \$10,000, depending on the gravity of the violation and the previous record of the person in terms of compliance with the substitute amendment, any rules promulgated under the substitute amendment, and any orders issued by DWD under the substitute amendment.
- 3. If DWD determines that any person has committed a violation, DWD may refer the matter to the attorney general or the district attorney of the county in which



department under sub. (2) (c).

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the violation occurred, and the attorney general or district attorney may bring a civil action for appropriate injunctive relief.

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

1	Section 1. 21.72 (1) (a) 10. of the statutes is amended to read:
2	21.72 (1) (a) 10. A certificate <u>or permit</u> issued under s. 103.275 , 103.34 , 103.91 ,
3	or 103.92.
4	Section 2. 49.857 (1) (d) 10. of the statutes is amended to read:
5	49.857 (1) (d) 10. A certificate <u>or permit</u> issued under s. $103.275, \underline{103.34}, 103.91$,
6	or 103.92.
7	Section 3. 73.0301 (1) (d) 3m. of the statutes is amended to read:
8	73.0301 (1) (d) 3m. A license, permit, or certificate issued by the department
9	of workforce development under s. $102.17~(1)~(c),103.275~(2)~(b),\underline{103.34~(2)~(c)~or~(3)}$
10	(c), 103.91 (1), 103.92 (3), 104.07 (1) or (2), or 105.13 (1).
11	SECTION 4. 103.005 (10) of the statutes is amended to read:
12	103.005 (10) Except as provided in ss. 103.275 (2) (bm) and (br), <u>103.34 (5) (b)</u>
13	$\underline{\text{and (c)}}, 103.91 (4) (b) \text{and (c)}, 103.92 (6) \text{and (7)}, 104.07 (5) \text{and (6)}, \\ \text{and 105.13 (2) and (6)}, \text{and 105.13 (2)}, and 105.13 $
14	(3), orders of the department under chs. 103 to 106 shall be subject to review in the
15	manner provided in ch. 227.
16	Section 5. 103.34 of the statutes is created to read:
17	103.34 Regulation of traveling sales crews. (1) Definitions: In this
18	section:
19	(a) "Certificate of registration" means a certificate of registration issued by the

- (b) "Fixed place of local residence" means a place of lodging in this state at which a person has tenancy for at least one month.
- (c) "Goods" means wares, products, commodities, or merchandise of any type, including magazine subscriptions.
 - (d) "Permit" means a permit issued by the department under sub. (3) (c).
- (e) "Sale" means a transfer for consideration of title to a good or the right to use a good or service and includes any sale, exchange, contract to sell, consignment for sale, shipment for sale, or other disposition of goods or services and any attempt to obtain information for the purpose of making such a sale, exchange, contract, consignment, shipment, or other disposition of goods or services in the future, including the taking of an order for future delivery.
- (f) "Traveling sales crew" means a group of 3 or more traveling sales crew members, not including an immediate family member of a traveling sales crew operator.
- (g) "Traveling sales crew activities" means the sale of goods or services to consumers from house to house or on any street or related support work, including operating a motor vehicle.
- (h) "Traveling sales crew member" means a person who engages in traveling sales crew activities as part of or in association with a traveling sales crew, who travels with the traveling sales crew overnight away from his or her permanent place of residence, and who maintains no fixed place of local residence or fixed retail establishment in this state. "Traveling sales crew member" does not include a person who maintains a fixed place of local residence or a fixed retail establishment in this state, who is a reseller of goods that the person buys at wholesale and to which the

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- person takes title, or who sells services that are regulated by the office of the commissioner of insurance of the federal communications commission.
- (i) "Traveling sales crew operator" means a person who uses a traveling sales crew to engage in traveling sales crew activities on the person's behalf.
- (2) Traveling sales crew operator registration. (a) Registration required. No person may use a traveling sales crew to engage in traveling sales crew activities on the person's behalf or recruit an individual to work as a traveling sales crew member unless the person first obtains a certificate of registration from the department. To obtain a certificate of registration, a person shall file with the department a written application under par. (b), meet the standards specified in par. (c) for issuance of a certificate of registration, and pay a registration fee determined by the department by rule promulgated under sub.
- (b) Application for registration. To obtain a certificate of registration, a person shall file with the department a written application prescribed by the department by rule promulgated under sub. (7) that contains all of the following information:
- 1. A designation of an agency upon whom service of process may be made in this state. The agent shall be a resident of this state or a corporation authorized to do business in this state.
- 2. The social security number or federal employer identification number of the applicant as provided in sub. (5)(a).
- 3. Any other information that the department considers necessary for the protection of the health, safety, and welfare of the traveling sales crew members working on behalf of the applicant, the consumers of goods or services sold by those members, and the public.

- (c) Issuance of registration. Subject to sub. (b) and (c), after completing any investigation that the department considers appropriate, the department shall issue a certificate of registration to the applicant if the department determines that the applicant meets the standards under this section and rules promulgated under sub. (7) for issuance of a certificate of registration. Notwithstanding ss. 111.321, 111.322, and 111.335, the department may deny, suspend, revoke, or refuse to renew a certificate of registration if the department determines that the applicant or registrant has been convicted of any crime.
 - (d) Registration; transfer, expiration, extension, and renewal. 1. A certificate of registration is not transferable or assignable.
 - 2. Unless earlier suspended or revoked, a certificate of registration expires 12 months after its date of issuance. The department, in its discretion, may temporarily extend a certificate of registration if the registrant files an application for temporary extension not less than 30 days before the expiration of the certificate of registration.
 - 3. A registrant may renew a certificate of registration by filing with the department an application under par. (b) and paying the renewal fee determined by the department by rule promulgated under sub. (7). The department shall renew the certificate of registration if the registrant meets the standards specified in par. (c) for renewal of a certificate of registration.
 - (e) Notice of changes; amendment of registration. 1. If during the period for which a certificate of registration is in effect any change occurs in any of the information provided to the department under par. (b), the registrant shall notify the department of that change within 30 days after the change occurs.
 - 2. If during the period for which a certificate of registration is in effect the registrant intends to engage in any form of traveling sales crew activity that is not

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identified in the certificate of registration, the registrant shall apply to the department to amend the certificate of registration.

- (3) Traveling sales crew member permit. (a) *Permit required*. No person may be permitted to work as a traveling sales crew member unless the traveling sales crew operator on whose behalf the person will be working first obtains from the department a permit for the person. To obtain a permit, the traveling sales crew operator shall file with the department on behalf of the applicant a written application under par. (b) and pay a permit fee determined by the department by rule promulgated under sub. (7) and the applicant shall meet the standards specified in par. (c) for issuance of a permit.
- (b) Application for permit. To obtain a permit for an applicant, a traveling sales crew operator shall file with the department on behalf of the applicant a written application prescribed by the department by rule promulgated under sub. (7) that contains all of the following information:
 - 1. The social security number of the applicant as provided in sub. (5) (a).
- 2. Any other information that the department considers necessary for the protection of the health, safety, and welfare of the traveling sales crew members working on behalf of the traveling sales crew operator, the consumers of goods or services sold by those members, and the public.
- (c) Issuance of permit. Subject to sub. (5) (b) and (c), after completing any investigation that the department considers appropriate, the department shall issue a permit to the applicant if the department determines that the applicant meets the standards under this section and rules promulgated under sub. (7) for issuance of a permit. Notwithstanding ss. 111.321, 111.322, and 111.335, the department may

- deny, suspend, revoke, or refuse to renew a permit if the department determines that the applicant or permit holder has been convicted of any crime.
 - (d) *Permit; transfer, expiration, extension, and renewal.* 1. A permit is not transferable or assignable.
- 2. Unless earlier suspended or revoked, a permit expires 12 months after its date of issuance. The department, in its discretion, may temporarily extend a permit if the traveling sales crew operator on whose behalf the permit holder is working files an application for temporary extension not less than 30 days before the expiration of the permit.
- 3. A traveling sales crew operator may renew the permit of a permit holder who is working on behalf of the traveling sales crew operator by filing with the department an application under par. (b) and paying the renewal fee determined by the department by rule promulgated under sub. The department shall renew the permit if the permit holder meets the standards specified in par. (c) for renewal of a permit.
- (e) Notice of changes; amendment of permit. 1. If during the period for which a permit is in effect any change occurs in any of the information provided to the department under par. (b), the traveling sales crew operator on whose behalf the permit holder is working shall notify the department of that change within 30 days after the change occurs.
- 2. If during the period for which a permit is in effect the traveling sales crew operator intends to have the permit holder engage in any form of traveling sales crew activity that is not identified in the permit, the traveling sales crew operator shall apply to the department to amend the permit.

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- (f) *Display of permit*. 1. A traveling sales crew operator shall ensure that a traveling sales crew member who is performing traveling sales crew activities on behalf of the traveling sales crew operator possesses at all times while engaging in those activities a valid permit and an identification card issued by a federal or state governmental agency that includes, at a minimum, a photograph of the traveling sales crew member.
- 2. A traveling sales crew member shall carry at all times while engaging in traveling sales crew activities the member's permit and identification card and shall promptly produce that permit and identification card upon the request of any deputy of the department, law enforcement officer, or person with whom the member is doing business.
- (g) Validity of permit; compliance with local ordinances. A permit is valid in every municipality in this sate, but the issuance of a permit does not exempt a traveling sales crew operator or member from compliance with any municipal ordinance that requires the operator or member to obtain a solicitor's license or that prohibits the sale of goods or services to consumers from house to house, on any street, or in any other place that is open to the public.
- (4) Obligations of traveling sales crew operators to members. (a) *Disclosure* statement. At the time a person is recruited to work as a traveling sales crew member, the traveling sales crew operator shall provide the person with a written disclosure statement that includes all of the following information:
- 1. The address of the principal place of business of the traveling sales crew operator or of the agent for service of process under sub. (2) (b) 1.
 - 2. The compensation to be paid.
 - 3. The type or types of work that the person may be required to perform.

- 1 4. The frequency of wage payments to traveling sales crew members.
- 2 5. The period of engagement.

- 6. A description of the transportation, board, lodging, and other benefits to be provided by the traveling sales crew operator to the person and any costs chargeable to the person for those benefits.
 - (b) *Records*. A traveling sales crew operator shall, with respect to each traveling sales crew member working on behalf of the traveling sales crew operator, make, keep, and preserve for 3 years after the end of a pay period all of the following information:
 - 1. The basis on which compensation is paid.
- 2. The number of piecework units earned, if the traveling sales crew member is paid on a piecework basis.
 - 3. The number of hours worked.
 - 4. The total earnings of the traveling sales crew member for the pay period.
- 5. The specific sums withheld from the traveling sales crew member's pay and the purpose of each sum withheld.
 - 6. The net pay of the traveling sales crew member for the pay period.
- (c) Payment of compensation when due. A traveling sales crew operator shall pay all compensation owed to a traveling sales crew member when due as provided under par. (a) 4. Compensation shall be paid in U.S. currency or by a negotiable instrument such as a bank check or draft. A traveling sales crew operator shall provide with each payment of compensation a written statement itemizing the information specified in par. (b) for the pay period.
- (d) *Deductions; cost of business expenses*. A traveling sales crew operator may deduct from a traveling sales crew member's compensation the reasonable cost to the

- operator of furnishing board, lodging, or other facilities to the member if the board, lodging, or other facilities are customarily furnished by the operator to its members and if the amount deducted does not exceed the fair market value of the board, lodging, or other facilities and does not include any profit to the operator. Except as provided in this paragraph, a traveling sales crew operator may not impose on any traveling sales crew member any of the traveling sales crew operator's business expenses, including the cost of maintaining and operating a motor vehicle that is used to transport traveling sales crew members.
- (e) *Transportation safety*. A traveling sales crew operator shall do all of the following:
- 1. Ensure that each motor vehicle that the operator uses or causes to be used to transport a traveling sales crew member conforms to all applicable state and federal safety standards.
- 2. Ensure that each person who operates a motor vehicle that is used to transport a traveling sales crew member has a valid and appropriate operator's license issued under ch. 343 or under a comparable law of another state.
- 3. Have in force, for each motor vehicle that is used to transport a traveling sales crew member, a policy of insurance or a liability bond that insures the operator, in an amount prescribed by the department by rule promulgated under sub. (1), against liability for damages to persons and property arising out of the ownership or operation of the motor vehicle for that purpose or out of causing the motor vehicle to be operated for that purpose.
- (f) *Housing safety*. A traveling sales crew operator shall ensure that any facility or property that is used to house a traveling sales crew member complies with all federal, state, and local safety and health standards that are applicable to the facility

or property. If the facility or property is not owned or controlled by the traveling sales crew operator, the operator shall obtain verification that the owner or operator of the facility or property is licensed and insured in accordance with all applicable state and local laws prior to housing any traveling sales crew member in the facility or property.

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employer identification number. 1. Except as provided in subd. 3., the department shall require each applicant for a certificate of registration or permit who is an individual to provide the department with the applicant's social security number, and shall require each applicant for a certificate of registration who is not an individual to provide the department with the applicant's federal employer identification number, when initially applying for or applying to renew the certificate of registration or permit.

- 2. If an applicant who is an individual fails to provide the applicant's social security number to the department or if an applicant who is not an individual fails to provide the applicant's federal employer identification number to the department, the department may not issue or renew a certificate of registration or permit to or for the applicant unless the applicant is an individual who does not have a social security number and the applicant submits a statement made or subscribed under oath or affirmation as required under subd. 3.
- 3. If an applicant who is an individual does not have a social security number, the applicant shall submit a statement made or subscribed under oath or affirmation to the department that the applicant does not have a social security number. The form of the statement shall be prescribed by the department. A certificate of

registration or permit issued in reliance upon a false statement submitted under this subdivision is invalid.

- 4. The department may not disclose the social security number or the federal employer identification number to any person except to the department of revenue for the sole purpose of requesting certifications under s. 73.0301 or on the request of the department of children and families under s. 49.22 (2m).
- (b) Child support. The department shall deny, suspend, refuse to renew, or otherwise withhold a certificate of registration or permit for failure of the applicant or registrant to pay court-ordered payments of child or family support, maintenance, birth expenses, medical expenses, or other expenses related to the support of a child or former spouse or for failure of the applicant or registrant to comply, after appropriate notice, with a subpoena or warrant issued by the department of children and families or a county child support agency under s. 59.53 (5) and related to paternity or child support proceedings, as provided in a memorandum of understanding entered into under s. 49.857. Notwithstanding s. 103.005 (10), an action taken under this paragraph is subject to review only as provided in the memorandum of understanding entered into under s. 49.857 and not as provided in ch. 227.
- (c) *Delinquent taxes*. The department shall deny an application for the issuance or renewal of a certificate of registration or permit, or revoke a certificate of registration or permit already issued, if the department of revenue certifies under s. 73.0301 that the applicant or registrant is liable for delinquent taxes. Notwithstanding s. 103.005 (10), an action taken under this paragraph is subject to review only as provided under s. 73.0301 (5) and not as provided in ch. 227.

- (6) Enforcement. (a) Criminal penalties. 1. Any person who willfully and knowingly violates this section, any rule promulgated under sub. (7), or any order issued under this section or who hinders or delays the department in the performance of its duties or hinders or delays any law enforcement officer in the performance of his or her duties under this section may be fined not more than \$10,000 or imprisoned for not more than one year in the county jail or both.
- 2. Whoever, having been convicted of a prior violation described in subd. 1., willfully and knowingly commits a violation described in subd. 1. is guilty of a Class I felony, except that, notwithstanding the maximum fine specified in s. 939.50 (3) (i), the person may be fined not more than \$50,000.
- (b) Forfeitures. Any person who violates this section, any rule promulgated under sub. (7), or any order issued under this section or who hinders or delays the department in the performance of its duties or hinders or delays any law enforcement officer in the performance of his or her duties under this section may be required to forfeit \$10,000. Each day of continued violation constitutes a separate offense. In determining the amount of a forfeiture under this paragraph, the court shall consider the gravity of the violation and the previous record of the person in terms of compliance with this section, any rules promulgated under sub. (7), and any orders issued under this section.
- (c) Injunctive relief. In addition to any other remedy under this subsection, if the department determines that any person has violated this section, any rule promulgated under sub. (7), or any order issued under this section or has hindered or delayed the department in the performance of its duties or hindered or delayed any law enforcement officer in the performance of his or her duties under this section, the department may refer the matter to the attorney general or the district attorney of

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the county in which the violation occurred, and the attorney general or district		
attorney may bring a civil action for injunctive relief as may be appropriate to compel		
compliance with this section, the rule, or the order or to permit the performance of		
those duties. In addition to any injunctive relief ordered in an action under this		
paragraph, the court, notwithstanding s. 814.01 (1), shall award to a party that		
obtains the injunctive relief reasonable actual attorney fees and other actual costs		
as may be incurred in the action.		

- (d) Referral for prosecution. The department may refer violations of this section, of any rules promulgated under sub. (7), or of any orders issued under this section for prosecution by the attorney general or the district attorney of the county in which the violation occurred.
- 12 (4) RULES. The department shall promulgate rules to implement this section.

 13 Those rules shall include all of the following:
 - (a) The information that an applicant for a cortificate of registres
 - (a) The information that an applicant for a certificate of registration or permit is required to provide in an application under sub. (2) (b) or (3) (b).
 - (b) A fee for obtaining, renewing, or extending a certificate of registration or permit. The department shall determine the fee based on the cost of issuing certificates of registration and permits.
 - (c) Standards for the issuance of a certificate of registration or permit.
 - (d) The amount of liability insurance or of a liability bond that a traveling sales crew operator shall have in force under sub. (4) (e) 3.
- 22 (9) NONAPPLICABILITY. This section does not apply to the employment of a person in a fund-raising sale for a nonprofit organization, as defined in s. 103.21 (2), a public school, as defined in s. 103.21 (5), or a private school, as defined in s. 103.21 (4).

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1	Section 6. 111.322 (2m) (a) of the statutes is amended to read:
2	111.322 (2m) (a) The individual files a complaint or attempts to enforce any
3	right under s. 103.02, 103.10, 103.13, 103.28, 103.32, <u>103.34</u> , 103.455, 103.50,
4	104.12, 109.03, 109.07, 109.075, or 146.997 or ss. 101.58 to 101.599 or 103.64 to
5	103.82.
6	SECTION 7. 111.322 (2m) (b) of the statutes is amended to read:
7	111.322 (2m) (b) The individual testifies or assists in any action or proceeding
8	held under or to enforce any right under s. 103.02, 103.10, 103.13, 103.28, 103.32,
9	103.34, 103.455, 103.50, 104.12, 109.03, 109.07, 109.075, or 146.997 or ss. 101.58 to
10	101.599 or 103.64 to 103.82.
11	SECTION 8. Nonstatutory provisions.
12	(1) Rule making. The department of workforce development shall submit in
13	proposed form the rules required under section 103.34 of the statutes, as created
14	by this act, to the legislative council staff under section 227.15 (1) of the statutes no
15	later than the first day of the 6th month beginning after the effective date of this
16	subsection. Notwithstanding section 227.137 (2) of the statutes, the secretary of
17	administration may not require the department of workforce development to prepare
18	an economic impact report for those rules.
19	SECTION 9. Effective dates. This act takes effect on the first day of the 12th
20	month beginning after publication, except as follows:
21	(1) Rule making. Section 8 (1) of this act takes effect on the day after

(END)

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records of that information for three years after the worker leaves the employ of the employer.

2. Maintain and operate any motor vehicle used to transport traveling sales crews in compliance with all state and federal safety standards that are applicable to the motor vehicle, including any additional safety standards relating specifically to the transportation of sales crews prescribed by DWD by rule.

3. If the duties of a traveling sales crew worker will involve the storage, handling, or transportation of hazardous materials or might otherwise result in exposure of the traveling sales crew worker to hazardous materials, ensure that the hazardous materials are stored, handled, and transported, and that the worker is trained in the storage, handling, and transportation of hazardous materials, in compliance with all state and federal safety standards that are applicable to the hazardous materials, including any additional safety standards relating specifically to the storage, handling, and transportation of hazardous materials by traveling sales crews prescribed by DWD by rule.

4. Have in force a motor vehicle liability insurance policy and an insurance policy covering the negligent acts or omissions of the employer and the employer's employees, agents, and representatives and, if required to do so under the worker's compensation law, provide worker's compensation coverage. (Generally, an employer is required to provide worker's compensation coverage if the employer employs three or more employees or pays wages of \$500 or more in any calendar quarter.)

Prohibited practices

The bill prohibits an employer and any employee agent, or representative of an employer who supervises or transports traveling sales crew workers from doing any of the following:

(Permitting to work)

of a traveling sales crew specator

1. **Employing** as a traveling sales crew worker a minor or **employing** as a traveling sales crew worker an adult who has been adjudged incompetent without the permission of the person's guardian.

2. Requiring a traveling sales crew **worker** to engage in any in–person sales or solicitation activities before 9:00 a.m. or after 9:00 p.m.

3. Considering a traveling sales crew worker to be an independent contractor rather than an employee.

4. Requiring a traveling sales crew worker to purchase any goods or services solely from the employer or to pay any of the employer's business expenses, except that an employer may deduct from a worker's compensation the cost of furnishing board, lodging, or other facilities if those facilities are customarily furnished to the employer's traveling sales crew workers; the amount deducted does not exceed the fair market value of those facilities and does not include any profit to the employer; and the traveling sales crew worker has previously authorized the deduction in the written disclosure statement.

5. Abandoning a traveling sales crew worker who is unable to work due to illness or injury or who is discharged from employment for reasons other than misconduct without providing for the return of the traveling sales crew worker to his or her permanent place of residence.

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Other series

Other series

6. Abandoning a traveling sales crew worker who has been arrested and is being held in custody in connection with a violation of the bill or a local ordinance regulating the conduct regulated by the bill.

Requiring a traveling sales crew worker to relinquish custody of any of his or her personal property to the employer to any employee, agent, or representative of the employer who supervises or transports traveling sales crew workers, on to any other traveling sales crew workers the employer.

8. Prohibiting or restricting a traveling sales crew worker from contacting any family member, friend, or other person while traveling with the traveling sales crew.

9. Intentionally inflicting or threatening to inflict any bodily harm on a traveling sales crew worker or damage to the property of a traveling sales crew worker as a means of discipline or motivation.

Advising or counseling a traveling sales crew worked to make false representations to a person to whom he or she is offering goods or services concerning his or her motivation for selling those goods or services.

Discharging or discriminating against any person for opposing any practice prohibited under the bill.

Traveling sales crew worker permits

The bill prohibits an individual from being employed or permitted to work as a traveling sales crew worker unless the employer of the individual first obtains from DWD a traveling sales crew worker permit (permit) for the individual and the individual first obtains from DWD an identification card. The bill requires the permit and identification card to include at a minimum the name and permanent home address of the traveling sales crew worker and the name, address, and phone number of his or her employer.

The bill also requires an employer of a traveling sales crew worker and all employees, agents, or representatives of that employer who supervise or transport traveling sales crew workers to carry at all times while engaged in traveling sales crew activities a copy of the permit obtained for each traveling sales crew worker of the employer and a traveling sales crew worker to carry at all times while engaged in traveling sales crew activities a copy of the identification card.

In addition, the bill requires a traveling sales crew employer to keep a copy of the permit for each traveling sales crew worker of the employer for at least three years after the traveling sales crew worker leaves the employ of the employer, to keep a list of the names of all cities, villages, or towns where traveling sales crew workers of the employer engaged in traveling sales crew activities within the last three years, and at the request of DWD, to provide a list of all cities, villages, or towns where the employer intends to employ traveling sales crews in traveling sales crew activities for the six-month period beginning on the date of the request.

Under the bill, before an employer may permit a traveling sales crew worker of the employer to engage in traveling sales crew activities in any city, village, or town, the employer must obtain from the clerk of the city, village, or town a stamp or endorsement on the permit of the traveling sales crew worker. The bill requires an employer who obtains that stamp or endorsement to provide notice to local law

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2. The extent to which a proposed safety standard would cause an undue 1 burden to traveling sales crew employers. 2 Any safety standards prescribed by the federal secretary of transportation 3 under 49 USC 5101 to 5128 or by the federal occupational safety and health 4 administration under 29 USC 651 to 678 that are applicable to the storage, handling, 5 and transportation of hazardous materials by a traveling sales crew worker or to any 6 other exposure of a traveling sales crew worker to hazardous materials. 7 (8) INSURANCE COVERAGE. The employer of a traveling sales crew worker shall 8 have in force a policy of insurance that insures the employer, in an amount prescribed 9 by the department by rule promulgated under sub. (13), against liability for damages 10 to persons and property arising out of the ownership or operation by the employer 11 or by any employee, agent, or representative of the employer of a motor vehicle that 12 is used to transport a traveling sales crew worker and a policy of insurance that 13 insures the employer, in an amount prescribed by the department by rule 14 15 promulgated under sub. (13), against liability for damages to persons and property arising out of any negligent act or omission of the employer or of any employee, agent, 16 or representative of the employer. If the employer is required under s. 102.28 (2) to 17 18 provide worker's compensation coverage for its employees, the employer shall also traveling sales crew operator 19 provide that coverage. on behalf of a traveling sales crew operator (20) (9) Prohibited practices. No employer of a traveling sales crew worker and no employer agent, or representative of that employer who supervises or transports 21 22 traveling sales crew workers may do any of the following: (Members 23) Employ or permit to work as a traveling sales crew worker a person under

18 years of age or employon permit to work as a traveling sales crew worker a person

permission of the person's guardian.

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18 years of age or over who has been adjudged incompetent under ch. 54 without the

member

- (b) Require a traveling sales crew worker to engage in any in-person sales or solicitation activities before 9 a.m. or after 9 p.m.
- (c) Consider a traveling sales crew worker to be an independent contractor rather than an employee.
- (d) Require a traveling sales crew worker to purchase any goods or services solely from the employer or to pay any of the employer's business expenses, except as permitted under sub. (6) (b).
- (e) Abandon a traveling sales crew worker who is unable to work due to illness or injury or who is discharged from employment for reasons other than misconduct without providing for the return of the traveling sales crew worker to his or her permanent place of residence.
- (f) Abandon a traveling sales crew worker who has been arrested and is being held in custody in connection with a violation of sub. (11) (a) 3. or a local ordinance ope ator regulating that conduct. man per
- 17 Require a traveling sales crew worker to relinquish custody of any of his or her personal property to thetemployer, to any employee, agent, or representative of 18 the employer who supervises or transports traveling sales crew workers, or to any

19 member working on behalf-oft operators or to other traveling sales crew worker of the employer 20

- (h) Prohibit or restrict a traveling sales crew worker from contacting any family 21) member, friend, or other person while traveling with a traveling sales crew. 22
- 23) (i) Intentionally inflict or threaten to inflict any bodily harm on a traveling

sales crew worker or damage to the property of a traveling sales crew work 24) 25

means of discipline or motivation.

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7 Advise or counsel a traveling sales crew worker to make false representations to a person to whom he or she is offering goods or services concerning 2 3

this or her motivation for selling those goods or services period slays

- (R). Discharge or discriminate against any person for opposing a practice 4 prohibited under this section. Section 111.322 (2m) applies to discharge and other 5 discriminatory acts arising in connection with any proceeding under this section. 6
 - (10) CHILD SUPPORT; DELINQUENT TAXES. (a) 1. Except as provided in subd. 3., the department shall require each applicant for a certificate of registration who is an individual to provide the department with the applicant's social security number, and shall require each applicant for a certificate of registration who is not an individual to provide the department with the applicant's federal employer identification number, when initially applying for or applying to renew the certificate of registration.
 - 2. If an applicant who is an individual fails to provide the applicant's social security number to the department or if an applicant who is not an individual fails to provide the applicant's federal employer identification number to the department, the department may not issue or renew a certificate of registration to or for the applicant unless the applicant is an individual who does not have a social security number and the applicant submits a statement made or subscribed under oath or affirmation as required under subd. 3.
 - 3. If an applicant who is an individual does not have a social security number, the applicant shall submit a statement made or subscribed under oath or affirmation to the department that the applicant does not have a social security number. The form of the statement shall be prescribed by the department. A certificate of

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