



State of Wisconsin
2013 - 2014 LEGISLATURE



LRB-1975/P8

JTK&MED:cjs:ph

Draft 2/19
TODAY, if possible
(otherwise WED AM)

Stays

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

(legislate)

1 **AN ACT** *to repeal* 20.445 (1) (fx), 108.02 (4m) (g), 108.02 (13) (kL), 108.04 (7) (d),
2 (g), (j), (k), (m), (n), (o), (p) and (r), 108.05 (1) (n) to (p), 108.06 (7) and 108.07 (8);
3 *to renumber* 50.498 (4), 108.02 (10e) (a) and (b) and 108.02 (10e) (b); *to*
4 *renumber and amend* 108.02 (10e) (intro.), 108.04 (5), 108.04 (7) (t) and
5 440.12; *to consolidate, renumber and amend* 16.48 (1) (intro.) and (a)
6 (intro.); *to amend* 13.63 (1) (b), 13.63 (1) (c), 16.48 (1) (b), 16.48 (3), 19.55 (2)
7 (d), 20.002 (11) (a), 20.002 (11) (b) 1., 20.002 (11) (c), 20.002 (11) (d) (intro.),
8 29.024 (2r) (title), 29.024 (2r) (c), 29.024 (2r) (d) 1., 48.66 (2m) (c), 48.715 (7),
9 50.498 (title), 50.498 (2), 50.498 (5), 51.032 (title), 51.032 (2), 51.032 (4), 51.032
10 (5), 71.78 (4) (o), 73.0301 (2) (c) 2., 73.0302 (title), 73.09 (6m), 101.02 (20) (b),
11 101.02 (20) (c), 101.02 (20) (d), 102.17 (1) (c), 103.005 (10), 103.275 (2) (b)
12 (intro.), 103.275 (7) (b), 103.275 (7) (c), 103.34 (3) (c), 103.34 (10) (title), 103.92
13 (3), 104.07 (1) and (2), 105.13 (1), 108.02 (4m) (a), 108.02 (13) (a), 108.02 (15m)
14 (intro.), 108.04 (1) (f), 108.04 (1) (g) (intro.), 108.04 (1) (hm), 108.04 (1) (i), 108.04
15 (2) (a) 2., 108.04 (2) (a) 3. (intro.), 108.04 (2) (a) 3. c., 108.04 (7) (a), 108.04 (7)

1 (e), 108.04 (7) (h), 108.04 (7) (L) (intro.), 108.04 (8) (a) and (c), 108.05 (1) (q)
2 (intro.), 108.05 (2) (c), 108.05 (3) (a), 108.05 (3) (c) (intro.), 108.06 (1), 108.06 (2)
3 (c), 108.06 (2) (cm), 108.06 (3), 108.06 (6) (intro.), 108.10 (intro.), 108.14 (8n) (e),
4 108.14 (19), 108.141 (7) (a), 108.142 (4), 108.16 (2) (g) and (h), 108.16 (6m) (a),
5 108.16 (8) (b) 4., 108.18 (4) (figure) Schedule A line 23., 108.18 (4) (figure)
6 Schedule B line 23., 108.18 (4) (figure) Schedule C line 23., 108.18 (4) (figure)
7 Schedule D line 23., 108.18 (9) (figure) Schedule C line 24., 108.19 (1m), 108.19
8 (1m), 108.205 (1), 108.21 (1), 108.22 (1) (a), 108.22 (8) (c) 1. a., 115.31 (6m),
9 118.19 (1m) (a), 118.19 (1m) (b), 138.09 (1m) (b) 2. a., 138.09 (3) (am) 2., 138.09
10 (4) (c), 138.12 (3) (d) 2. a., 138.12 (5) (am) 1. b., 138.12 (5) (am) 3., 138.14 (4) (a)
11 2. a., 138.14 (9) (d), 146.40 (4d) (b), 146.40 (4d) (d), 146.40 (4d) (e), 169.35 (title),
12 169.35 (2), 169.35 (3), 170.12 (3m) (b) 1., 217.05 (1m) (b) 1., 217.09 (4), 217.09
13 (6), 218.0114 (21e) (a), 218.0114 (21g) (b) 1., 218.0116 (1g) (b), 218.02 (2) (a) 2.
14 a., 218.04 (3) (a) 2. a., 218.04 (5) (b), 218.05 (3) (am) 2. a., 218.05 (12) (b), 218.05
15 (12) (e), 218.11 (2) (am) 3., 218.12 (2) (am) 2., 218.21 (2m) (b), 218.31 (1m) (b),
16 218.41 (2) (am) 2., 218.51 (3) (am) 2., 224.72 (2) (c) 2. a., 224.725 (2) (b) 1. a.,
17 224.927 (1), 227.53 (1) (a) 3., 252.241 (title), 252.241 (2), 254.115 (title), 254.115
18 (2), 254.176 (5), 254.20 (7), 256.18 (title), 256.18 (2), 256.18 (5), 299.07 (title),
19 299.07 (1) (b) 1., 299.08 (1) (b) 2., 341.51 (4g) (b), 342.06 (1) (eg), 343.14 (1),
20 343.14 (2j), 343.305 (6) (e) 3. b., 343.61 (2) (b), 343.62 (2) (b), 343.69 (1), 440.03
21 (11m) (c), 452.18, 551.412 (4g) (a) 1., 551.605 (2), 562.05 (8m) (a), 562.05 (8m)
22 (b), 563.285 (title), 563.285 (2) (a), 563.285 (2) (b), 628.095 (4) (b), 628.097 (title),
23 628.097 (2m), 628.10 (2) (cm), 632.69 (2) (c), 632.69 (2) (d) 2., 632.69 (4) (d),
24 633.14 (2c) (b), 633.14 (2m) (b), 633.15 (2) (d), 751.155 (title), 751.155 (1),
25 751.155 (2) and 751.155 (3); **to repeal and recreate** 108.04 (2) (a) 2., 108.04

1 (2) (a) 3. (intro.), 108.04 (5g), 108.05 (1) (q) (intro.), 108.05 (1) (r) (intro.), 108.05
2 (3) (a) and 108.05 (3) (c) (intro.); and **to create** 16.531 (4), 20.002 (11) (b) 3m.,
3 20.445 (1) (fx), 20.445 (1) (gm), 50.498 (4) (b), 73.0302 (5), 73.0302 (6), 73.09 (8),
4 102.17 (1) (ct), 103.275 (2) (bt), 103.34 (10) (d), 103.91 (4) (d), 103.92 (8), 104.07
5 (7), 105.13 (4), 108.02 (3), 108.02 (9), 108.02 (9m), 108.02 (10e) (bm), 108.02 (15)
6 (kt), 108.04 (2) (a) 4. and 5., 108.04 (2) (g), 108.04 (2) (h), 108.04 (2) (i), 108.04
7 (5) (a) to (g), 108.04 (12) (f), 108.04 (15), 108.05 (1) (r), 108.05 (3) (cm), 108.06
8 (1m), 108.14 (20), 108.14 (21), 108.14 (22), 108.14 (23), 108.14 (24), 108.14 (25),
9 108.14 (26), 108.16 (3) (c), 108.16 (6) (o), 108.16 (6m) (h), 108.16 (13), 108.18 (4)
10 (figure) Schedule A lines 24. to 26., 108.18 (4) (figure) Schedule B lines 24. to
11 26., 108.18 (4) (figure) Schedule C lines 24. to 26., 108.18 (4) (figure) Schedule
12 D lines 24. to 26., 108.18 (9) (figure) Schedule A lines 25 to 27, 108.18 (9) (figure)
13 Schedule B lines 25 to 27, 108.18 (9) (figure) Schedule C lines 25 to 27, 108.18
14 (9) (figure) Schedule D lines 25 to 27, 108.22 (1) (cm), 108.22 (8e), 108.223,
15 108.227, 108.245, 138.12 (4) (a) 1m., 138.12 (4) (b) 5m., 138.14 (5) (b) 2m., 138.14
16 (9) (cm), 170.12 (8) (b) 1. bm., 170.12 (8) (b) 4., 217.06 (5m), 217.09 (1t), 218.0116
17 (1m) (a) 2m., 218.0116 (1m) (d), 218.02 (3) (dm), 218.02 (6) (d), 218.02 (9) (a) 1m.,
18 218.04 (4) (am) 2m., 218.04 (5) (at), 218.05 (4) (c) 2m., 218.05 (11) (bm), 218.05
19 (12) (at), 218.11 (6m) (c), 218.12 (3m) (c), 218.22 (3m) (c), 218.32 (3m) (c), 218.41
20 (3m) (b) 3., 218.51 (4m) (b) 3., 224.44, 224.72 (7m) (bm), 224.725 (6) (bm), 224.77
21 (2m) (e), 224.95 (1) (bm), 252.241 (5), 254.115 (5), 256.18 (4m), 299.07 (3), 341.51
22 (4m) (c), 343.305 (6) (e) 6., 343.66 (3m), 440.12 (2), 551.406 (6) (a) 1m., 551.412
23 (4g) (a) 2m., 551.412 (4g) (d), 562.05 (5) (a) 11., ~~562.05 (8) (f) and 563.285 (1m)~~

24 of the statutes; **relating to:** various changes in the unemployment insurance
25 law; loans by this state to the unemployment reserve fund; payment of interest

1 on advances made by the federal government to the unemployment reserve
2 fund; license revocations based on delinquency in payment of unemployment
3 insurance contributions; granting rule-making authority; providing a penalty;
4 and making appropriations.

Analysis by the Legislative Reference Bureau

NOTE: The items contained in this draft are the initial LRB draft of the items. DWD has not completed its review of these items. Some of the language may also require review by the U.S. Department of Labor. In the past, DWD has requested considerable changes to initial LRB drafts after internal review by DWD.

This bill makes various changes in the unemployment insurance (UI) law. Significant changes include:

BENEFIT DURATION AND AMOUNTS

Maximum benefit duration for total unemployment

Currently, the maximum number of weeks of regular UI benefits payable to an eligible claimant who is totally unemployed and who earns sufficient wages to qualify for those benefits is 26 weeks. The cost of these benefits is paid for by employers of this state. During periods of high unemployment, an eligible claimant may qualify to receive up to an additional 13 weeks of “extended benefits.” Fifty percent of the cost of these benefits is paid for by employers of this state and 50 percent of the cost is paid for by the federal government.

This bill changes the maximum number of weeks of regular benefits payable to an eligible claimant who is totally unemployed to an amount that varies depending upon the statewide average unemployment rate for the 12-month period that ends on the last day of the 2nd calendar quarter preceding the beginning of the claimant’s benefit year (period during which benefits are payable following the filing of a benefit claim). Under the bill, once a claimant begins a benefit year, the maximum number of weeks of regular benefits is fixed for that benefit year. Because the maximum number of weeks of extended benefits payable to a claimant is calculated in part based upon the maximum number of weeks of regular benefits payable to a claimant, the change also reduces the maximum number of weeks of extended benefits payable to a claimant. Under the bill, the maximum number of weeks of regular benefits for total unemployment is determined as follows:

<u>Statewide unemployment rate</u>	<u>Maximum weeks of benefits</u>
8 percent or higher	26
At least 7.5 percent but less than 8 percent	24
At least 7.0 percent but less than 7.5 percent	22
At least 6.5 percent but less than 7.0 percent	20
At least 6.0 percent but less than 6.5 percent	18
At least 5.5 percent but less than 6.0 percent	16

At least 5.0 percent but less than 5.5 percent	14
Less than 5.0 percent	12

Benefit amounts

Currently, weekly UI benefit rates for total unemployment range from \$54 for an employee who earns wages (or certain other amounts treated as wages) of at least \$1,350 during at least one quarter of the employee's base period (period preceding a claim during which benefit rights accrue) to \$363 for an employee who earns wages (or certain other amounts treated as wages) of at least \$9,075 during any such quarter. This bill adjusts weekly benefit rates for weeks of unemployment beginning on or after January 5, 2014, to rates ranging from \$54 for an employee who earns wages (or certain other amounts treated as wages) of at least \$1,350 during at least one quarter of the employee's base period to \$370 for an employee who earns wages (or certain other amounts treated as wages) of at least \$9,250 during any such quarter. The bill does not affect the benefit rate of any employee who earns wages (or certain other amounts treated as wages) of at least \$1,350 during at least one quarter of the employee's base period or any employee who earns wages (or certain other amounts treated as wages) of at least \$9,075 during at least one quarter of the employee's base period.

OTHER BENEFIT CHANGES

Misconduct

Currently, if an employee is discharged for misconduct connected with his or her employment (interpreted by the courts to include only misconduct that evinces such willful or wanton disregard of an employer's interests as is found in deliberate violations or disregard of standards of behavior that the employer has a right to expect of his or her employees, or in carelessness or negligence to such degree or recurrence as to manifest culpability, wrongful intent, or evil design of the same level of severity as that disregard, or to show an intentional and substantial disregard of the employer's interests or of the employee's duties and obligations to the employer) the employee is ineligible to receive benefits until seven weeks have elapsed since the end of the week in which the discharge occurs and the employee earns wages, or certain other amounts treated as wages, after the week in which the discharge occurs equal to at least 14 times the employee's weekly benefit rate in employment covered by the unemployment insurance law of any state or the federal government. In addition, all wages earned with the employer that discharges the employee are excluded in determining the amount of any future benefits to which the employee is entitled. However, if an employee is discharged for failing to notify an employer of absenteeism or tardiness that becomes excessive under certain conditions, the employee is ineligible to receive benefits until at least six weeks have elapsed since the end of the week in which the discharge occurs and until the employee earns wages, or certain other amounts treated as wages, after the week in which the discharge occurs equal to at least six times the employee's weekly benefit rate in employment covered by the unemployment insurance law of any state or the federal government.

This bill deletes the current suspension and requalifying requirement for discharges resulting from absenteeism or tardiness but retains and modifies the current suspension and requalifying requirement for misconduct. The bill also creates a new suspension and requalifying requirement for discharges resulting from substantial fault by an employee. The bill defines "misconduct" to mean "one or more actions or conduct evincing such willful or wanton disregard of an employer's interests as is found in deliberate violations or disregard of standards of behavior which an employer has a right to expect of his or her employees, or in carelessness or negligence of such degree or recurrence as to manifest culpability, wrongful intent, or evil design of equal severity to such disregard, or to show an intentional and substantial disregard of an employer's interests, or of an employee's duties and obligations to his or her employer." The bill also provides that "misconduct" specifically includes:

1. A violation by an employee of an employer's reasonable written policy concerning the use of alcohol beverages, or use of a controlled substance or controlled substance analog, if the employee had knowledge of the policy and either admitted to the use of alcohol beverages or a controlled substance or controlled substance analog or tested positive for the use of alcohol beverages or a controlled substance or controlled substance analog in a test administered by the employer in accordance with a testing methodology approved by DWD.

2. Theft of an employer's property or services with intent to deprive the employer of the property or services permanently, theft of currency of any value, felonious conduct connected with an employee's employment, or intentional or negligent conduct by an employee that causes substantial damage to his or her employer's property.

3. Conviction of an employee of a crime or other offense subject to civil forfeiture, while on or off duty, if the conviction makes it impossible for the employee to perform the duties that the employee performs for the employer.

4. One or more threats or acts of harassment, assault, or other physical violence instigated by an employee at the workplace of his or her employer.

5. Absenteeism by an employee on more than two occasions within a 120-day period, unless otherwise specified by his or her employer in an employment manual of which the employee has acknowledged receipt with his or her signature, or excessive tardiness by an employee in violation of a policy of the employer that has been communicated to the employee, if the employee does not provide to his or her employer both notice and one or more valid reasons for the absenteeism or tardiness.

6. Unless directed by an employee's employer, falsifying business records of the employer.

7. Unless directed by the employer, a willful and deliberate violation of a written and uniformly applied standard or regulation of the federal government or a state or tribal government by an employee of an employer that is licensed or certified by a governmental agency, which standard or regulation has been communicated by the employer to the employee and which violation would cause the employer to be sanctioned or to have its license or certification suspended by the agency.

In addition, the bill provides that an employee whose work is terminated by his or her employer for substantial fault by the employee connected with the employee's work is ineligible to receive benefits until ten weeks have elapsed since the end of the week in which the discharge occurs and the employee earns wages, or certain other amounts treated as wages, after the week in which the termination occurs equal to at least ten times the employee's weekly benefit rate in employment covered by the unemployment insurance law of any state or the federal government. The bill defines "substantial fault" to include those acts or omissions of an employee over which the employee exercised reasonable control and which violate reasonable requirements of the employee's employer but not to include:

1. One or more minor infractions of rules unless an infraction is repeated after the employer warns the employee about the infraction.
2. One or more inadvertent errors made by the employee.
3. Any failure of the employee to perform work because of insufficient skill, ability, or equipment.

Registration and search for work

Currently, with limited exceptions, in order to become and remain eligible to receive UI benefits for any week, a claimant is required, among other things, to register for work and to conduct a reasonable search for suitable work within that week, which must include at least two actions that constitute a reasonable search as prescribed by rule by the Department of Workforce Development (DWD).

This bill requires each claimant, subject to the same exceptions, to register for work in the manner directed by DWD and increases the minimum number of actions that a claimant must undertake to become and remain eligible for benefits to at least four actions per week.

The bill also requires a claimant, subject to the same exceptions, to provide information or job application materials and to participate in a public employment office workshop or training program or in similar reemployment services that do not require a participation fee, if either is required by DWD for a given week. The bill allows DWD to use the information or job application materials provided by a claimant to assess the claimant's efforts, skills, and ability to find or obtain work and to develop a list of potential opportunities for a claimant to obtain suitable work. However, the bill provides that a claimant who is subject to the work search requirement need not apply for a specific position on that list in order to satisfy that requirement.

Prohibiting concurrent receipt of UI and SSDI benefits

The bill disqualifies a claimant from receiving UI benefits during any week in which the claimant is actually receiving social security disability insurance (SSDI) benefits and requires a claimant, when the claimant first files for UI benefits and during each subsequent week the claimant files for UI benefits, to inform DWD whether he or she is receiving SSDI benefits.

Failure to accept suitable work or recall to former employer

Currently, with certain exceptions, if an employee fails, without good cause, to accept suitable work when offered or to return to work with a former employer that recalls the employee within 52 weeks after the employee last worked for the

employer, the employee is ineligible to receive benefits until four weeks have elapsed since the end of the week in which the failure occurs and the employee earns wages, or certain other amounts treated as wages, equal to at least four times the employee's weekly benefit rate in employment covered by the unemployment insurance law of any state or the federal government.

Subject to all of the same exceptions and qualifications, the bill changes the amount of wages an employee must earn to requalify under these provisions to at least *six* times the employee's weekly benefit rate. The bill eliminates the requirement that, in order to requalify under these provisions, four weeks must have elapsed since the end of the week in which the failure occurs.

Termination of work; general requirements to requalify for benefits

Currently, unless an exemption applies, if an employee voluntarily terminates his or her work with an employer, the employee is generally ineligible to receive benefits until the following requalification requirements are satisfied: 1) four weeks have elapsed since the end of the week in which the termination occurs and 2) the employee earns wages after the week in which the termination occurs equal to at least four times the employee's weekly benefit rate in employment covered by the unemployment insurance law of any state or the federal government.

The bill modifies the first requalification requirement so that an employee who voluntarily terminates his or her work with an employer is generally ineligible to receive benefits until the employee earns wages after the week in which the termination occurs equal to at least *six* times the employee's weekly benefit rate in employment covered by the unemployment insurance law of any state or the federal government. The bill eliminates the second requalification requirement that four weeks must have elapsed before the terminating employee may again become eligible for benefits.

Termination of work; exemptions from requalification requirements

Under current law, an employee who voluntarily terminates his or her work with an employer is exempt from the requalification requirements under certain circumstances, including all of the following:

1. The employee terminated his or her work to accept a recall to work for a former employer within 52 weeks after having last worked for that employer.
2. The employee maintained a temporary residence near the terminated work; the employee maintained a permanent residence in another locality; and the employee terminated the work and returned to his or her permanent residence because the work available to the employee had been reduced to less than 20 hours per week in at least two consecutive weeks.
3. The employee left or lost his or her work because the employee reached the employer's compulsory retirement age.
4. The employee terminated part-time work because a loss of other, full-time employment made it economically unfeasible for the employee to continue the part-time work.
5. The employee terminated his or her work with a labor organization if the termination caused the employee to lose seniority rights granted under a collective

bargaining agreement and resulted in the loss of the employee's employment with the employer that is a party to that collective bargaining agreement.

6. The employee terminated his or her work in a position serving as a part-time elected or appointed member of a governmental body or representative of employees; the employee was engaged in work for an employer other than the employer in which the employee served as the member or representative; and the employee was paid wages in the terminated work constituting not more than 5 percent of the employee's base period wages for purposes of entitlement for benefits.

7. The employee terminated his or her work in one of two or more concurrently held positions, at least one of which was full-time work, if the employee terminated his or her work before receiving notice of termination from a full-time work position.

8. The employee owns or controls an ownership interest in a family corporation and the employee's employment was terminated because of an involuntary cessation of the business of the corporation under certain specified conditions.

The bill eliminates these eight exemptions from the requalification requirements for employees who voluntarily terminate employment.

Under current law, subject to certain limitations, an employee who voluntarily terminates his or her work with an employer is exempt from the requalification requirements if: 1) the employee accepted work that was not suitable work under the UI law or work that the employee could have refused for specified reasons related to protecting labor standards; and 2) the employee terminated the work within ten weeks after starting the work. Under the bill, this exemption only applies if the employee terminated that work within *30 calendar days* after starting the work.

Under current law, an employee who voluntarily terminates his or her work with an employer is exempt from the requalification requirements if the employee's spouse changed his or her place of employment to a place to which it is impractical to commute and the employee terminated his or her work to accompany the spouse to that place. The bill narrows this exemption so that it only applies if the employee's spouse is an active duty member of the U.S. Armed Forces who was required by the U.S. Armed Forces to relocate.

Under current law, an employee who voluntarily terminates his or her work with an employer is exempt from the requalification requirements if the employee terminated the work to accept other covered employment and earned wages in the subsequent employment equal to at least four times the employee's weekly benefit rate if the work in the subsequent employment: 1) offered average weekly wages at least equal to the average weekly wages that the employee earned in the terminated work; 2) offered the same or a greater number of hours of work than those performed in the work terminated; 3) offered the opportunity for significantly longer term work; or 4) offered the opportunity to accept a position for which the duties were primarily discharged at a location significantly closer to the employee than the terminated work. An employee who voluntarily terminates his or her work with an employer is also exempt from the requalification requirements if the employee, while claiming benefits for partial unemployment, terminated work to accept other covered employment that offered an average weekly wage greater than the average weekly wage earned in the work terminated.

The bill consolidates these two exemptions into one exemption, which applies if the employee terminated work to accept covered employment that satisfies one of the four conditions numbered above. The exemption as consolidated applies regardless of whether the employee is claiming benefits for partial unemployment or whether the employee earns a certain amount of wages in the subsequent work.

The bill does not affect any other exemptions from the requalification requirements for employees who voluntarily terminate employment.

Temporary help companies and work search

The bill provides that there is a rebuttable presumption that a claimant who is subject to the UI law's work search requirement has not conducted a reasonable search for suitable work in a given week if: 1) the claimant was last employed by a temporary help company, as defined under current law; 2) the temporary help company required the claimant to contact the temporary help company for an assignment weekly, or less often as prescribed by the temporary help company, and the temporary help company gave the claimant written notice of that requirement at the time the claimant was initially employed by the company; 3) during that week, the claimant was required to contact the temporary help company for an assignment and the claimant did not contact the temporary help company for an assignment; and 4) the temporary help company submits a notice within ten business days after the end of that week to DWD reporting that the claimant failed to so contact the temporary help company. The claimant may overcome the rebuttable presumption only by a showing that the claimant did in fact contact the temporary help company for an assignment or by showing that the claimant was not informed of this requirement or had other good cause for failing to do so. The bill specifically provides that the claimant's contact of the temporary help company for a given week counts as one action toward the UI law's work search requirement for that week.

Extended training benefits

Currently, benefits may not be denied to an otherwise eligible claimant because the claimant is enrolled in a vocational training course or a basic education course that is a prerequisite to such training ("approved training") under certain conditions. Currently, a claimant may also qualify to receive benefits while participating in an extended training program under certain conditions, under such a program, if a claimant 1) has exhausted all other rights to benefits, 2) is currently enrolled in an approved training program and was so enrolled prior to the end of the claimant's benefit year (period during which benefits are payable) that qualified the claimant for benefits, 3) if not in a current benefit year, has a benefit year that ended no earlier than 52 weeks prior to the week for which the claimant first claims extended training benefits, and 4) is not receiving any similar stipends or other training allowances for nontraining costs, is entitled to extended training benefits of up to 26 times the same benefit rate that applied to the claimant during his or her most recent benefit year if the claimant is being trained for entry into a high-demand occupation. In addition, if the benefit year of such a claimant expires in a week in which extended or other additional federal or state benefits are payable generally, the claimant is also eligible for extended training benefits while enrolled in a training program if the claimant first enrolled in the program within 52 weeks after the end of the claimant's benefit

year that qualified the claimant for benefits. This bill deletes extended training benefits.

Treatment of cafeteria plan amounts in benefit calculations

Currently, employers must report wages to DWD and these reports are used to determine the UI benefit eligibility and amounts of benefits payable to UI claimants. The wages reported do not include salary reduction amounts withheld from employees for cafeteria plan benefits (fringe benefits the value of which is excluded from gross income under the federal Internal Revenue Code). However, these amounts are included in the formula that is used to determine the benefit eligibility and amounts payable to claimants. DWD may require employers to report the amounts in their wage reports and employers must maintain records of these amounts.

This bill excludes salary reduction amounts for cafeteria plan benefits in calculating the wages that were paid to a claimant for purposes of determining the claimant's benefit eligibility and amounts. The bill also deletes reporting and record-keeping requirements for these amounts. The effect is to raise the threshold for benefit eligibility and to potentially decrease the amount of benefits that may become payable to certain claimants whose wages include deductions for these amounts.

Benefits for partial unemployment during weeks that include holidays

Under current law, a claimant may, under certain circumstances, receive some UI benefits while the claimant is only partially unemployed (benefits for partial unemployment). However, a claimant is ineligible to receive any benefits for partial unemployment for a week in which one or more of the following applies to the claimant for 32 or more hours in that week: 1) the claimant performs work; 2) the claimant receives certain amounts treated as wages for that week; or 3) the claimant receives holiday pay, vacation pay, termination pay, or sick pay that is treated as wages under current law.

Under the bill, for purposes of these provisions limiting the availability of benefits for partial unemployment, the 32-hour ceiling for a claimant is reduced for a given week by eight hours for each state or federal holiday that occurs during that week, if both of the following apply: 1) the claimant only has base period wages from a single employer; and 2) that employer previously provided a notice to DWD designating that the employer will undergo a complete business shutdown on that holiday (or those holidays). The bill allows an employer to designate up to seven holidays per year for purposes of these provisions and requires the employer to provide the notice to DWD by December 1 of the year before the holidays. The bill provides that a complete business shutdown means that all locations operated by an employer are closed for business completely and no employee employed by the business is required by the employer to report for work.

Failure of claimants to provide requested information

Currently, DWD may require a claimant to answer questions relating to his or her UI benefit eligibility and to provide certain demographic information for auditing purposes. A claimant is not eligible to receive benefits for any week in which the claimant fails to comply with a request by DWD for information and for any

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subsequent week until the claimant provides the information or satisfies DWD that he or she has good cause for failure to provide the requested information. If a claimant later complies with a request or satisfies DWD that he or she has good cause for failure to comply, the claimant is eligible to receive benefits beginning with the week in which the failure occurred, if otherwise qualified. Under this bill, if a claimant later complies with a request, the claimant is not eligible to receive benefits until the claimant complies with the request *and* satisfies DWD that he or she has good cause for failure to comply with the request. The bill also provides that if a claimant later complies with a request and does not have good cause for his or her initial failure to comply with the request, the claimant is eligible only to receive benefits beginning with the week in which the claimant complies with the request, if otherwise qualified.

Treatment of services performed by prison inmates

Under current law, covered employment under the UI law generally does not include services by inmates of a custodial or penal institution for government units, Indian tribes, or nonprofit organizations. The bill provides that services performed for employers that are *not* government units, Indian tribes, or nonprofit organizations by inmates of state or federal prisons are also not covered employment under the UI law. As a consequence, wages paid by employers for those services are not subject to UI contribution requirements and those wages are not counted as base period wages for purposes of determining eligibility for UI benefits.

Claimant security credentials

This bill requires each claimant for UI benefits to create security credentials in order to engage in any transactions with DWD, including the filing of an initial or continued claim for benefits. The credentials may consist of a personal identification number, username, and password, or any other means prescribed by DWD. The bill provides that if a claimant's security credentials are used in any transaction with DWD, the individual using the credentials is presumed to be the claimant or the claimant's authorized agent. The presumption may be rebutted by a preponderance of evidence showing that the claimant who created the credentials or the claimant's authorized agent was not the person who used the credentials in a given transaction. The bill also provides that if a claimant uses an agent to engage in any transaction with DWD using the claimant's security credentials, the claimant is responsible for the actions of the agent. In addition, the bill provides that if a claimant to whom security credentials or the claimant's authorized agent divulges the credentials to another person, or fails to take adequate measures to protect the credentials from being divulged to an unauthorized person, DWD is not obligated to pursue recovery of, and is not liable to the claimant for, benefits payable to the claimant that were erroneously paid to another person. Current law contains no similar provisions.

Benefits paid to employees who lose licenses required to perform work

Currently, if an employee is required by law to have a license issued by a governmental agency to perform his or her customary work for an employer, and the employee's employment is suspended or terminated because the license is suspended, revoked, or not renewed due to the employee's fault, the employee is not eligible to receive benefits until five weeks have elapsed since the end of the week in

which the suspension or termination occurs or until the license is reinstated or renewed, whichever occurs first. The wages paid by the employer who suspended or terminated the employee are excluded in determining the eligibility of and amount of benefits payable to the employee while the license suspension, revocation, or nonrenewal is in effect. If benefits are paid to an employee using wages that were paid or treated as having been paid during a period when the employee's license was suspended, revoked, or not renewed, the base period wages paid or treated as having been paid by the employer that suspended or terminated the employee are not charged to the employer's account for the period when the license suspension, revocation, or nonrenewal is in effect, but are instead charged to the balancing account of the unemployment reserve fund (pooled account financed by all employers who pay contributions that is used to pay benefits that are not chargeable to any employer's account). This bill provides that if an employee qualifies to receive benefits for any benefit year using base period wages paid or treated as having been paid during a period when wages are excluded from the employee's base period due to a license suspension, revocation, or nonrenewal, DWD must charge the cost of the benefits otherwise chargeable to the employer who suspended or terminated the employee to the balancing account for all weeks in that benefit year.

TAX CHANGES

Contribution and solvency rate schedules

Currently, all employers that engage employees in work that is covered under the UI law, other than governmental, nonprofit, and Indian tribe employers that elect to pay directly for the cost of benefits, must pay contributions (taxes) to finance UI benefits. The total contributions of an employer are the sum of the contributions payable as a result of the employer's contribution rate and the contributions payable as a result of the employer's solvency rate, each of which varies with the employment stability of the employer and the solvency of the unemployment reserve fund (fund), from which benefits are paid. An employer's contributions payable as a result of its contribution rate are credited to the employer's account in the fund, while an employer's contributions payable as a result of its solvency rate are credited to the fund's balancing account, which is used to finance benefits not payable from any employer's account.

An employer's contribution rate is determined based upon the employer's reserve percentage. The employer's reserve percentage is the net balance of the employer's account as of the computation date (generally June 30), stated as a percentage of the employer's taxable payroll in the 12-month period ending on the computation date. Current law defines taxable payroll as the first \$14,000 of wages paid by an employer to each employee during a calendar year. An employer's solvency rate is determined by reference to the employer's contribution rate and rises as the contribution rate rises.

Currently, there are four schedules of contribution rates and four schedules of solvency rates. The schedule that applies for any year depends upon the solvency of the fund on June 30 of the preceding year. Currently, the highest contribution rate that must be paid by an employer applies to an overdrawn employer with a reserve percentage of 6.0 percent or greater. The contribution rate for such an employer is

8.50 percent of taxable payroll for each of the four schedules of contribution rates. Also currently, the highest solvency rates for such an employer are between 1.25 percent and 1.35 percent of taxable payroll, depending on which schedule is in effect.

This bill amends each of the four schedules of contribution rates so that overdrawn employers with reserve percentages greater than 6.0 percent have higher contribution rates than they do under current law. Specifically, the bill provides that: 1) if an overdrawn employer has a reserve percentage of 7.0 percent or greater, but less than 8.0 percent, the contribution rate for such an employer is 9.25 percent of taxable payroll; 2) if an overdrawn employer has a reserve percentage of 8.0 percent or greater, but less than 9.0 percent, the contribution rate for such an employer is 10.00 percent of taxable payroll; and 3) if an overdrawn employer has a reserve percentage of 9.0 percent or greater, the contribution rate for such an employer is 10.70 percent of taxable payroll.

The bill also amends each of the four schedules of solvency rates to specify the solvency rates for employers who are subject to the contribution rates created by the bill and to make minor adjustments to the maximum solvency rates under current law. The bill provides, for each of the added contribution rates in each of the four schedules, for a solvency rate of 1.30 percent of taxable payroll.

Interest on delinquent payments

Currently, if an employer does not make a payment required under the UI law to DWD by the due date, the employer must pay interest on the amount owed equal to a variable rate determined by law from the date that the payment became due. Revenues from interest payments are used to administer the UI program. This bill permits DWD to waive or decrease the interest charged to an employer in limited circumstances as prescribed by rule of DWD.

Treatment of limited liability companies consisting of the same members

Currently, for purposes of the UI law, multiple limited liability companies (LLCs) that consist of the same members are treated as a single employer unless, subject to certain provisions, each of those LLCs files a written request with DWD to be treated as a separate employer and DWD approves the request. Under the bill, consistent with the Federal Unemployment Tax Act (FUTA), multiple LLCs that consist of the same members are always treated as separate employers, for purposes of the UI law.

OTHER CHANGES

Loans by this state to the unemployment reserve fund

Currently, with certain exceptions, the secretary of administration may reallocate, or borrow internally, from any state fund or account to ensure the continued solvency of another state fund or account if revenue to the fund or account to which the reallocation is made is expected to be sufficient to reverse the reallocation. The outstanding reallocations at any time may not exceed a total of \$400,000,000. If money from one state segregated fund is temporarily reallocated to another such fund, the secretary must charge interest to the receiving fund and credit this interest to the fund from which the reallocation is made.

This bill permits the secretary of workforce development to request the secretary of administration to reallocate moneys to the unemployment reserve fund from other state funds or accounts. Under the bill, the total outstanding amount of any reallocations may not exceed \$50,000,000 at any given time. This amount is in addition to the current limit upon reallocations of \$400,000,000. The bill prohibits the secretary of administration from assessing any interest to the unemployment reserve fund for moneys loaned to the fund. The bill provides that any loan to the unemployment reserve fund is subject to the approval of the Joint Committee on Finance. The bill directs the secretary of workforce development to request a loan from this state to the unemployment reserve fund whenever the secretary determines that employers in this state that are subject to a requirement to pay a federal unemployment tax would experience a lower tax rate if this state were to loan moneys to the fund and the loan could be made under the authority granted by the bill. The bill also directs the secretary of workforce development to repay this state for any loans made to the unemployment reserve fund whenever the secretary determines that repayment can be made without jeopardizing the ability of DWD to continue to pay other liabilities and costs chargeable to the fund. The bill directs the secretary to ensure that the timing of any repayment accords with federal requirements for ensuring a favorable tax experience for employers in this state.

Payment of interest on federal advances to reserve fund

Currently, if in any year the balance in the unemployment reserve fund is insufficient to make full payment of unemployment insurance benefits that become payable to claimants for that year, DWD secures an advance from the federal unemployment account to enable this state to make full payment of all benefits that become payable. Whenever the balance in the unemployment reserve fund is sufficient to repay the federal government for its advances and to continue to make payment of the benefits that become payable, DWD repays the federal government for its outstanding advances. Annually, the federal government assesses interest to this state on this state's outstanding advances that have not been repaid. Currently, if in any year DWD is unable to make full payment of the interest that becomes due from certain other limited sources, each employer must pay an assessment to the state unemployment interest payment fund in an amount specified by law sufficient to enable DWD to make full payment of the interest due for that year.

This bill appropriates a sum sufficient not exceeding \$30,000,000 from general purpose revenues to pay any interest that becomes due to the federal government prior to July 1, 2015, on outstanding advances made to the unemployment reserve fund. Under the bill, DWD must first use any available moneys from this appropriation to make payment of the interest due for any year. If the amount appropriated, together with other available sources, is insufficient to make full payment of the interest that becomes due for any year, each employer must pay an assessment in the amount determined by DWD sufficient to cover the deficiency. If the moneys appropriated under the bill are not fully expended at the end of the 2013–15 fiscal biennium, the balance is retained in the general fund.

License revocations based on UI contribution delinquencies

Current law requires various state agencies and boards (licensing departments) that issue various licenses and other credentials (licenses) to revoke a license or deny an application for a license if the Department of Revenue (DOR) certifies that the license holder or applicant owes DOR delinquent taxes. Current law also allows the Wisconsin Supreme Court to decide whether to revoke or deny an application for a license to practice law if the license holder or applicant is certified by DOR to owe delinquent taxes. This bill creates similar provisions for license holders and applicants that DWD certifies are liable for delinquent UI contributions. UI contributions are taxes employers must pay to DWD for deposit with the federal government, and which are then used to pay the claims of claimants for UI benefits. The bill also includes within the definition of UI contributions other assessments, interest, fees, and penalties that have been imposed upon employers in connection with their UI contribution obligations. The provisions created in the bill apply only to delinquent UI contributions for which the employer has exhausted all legal rights to challenge the employer's liability.

Under the bill, each licensing department must enter into a memorandum of understanding with DWD. Under the memorandum, the licensing department must ask DWD to certify whether a license holder or applicant is liable for delinquent UI contributions. If DWD certifies to a licensing department that a license holder or applicant is liable for delinquent UI contributions, the licensing department must revoke the license or deny the application for a license. A licensing department must mail a notice of revocation or denial to the license holder or applicant, and the notice must inform the applicant or license holder of the right to a review of DWD's certification at a hearing conducted by DWD. The hearing is limited to questions of mistaken identity and prior payment of the delinquent UI contributions. Following the hearing, if DWD does not uphold its certification, DWD must issue the holder or applicant a nondelinquency certificate and the licensing department must reinstate the license or approve the application for a license without requiring any additional application, fee, or test, unless there are other grounds for denial or revocation. If DWD does uphold its certification, DWD must so inform the license holder or applicant and the licensing department. The license holder or applicant may seek judicial review of an adverse determination by DWD at the hearing by filing a petition for review in the Dane County circuit court and may appeal the court's decision. A license holder or applicant whose license has been revoked or denied because of delinquent UI contributions may also, after satisfying that debt, request DWD to issue a nondelinquency certificate, which the license holder or applicant may then present to have the license reinstated, unless there are other grounds for not reinstating the license or for denying the application.

The bill includes the following within the definition of licensing department: the Department of Administration; the Board of Commissioners of Public Lands; the Department of Children and Families; the Government Accountability Board; the Department of Financial Institutions; the Department of Health Services; the Department of Natural Resources; the Department of Public Instruction; the Department of Revenue; the Department of Safety and Professional Services; the

Office of the Commissioner of Insurance; and the Department of Transportation. The bill applies to various licenses administered by the aforementioned licensing departments.

The bill allows DWD to deny an application for or revoke various licenses administered by DWD if the license holder or applicant is liable for delinquent UI contributions. Such a license holder or applicant has the same rights to review by DWD and to judicial review as do holders of or applicants for licenses administered by other licensing departments.

The bill also requests the Wisconsin Supreme Court to enter into a similar memorandum of understanding with DWD. If DWD determines that a licensed attorney or an applicant for a license to practice law is liable for delinquent UI contributions, DWD may send the attorney or applicant a notice of that determination. The attorney or applicant has the same rights to a hearing and judicial review as do other license holders or applicants. However, DWD may not send the supreme court a certification of UI contribution delinquency until the attorney or applicant has exercised or exhausted his or her full rights to judicial review. If the determination is upheld following the holder or applicant's exercise or exhaustion of rights to judicial review, DWD may then certify to the supreme court that the attorney or applicant is liable for delinquent UI contributions. The supreme court may then decide whether to suspend, revoke, or deny the attorney's or applicant's license to practice law.

Financial record matching program

Currently, the Departments of Children and Families, Revenue, and Health Services (departments) operate financial records matching programs whereby the departments, for various asset verification or determination purposes, match data possessed by the departments with the records of financial institutions. This bill establishes a similar financial records matching program with DWD to allow DWD to identify the assets of persons who are delinquent in paying debts related to the UI program (UI debtors).

Under the program, financial institutions doing business in this state must enter into agreements with DWD to participate in a financial institution matching option or a state matching option. DWD may pay such a financial institution up to \$125 per calendar quarter for participating.

Under the financial institution matching option, at least once every calendar quarter DWD sends information to the financial institution, including names, addresses, and social security numbers, about UI debtors. The financial institution determines whether any UI debtor has an ownership interest in an account at the financial institution and, if so, sends DWD information about the account, such as the type, number, and balance.

Under the state matching option, at least once every calendar quarter the financial institution sends DWD information about accounts maintained at the financial institution, including the name and social security number of each person having an ownership interest in each account. On the basis of that information, DWD determines whether any UI debtor has an ownership interest in an account at the financial institution and, if so, may request further information from the

financial institution, including the person's address of record and the account balance.

The bill prohibits DWD from disclosing or retaining information concerning account holders who are not UI debtors; prohibits employees, agents, officers, and directors of financial institutions from disclosing or retaining information concerning UI debtors; and prohibits both DWD and financial institutions from using any information received under the program for any purpose not related to the program. The bill provides penalties for any employee, agent, officer, or director of a financial institution who violates any of the prohibitions. The bill also provides that a financial institution is not liable for disclosing financial information, or for taking any other action, in compliance with the program.

Departmental errors; payments to unintended payees; actions against third-party transferees

Currently, DWD is directed to waive recovery of benefits that were erroneously paid if the overpayment results from a departmental error and was not the fault of any employer, and the overpayment was not the fault of an employee or did not result from a claimant's false statement or misrepresentation. This bill directs DWD to waive recovery of an overpayment regardless of whether it results from the fault of an employer. The bill also provides specifically that "departmental error" does not include, and recovery is not waived, if DWD makes an error in computing, paying, or crediting benefits to any individual, whether or not a claimant, or in crediting contributions or reimbursements to one or more employers that results from: 1) a computer malfunction or programming error; 2) an error in transmitting data to or from a financial institution; 3) a typographical or keying error; 4) a bookkeeping or other payment processing error; 5) an action by DWD resulting from a false statement or representation by an individual; or 6) an action by DWD resulting from an unauthorized manipulation of an electronic system from within or outside DWD.

The bill provides that if DWD determines that a payment has been made to an unintended recipient erroneously without fault on the part of the intended payee, DWD may issue the correct payment to the intended payee if necessary and may recover the amount of the erroneous payment from the recipient using existing recovery procedures, if any, or a new recovery procedure created by the bill (see below). Currently, there is no similar provision.

Under current law, any person who knowingly makes a false statement or representation to obtain a benefit payment personally or for another person is guilty of a misdemeanor and may be fined not less than \$100 nor more than \$500, or imprisoned for not more than 90 days, or both, and in addition may be subject to forfeiture of certain benefit payments that may be otherwise payable. Currently, DWD is not authorized to recover improper payments directly from third-party payees or transferees. This bill permits DWD to bring a legal action against any person, including a transferee, to preserve and recover the proceeds of any payment from the unemployment reserve fund not resulting from a departmental error if the person receives, possesses, or retains such a payment or if the proceeds are in an account at a financial institution. The bill also permits DWD to sue for injunctive relief to require a payee, transferee, or other person, including a financial institution,

in possession of the proceeds from any payment from the fund to preserve the proceeds and to prevent the transfer or use of the proceeds upon showing that the payee, transferee, or other person is not entitled to receive, possess, or retain the proceeds pending final disposition of the matter by the court.

Tardy filing fees

Currently, each employer must file a quarterly report with DWD identifying the name of and wages paid to each employee who is employed by the employer in employment covered by the UI law during the most recent calendar quarter. With limited exceptions, if an employer is delinquent in filing the report, the employer must pay a tardy filing fee of \$50. Revenue from tardy filing fees is used for various purposes to support the UI program. This bill increases the tardy filing fee to \$100 or \$20 per employee, whichever is greater, but provides that if the employer files the report within 30 days of its due date, the fee remains at \$50.

Work search audits of claimants

The bill requires DWD to conduct random audits on claimants for regular UI benefits to assess compliance with the UI law's work search requirement. The bill requires DWD to include in its annual fraud report that is presented to the Council on Unemployment Insurance information about these audits, including the number of audits conducted in the previous year and the results of those audits.

Online portal for filing complaints

The bill requires DWD to maintain a portal on the Internet that allows employers to log in and file complaints with DWD related to the administration of the UI law.

Submittal dates for departmental reports

Currently, on or about January 15 of each odd-numbered year, the secretary of workforce development submits to the governor and legislative leaders a statement of UI financial outlook, which contains information relating to the current and projected fiscal condition of the UI program, recommendations for any changes in the UI law, and a report of the deliberations of the Council on Unemployment Insurance and any position of the council concerning the proposed changes. In addition, on or about February 15 of each year, DWD must furnish to the Council on Unemployment Insurance a report summarizing DWD's activities related to detection and prosecution of UI fraud during the preceding year. This bill separates the report of the fiscal condition of the UI program and recommended changes in the UI law from the report of the deliberations and position of the council and requires submittal of the former no later than April 15 of each odd-numbered year and of the later no later than May 15 of each odd-numbered year. The bill also requires submittal of the report concerning fraud no later than March 15 of each year.

Fraud investigation positions

The bill requires DWD to request funding from the U.S. Department of Labor to hire additional employees to perform UI fraud investigation.

Social security numbers maintained by DOT

Under current law, an individual who applies to the Department of Transportation (DOT) for vehicle title, for a motor vehicle operator's license or an

identification card, or for registration as a motor vehicle dealer must, with limited exceptions, state his or her social security number on the application. DOT is generally required to maintain the confidentiality of these social security numbers but may disclose these social security numbers in limited circumstances, including to the Department of Children and Families and DOR for specified purposes.

This bill allows these social security numbers to also be disclosed to DWD for the sole purpose of enforcing or administering DWD's collection responsibilities related to UI.

Information relating to financing of UI system

This bill directs DWD to provide information to employers concerning the financing of the UI system, including the computation of reserve percentages and their effect upon the contribution and solvency rates of employers, and to post this information on the Internet. The bill, also directs DWD to include this information on any statements of account that DWD provides to employers and to provide this information in writing to each employer who becomes newly subject to a requirement to pay contributions or to reimburse for benefits paid under the UI law.

UI handbook for employers

The bill requires DWD to create and keep up-to-date a handbook for employers for the purpose of informing employers who are subject to the UI law about the provisions and requirements of the UI law. The handbook must include all of the following: 1) information about the function and purpose of UI; 2) a description of the rights and responsibilities of employers under the UI law, including the rights and responsibilities associated with hearings to establish eligibility for benefits under the law; 3) a description of the circumstances under which claimants are eligible and ineligible for UI benefits under the UI law; 4) disclaimers explaining that the contents of the handbook may not be relied upon as legally enforceable and that adherence to the contents does not guarantee a particular result for a decision on a UI matter; and 5) a line to allow an employee to sign to acknowledge that the employee is aware of the contents of the handbook. DWD must make the handbook available on the Internet and must, for a fee, distribute printed copies of the handbook to employers who so request.

Electronic database of decisions

The bill requires DWD to maintain a searchable, electronic database of significant decisions made by the labor and industry review commission on UI matters for the use of the attorneys and certain other employees employed by DWD.

Initial training and continuing education for appeal tribunals (ALJs)

The bill requires DWD to conduct training for all individuals who serve as appeal tribunals, commonly known as administrative law judges (ALJs), that are employed or appointed by DWD to hear UI appeals to prepare them to perform their duties. The bill requires an initial training, for newly employed or appointed ALJs, and requires DWD to conduct similar training for individuals currently serving as ALJs within one year of the bill's general effective date. The bill also provides that

DWD must require all individuals who serve as ALJs to satisfy continuing education requirements, as prescribed by DWD.

Due date for successorship applications

Currently, with certain exceptions, if a business is transferred from one employer to another employer, the transferee may, under certain conditions, request that DWD treat it as a successor for purposes of UI experience, including contribution (tax) and benefit liability. A successorship application must be received by DWD on or before the contribution payment due date for the first full quarter following the date of the transfer. This bill permits DWD to accept an application not more than 90 days after its due date if the transferee satisfies DWD that its application was late as a result of excusable neglect.

Standard affidavit form

This bill directs DWD to prescribe by rule a standard affidavit form that may be used by parties to UI administrative appeals and to make the form available to employers and claimants. Use of the form by a party does not eliminate the right of an opposing party to cross examine the affiant concerning the facts asserted in the affidavit.

Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report concerning the proposed penalty and the costs or savings that are likely to result if the bill is enacted.

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

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

- 1 **SECTION 1.** 13.63 (1) (b) of the statutes is amended to read:
- 2 13.63 (1) (b) Except as provided under par. (am), the board shall not issue a
- 3 license to an applicant who does not provide his or her social security number. The
- 4 board shall not issue a license to an applicant or shall revoke any license issued to
- 5 a lobbyist if the department of revenue certifies to the board that the applicant or
- 6 lobbyist is liable for delinquent taxes under s. 73.0301 or if the department of
- 7 workforce development certifies to the board that the applicant or lobbyist is liable
- 8 for delinquent unemployment insurance contributions under s. 108.227. The board
- 9 shall refuse to issue a license or shall suspend any existing license for failure of an

SECTION 1

1 applicant or licensee to pay court-ordered payments of child or family support,
2 maintenance, birth expenses, medical expenses or other expenses related to the
3 support of a child or former spouse or failure of an applicant or licensee to comply,
4 after appropriate notice, with a subpoena or warrant issued by the department of
5 children and families or a county child support agency under s. 59.53 (5) and related
6 to paternity or child support proceedings, as provided in a memorandum of
7 understanding entered into under s. 49.857. No application may be disapproved by
8 the board except an application for a license by a person who is ineligible for licensure
9 under this subsection or s. 13.69 (4) or an application by a lobbyist whose license has
10 been revoked under this subsection or s. 13.69 (7) and only for the period of such
11 ineligibility or revocation.

12 **SECTION 2.** 13.63 (1) (c) of the statutes is amended to read:

13 13.63 (1) (c) Denial of a license on the basis of a certification by the department
14 of revenue or the department of workforce development may be reviewed under s.
15 73.0301 or 108.227, whichever is applicable. Except with respect to a license that is
16 denied or suspended pursuant to a memorandum of understanding entered into
17 under s. 49.857, denial or suspension of any other license may be reviewed under ch.
18 227.

19 **SECTION 3.** 16.48 (1) (intro.) and (a) (intro.) of the statutes are consolidated,
20 renumbered 16.48 (1) (a) (intro.) and amended to read:

21 16.48 (1) (a) (intro.) ~~On or about January~~ No later than April 15 of each
22 odd-numbered year, the secretary of workforce development shall prepare and
23 furnish to the governor, the speaker of the assembly, the minority leader of the
24 assembly, and the majority and minority leaders of the senate: ~~(a) A~~ a statement of
25 unemployment insurance financial outlook, which shall contain the following,

1 together with the secretary's recommendations and an explanation for such
2 recommendations:

3 **SECTION 4.** 16.48 (1) (b) of the statutes is amended to read:

4 16.48 (1) (b) ~~A No later than May 15 of each odd-numbered year, the secretary~~
5 of workforce development shall prepare and furnish to the governor, the speaker of
6 the assembly, the minority leader of the assembly, and the majority and minority
7 leaders of the senate a report summarizing the deliberations of the council on
8 unemployment insurance and the position of the council, if any, concerning each
9 proposed change in the unemployment insurance laws submitted under par. (a).

10 **SECTION 5.** 16.48 (3) of the statutes is amended to read:

11 16.48 (3) ~~On or about February~~ No later than June 15 of each odd-numbered
12 year, the secretary of workforce development, under the direction of the governor,
13 shall submit to each member of the legislature an updated statement of
14 unemployment insurance financial outlook which shall contain the information
15 specified in sub. (1) (a), together with the governor's recommendations and an
16 explanation for such recommendations, and a copy of the report required under sub.
17 (1) (b).

18 **SECTION 6.** 16.531 (4) of the statutes is created to read:

19 16.531 (4) This section does not apply to actual or projected imbalances in the
20 unemployment reserve fund or to loans to the fund made under s. 20.002 (11) (b) 3m.

21 **SECTION 7.** 19.55 (2) (d) of the statutes is amended to read:

22 19.55 (2) (d) Records of the social security number of any individual who files
23 an application for licensure as a lobbyist under s. 13.63 or who registers as a principal
24 under s. 13.64, except to the department of children and families for purposes of
25 administration of s. 49.22 or, to the department of revenue for purposes of

SECTION 7

1 administration of s. 73.0301, and to the department of workforce development for
2 purposes of administration of s. 108.227.

3 **SECTION 8.** 20.002 (11) (a) of the statutes is amended to read:

4 20.002 (11) (a) All appropriations, special accounts and fund balances within
5 the general fund or any segregated fund may be made temporarily available for the
6 purpose of allowing encumbrances or financing expenditures of other general or
7 segregated fund activities ~~which do not have sufficient~~ or for the purpose of financing
8 unemployment insurance benefits from the unemployment reserve fund under par.
9 (b) 3m. whenever there are insufficient moneys in the funds or accounts from which
10 they the activities are financed but have or whenever there are insufficient moneys
11 in the unemployment reserve fund to pay unemployment insurance benefit
12 payments if there are accounts receivable balances or moneys anticipated to be
13 received from lottery proceeds, as defined in s. 25.75 (1) (c), tax or contribution
14 revenues, gifts, grants, fees, sales of service, or interest earnings recorded under s.
15 16.52 (2) that will be sufficient to repay the fund or account from which moneys are
16 transferred. The secretary of administration shall determine the composition and
17 allowability of the accounts receivable balances and anticipated moneys to be
18 received for this purpose in accordance with s. 20.903 (2) and shall specifically
19 approve the use of surplus moneys from the general or segregated funds after
20 consultation with the appropriate state agency head for use by specified accounts or
21 programs. The secretary of administration shall reallocate available moneys from
22 the budget stabilization fund under s. 16.465 prior to reallocating moneys from any
23 other fund.

24 **SECTION 9.** 20.002 (11) (b) 1. of the statutes is amended to read:

1 20.002 (11) (b) 1. The Except with respect to reallocations made under subd.
2 3m., the secretary of administration shall limit the total amount of any temporary
3 reallocations to a fund other than the general fund to \$400,000,000.

4 **SECTION 10.** 20.002 (11) (b) 3m. of the statutes is created to read:

5 20.002 (11) (b) 3m. Upon request of the secretary of workforce development
6 under s. 108.16 (13), the secretary of administration may temporarily transfer
7 moneys available under par. (a) to the unemployment reserve fund. The secretary
8 of administration shall credit repayments received from the unemployment reserve
9 fund to the funds or accounts from which the transfer was made. The transfers
10 outstanding under this subdivision may not exceed a total of \$50,000,000 at any
11 time. No transfer may be made under this subdivision unless the secretary of
12 administration first submits written notice to the cochairpersons of the joint
13 committee on finance that the transfer is proposed to be made. If the cochairpersons
14 of the committee do not notify the secretary of administration that the committee has
15 scheduled a meeting for the purpose of reviewing the proposed transfer within 30
16 days after the date of the secretary's notification, the transfer may be made as
17 proposed by the secretary. If, within 30 days after the date of notification by the
18 secretary of administration, the cochairpersons of the committee notify the secretary
19 that the committee has scheduled a meeting for the purpose of reviewing the
20 proposed transfer, the transfer may be made under this subdivision only upon
21 approval of the committee.

22 **SECTION 11.** 20.002 (11) (c) of the statutes is amended to read:

23 20.002 (11) (c) The secretary may assess a special interest charge against the
24 programs or activities utilizing surplus moneys within the same fund under this
25 subsection in an amount not to exceed the daily interest earnings rate of the state

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1 investment fund during the period of transfer of surplus moneys to other accounts
2 or programs. Except as provided in s. 16.465 and except with respect to transfers
3 made under par. (b) 3m., the secretary shall assess a special interest charge against
4 the fund utilizing surplus moneys under this subsection in an amount equal to the
5 rate of return the state investment fund earnings would have created to the fund
6 from which the reallocation was made. This interest shall be calculated and credited
7 to the appropriate fund at the same time the earnings from the state investment fund
8 are distributed and shall be considered an adjustment to those earnings.

9 **SECTION 12.** 20.002 (11) (d) (intro.) of the statutes is amended to read:

10 20.002 (11) (d) (intro.) This Except with respect to transfers made under par.
11 (b) 3m., this subsection applies only to those funds participating in the investment
12 fund for purposes of temporary reallocation between funds or accounts ~~and does not~~
13 ~~include.~~ No transfer may be made under this subsection from any of the following
14 funds or specified accounts in these funds:

15 **SECTION 13.** 20.445 (1) (fx) of the statutes is created to read:

16 20.445 (1) (fx) *Interest on federal advances.* A sum sufficient, not exceeding
17 \$30,000,000, to pay interest on advances made by the federal government to the
18 unemployment reserve fund under s. 108.19 (1m).

19 **SECTION 14.** 20.445 (1) (fx) of the statutes, as created by 2013 Wisconsin Act
20 (this act), is repealed.

21 **SECTION 15.** 20.445 (1) (gm) of the statutes is created to read:

22 20.445 (1) (gm) *Unemployment insurance handbook.* All moneys received
23 under s. 108.14 (23) (d) for the costs of printing and distribution of the unemployment
24 insurance handbook, to pay for those costs.

25 **SECTION 16.** 29.024 (2r) (title) of the statutes is amended to read:

1 29.024 (2r) (title) DENIAL AND REVOCATION OF APPROVALS BASED ON TAX
2 ~~DELINQUENCY~~ DELINQUENT TAXES OR UNEMPLOYMENT INSURANCE CONTRIBUTIONS.

3 **SECTION 17.** 29.024 (2r) (c) of the statutes is amended to read:

4 29.024 (2r) (c) *Disclosure of numbers.* The department of natural resources
5 may not disclose any information received under par. (a) to any person except to the
6 department of revenue for the sole purpose of making certifications required under
7 s. 73.0301 and to the department of workforce development for the sole purpose of
8 making certifications required under s. 108.227.

9 **SECTION 18.** 29.024 (2r) (d) 1. of the statutes is amended to read:

10 29.024 (2r) (d) 1. Except as provided in subd. 2., the department shall deny an
11 application to issue or renew, or revoke if already issued, an approval specified in par.
12 (a) if the applicant for or the holder of the approval fails to provide the information
13 required under par. (a) ~~or~~, if the department of revenue certifies that the applicant
14 or approval holder is liable for delinquent taxes under s. 73.0301, or if the
15 department of workforce development certifies that the applicant or approval holder
16 is liable for delinquent unemployment insurance contributions under s. 108.227.

17 **SECTION 19.** 48.66 (2m) (c) of the statutes is amended to read:

18 48.66 (2m) (c) The subunit of the department that obtains a social security
19 number or a federal employer identification number under par. (a) 1. may not
20 disclose that information to any person except to the department of revenue for the
21 sole purpose of requesting certifications under s. 73.0301 and to the department of
22 workforce development for the sole purpose of requesting certifications under s.
23 108.227 or on the request of the subunit of the department that administers the child
24 and spousal support program under s. 49.22 (2m).

25 **SECTION 20.** 48.715 (7) of the statutes is amended to read:

1 48.715 (7) The department shall deny an application for the issuance or
2 continuation of a license under s. 48.66 (1) (a) or a probationary license under s. 48.69
3 to operate a child welfare agency, group home, shelter care facility, or child care
4 center, or revoke such a license already issued, if the department of revenue certifies
5 under s. 73.0301 that the applicant or licensee is liable for delinquent taxes or if the
6 department of workforce development certifies under s. 108.227 that the applicant
7 or licensee is liable for delinquent unemployment insurance contributions. An action
8 taken under this subsection is subject to review only as provided under s. 73.0301 (5)
9 or 108.227 (5) and not as provided in s. 48.72.

10 **SECTION 21.** 50.498 (title) of the statutes is amended to read:

11 **50.498** (title) **Denial, nonrenewal and revocation of license,**
12 **certification or registration based on ~~tax delinquency~~ delinquent taxes or**
13 **unemployment insurance contributions.**

14 **SECTION 22.** 50.498 (2) of the statutes is amended to read:

15 50.498 (2) The department may not disclose any information received under
16 sub. (1) to any person except to the department of revenue for the sole purpose of
17 requesting certifications under s. 73.0301 and to the department of workforce
18 development for the sole purpose of requesting certifications under s. 108.227.

19 **SECTION 23.** 50.498 (4) of the statutes is renumbered 50.498 (4) (a).

20 **SECTION 24.** 50.498 (4) (b) of the statutes is created to read:

21 50.498 (4) (b) The department shall deny an application for the issuance of a
22 certificate of approval, license or provisional license specified in sub. (1) or shall
23 revoke a certificate of approval, license or provisional license specified in sub. (1), if
24 the department of workforce development certifies under s. 108.227 that the

1 applicant for or holder of the certificate of approval, license or provisional license is
2 liable for delinquent unemployment insurance contributions.

3 **SECTION 25.** 50.498 (5) of the statutes is amended to read:

4 50.498 (5) An action taken under sub. (3) or (4) is subject to review only as
5 provided under s. 73.0301 (2) (b) and (5) or s. 108.227 (5) and (6), whichever is
6 applicable.

7 **SECTION 26.** 51.032 (title) of the statutes is amended to read:

8 **51.032 (title) Denial and revocations of certification or approval based**
9 **on ~~tax delinquency~~ delinquent taxes or unemployment insurance**
10 **contributions.**

11 **SECTION 27.** 51.032 (2) of the statutes is amended to read:

12 51.032 (2) The department may not disclose any information received under
13 sub. (1) to any person except to the department of revenue for the sole purpose of
14 requesting certifications under s. 73.0301 and to the department of workforce
15 development for the sole purpose of requesting certifications under s. 108.227.

16 **SECTION 28.** 51.032 (4) of the statutes is amended to read:

17 51.032 (4) The department shall deny an application for the issuance of a
18 certification or approval specified in sub. (1) or shall revoke a certification or
19 approval specified in sub. (1) if the department of revenue certifies under s. 73.0301
20 that the applicant for or holder of a certification or approval is liable for delinquent
21 taxes or if the department of workforce development certifies under s. 108.227 that
22 the applicant for or holder of a certification or approval is liable for delinquent
23 unemployment insurance contributions.

24 **SECTION 29.** 51.032 (5) of the statutes is amended to read:

1 51.032 (5) An action taken under sub. (3) or (4) is subject to review only as
2 provided under s. 73.0301 (2) (b) and (5) or s. 108.227 (5) and (6), whichever is
3 applicable.

4 **SECTION 30.** 71.78 (4) (o) of the statutes is amended to read:

5 71.78 (4) (o) A licensing department or the supreme court, if the supreme court
6 agrees, for the purpose of denial, nonrenewal, discontinuation and revocation of a
7 license based on tax delinquency under s. 73.0301 or unemployment insurance
8 contribution delinquency under s. 108.227.

9 **SECTION 31.** 73.0301 (2) (c) 2. of the statutes is amended to read:

10 73.0301 (2) (c) 2. A licensing department may not disclose any information
11 received under subd. 1. a. or b. to any person except to the department of revenue for
12 the purpose of requesting certifications under par. ~~(b)~~ (a) 1. or 2. in accordance with
13 the memorandum of understanding under sub. (4) and administering state taxes ~~or,~~
14 to the department of workforce development for the purpose of requesting
15 certifications under s. 108.227 (2) (a) 1. or 2. in accordance with the memorandum
16 of understanding under s. 108.227 (4) and administering the unemployment
17 insurance program, and to the department of children and families for the purpose
18 of administering s. 49.22.

19 **SECTION 32.** 73.0302 (title) of the statutes is amended to read:

20 **73.0302** (title) **Liability for delinquent taxes or unemployment**
21 **insurance contributions.**

22 **SECTION 33.** 73.0302 (5) of the statutes is created to read:

23 73.0302 (5) If the department of workforce development certifies under s.
24 108.227 that an applicant for certification or recertification under s. 73.03 (50) or a
25 person who holds a certificate issued under s. 73.03 (50) is liable for delinquent

1 unemployment insurance contributions, the department of revenue shall deny the
2 application or revoke the certificate. A person subject to a denial or revocation under
3 this subsection for delinquent unemployment insurance contributions is entitled to
4 a notice under s. 108.227 (2) (b) 1. b. and hearing under s. 108.227 (5) (a) but is not
5 entitled to any other notice or hearing under this chapter.

6 **SECTION 34.** 73.0302 (6) of the statutes is created to read:

7 73.0302 (6) The department of revenue may disclose a social security number
8 obtained under s. 73.03 (50) (c) to the department of workforce development for the
9 purpose of requesting certifications under s. 108.227.

10 **SECTION 35.** 73.09 (6m) of the statutes is amended to read:

11 73.09 (6m) SOCIAL SECURITY NUMBERS. Each applicant for certification or
12 recertification under this section shall provide the applicant's social security number
13 on the application. The department of revenue may not disclose a social security
14 number that it obtains under this subsection, except to the department of workforce
15 development for the purpose of requesting certifications under s. 108.227. The
16 department of revenue may not certify or recertify any person who fails to provide
17 his or her social security number on his or her application.

18 **SECTION 36.** 73.09 (8) of the statutes is created to read:

19 73.09 (8) LIABILITY FOR DELINQUENT UNEMPLOYMENT INSURANCE CONTRIBUTIONS.
20 If the department of workforce development certifies under s. 108.227 that an
21 applicant for certification or recertification under this section is liable for delinquent
22 unemployment insurance contributions, the department of revenue shall deny the
23 application for certification or recertification or revoke the certificate. A person
24 subject to a denial or revocation under this subsection for delinquent unemployment
25 insurance contributions is entitled to a notice under s. 108.227 (2) (b) 1. b. and

1 hearing under s. 108.227 (5) (a) but is not entitled to any other notice or hearing
2 under this chapter.

3 **SECTION 37.** 101.02 (20) (b) of the statutes is amended to read:

4 101.02 (20) (b) Except as provided in par. (e), the department of safety and
5 professional services may not issue or renew a license unless each applicant who is
6 an individual provides the department of safety and professional services with his
7 or her social security number and each applicant that is not an individual provides
8 the department of safety and professional services with its federal employer
9 identification number. The department of safety and professional services may not
10 disclose the social security number or the federal employer identification number of
11 an applicant for a license or license renewal except to the department of revenue for
12 the sole purpose of requesting certifications under s. 73.0301 and to the department
13 of workforce development for the sole purpose of requesting certifications under s.
14 108.227.

15 **SECTION 38.** 101.02 (20) (c) of the statutes is amended to read:

16 101.02 (20) (c) The department of safety and professional services may not
17 issue or renew a license if the department of revenue certifies under s. 73.0301 that
18 the applicant or licensee is liable for delinquent taxes or if the department of
19 workforce development certifies under s. 108.227 that the applicant or licensee is
20 liable for delinquent unemployment insurance contributions.

21 **SECTION 39.** 101.02 (20) (d) of the statutes is amended to read:

22 101.02 (20) (d) The department of safety and professional services shall revoke
23 a license if the department of revenue certifies under s. 73.0301 that the licensee is
24 liable for delinquent taxes or if the department of workforce development certifies

1 under s. 108.227 that the licensee is liable for delinquent unemployment insurance
2 contributions.

3 **SECTION 40.** 102.17 (1) (c) of the statutes is amended to read:

4 102.17 (1) (c) Any party shall have the right to be present at any hearing, in
5 person or by attorney or any other agent, and to present such testimony as may be
6 pertinent to the controversy before the department. No person, firm, or corporation,
7 other than an attorney at law who is licensed to practice law in the state, may appear
8 on behalf of any party in interest before the department or any member or employee
9 of the department assigned to conduct any hearing, investigation, or inquiry relative
10 to a claim for compensation or benefits under this chapter, unless the person is 18
11 years of age or older, does not have an arrest or conviction record, subject to ss.
12 111.321, 111.322 and 111.335, is otherwise qualified, and has obtained from the
13 department a license with authorization to appear in matters or proceedings before
14 the department. Except as provided under pars. (cm) and, (cr), and (ct), the license
15 shall be issued by the department under rules promulgated by the department. The
16 department shall maintain in its office a current list of persons to whom licenses have
17 been issued. Any license may be suspended or revoked by the department for fraud
18 or serious misconduct on the part of an agent, any license may be denied, suspended,
19 nonrenewed, or otherwise withheld by the department for failure to pay
20 court-ordered payments as provided in par. (cm) on the part of an agent, and any
21 license may be denied or revoked if the department of revenue certifies under s.
22 73.0301 that the applicant or licensee is liable for delinquent taxes or if the
23 department determines under par. (ct) that the applicant or licensee is liable for
24 delinquent contributions. Before suspending or revoking the license of the agent on
25 the grounds of fraud or misconduct, the department shall give notice in writing to the

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1 agent of the charges of fraud or misconduct and shall give the agent full opportunity
2 to be heard in relation to those charges. In denying, suspending, restricting, refusing
3 to renew, or otherwise withholding a license for failure to pay court-ordered
4 payments as provided in par. (cm), the department shall follow the procedure
5 provided in a memorandum of understanding entered into under s. 49.857. The
6 license and certificate of authority shall, unless otherwise suspended or revoked, be
7 in force from the date of issuance until the June 30 following the date of issuance and
8 may be renewed by the department from time to time, but each renewed license shall
9 expire on the June 30 following the issuance of the renewed license.

10 **SECTION 41.** 102.17 (1) (ct) of the statutes is created to read:

11 102.17 (1) (ct) 1. The department may deny an application for the issuance or
12 renewal of a license under par. (c), or revoke such a license already issued, if the
13 department determines that the applicant or licensee is liable for delinquent
14 contributions, as defined in s. 108.227 (1) (d). Notwithstanding par. (c), an action
15 taken under this subdivision is subject to review only as provided under s. 108.227
16 (5) and not as provided in ch. 227.

17 2. If the department denies an application or revokes a license under subd. 1.,
18 the department shall mail a notice of denial or revocation to the applicant or license
19 holder. The notice shall include a statement of the facts that warrant the denial or
20 revocation and a statement that the applicant or license holder may, within 30 days
21 after the date on which the notice of denial or revocation is mailed, file a written
22 request with the department to have the determination that the applicant or license
23 holder is liable for delinquent contributions reviewed at a hearing under s. 108.227
24 (5) (a).

1 3. If, after a hearing under s. 108.227 (5) (a), the department affirms a
2 determination under subd. 1. that an applicant or license holder is liable for
3 delinquent contributions, the department shall affirm its denial or revocation. An
4 applicant or license holder may seek judicial review under s. 108.227 (6) of an
5 affirmation by the department of a denial or revocation under this subdivision.

6 4. If, after a hearing under s. 108.227 (5) (a), the department determines that
7 a person whose license is revoked or whose application is denied under subd. 1. is not
8 liable for delinquent contributions, as defined in s. 108.227 (1) (d), the department
9 shall reinstate the license or approve the application, unless there are other grounds
10 for revocation or denial. The department may not charge a fee for reinstatement of
11 a license under this subdivision.

12 **SECTION 42.** 103.005 (10) of the statutes is amended to read:

13 103.005 (10) Except as provided in ss. 103.06 (5) (d), 103.275 (2) (bm) ~~and~~, (br),
14 and (bt), 103.34 (10) (b) ~~and~~, (c), and (d), 103.91 (4) (b) ~~and~~, (c), and (d), 103.92 (6) ~~and~~,
15 (7), and (8), 104.07 (5) ~~and~~, (6), and (7), and 105.13 (2) ~~and~~, (3), and (4), orders of the
16 department under chs. 103 to 106 shall be subject to review in the manner provided
17 in ch. 227.

18 **SECTION 43.** 103.275 (2) (b) (intro.) of the statutes is amended to read:

19 103.275 (2) (b) (intro.) Except as provided under pars. (bm) ~~and~~, (br), and (bt),
20 upon receipt of a properly completed application, the department shall issue a
21 house-to-house employer certificate if all of the following apply:

22 **SECTION 44.** 103.275 (2) (bt) of the statutes is created to read:

23 103.275 (2) (bt) 1. The department may deny an application for the issuance
24 or renewal of a house-to-house employer certificate, or revoke such a certificate
25 already issued, if the department determines that the applicant or house-to-house

1 employer is liable for delinquent contributions, as defined in s. 108.227 (1) (d).
2 Notwithstanding sub. (7) and s. 103.005 (10), an action taken under this subdivision
3 is subject to review only as provided under s. 108.227 (5) and not as provided in sub.
4 (7) and ch. 227.

5 2. If the department denies an application or revokes a certificate under subd.
6 1., the department shall mail a notice of denial or revocation to the applicant or
7 house-to-house employer. The notice shall include a statement of the facts that
8 warrant the denial or revocation and a statement that the applicant or
9 house-to-house employer may, within 30 days after the date on which the notice of
10 denial or revocation is mailed, file a written request with the department to have the
11 determination that the applicant or house-to-house employer is liable for
12 delinquent contributions reviewed at a hearing under s. 108.227 (5) (a).

13 3. If, after a hearing under s. 108.227 (5) (a), the department affirms a
14 determination under subd. 1. that an applicant or house-to-house employer is liable
15 for delinquent contributions, the department shall affirm its denial or revocation.
16 An applicant or house-to-house employer may seek judicial review under s. 108.227
17 (6) of an affirmation by the department of a denial or revocation under this
18 subdivision.

19 4. If, after a hearing under s. 108.227 (5) (a), the department determines that
20 a person whose certificate is revoked or whose application is denied under subd. 1.
21 is not liable for delinquent contributions, as defined in s. 108.227 (1) (d), the
22 department shall reinstate the certificate or approve the application, unless there
23 are other grounds for revocation or denial. The department may not charge a fee for
24 reinstatement of a certificate under this subdivision.

25 **SECTION 45.** 103.275 (7) (b) of the statutes is amended to read:

1 103.275 (7) (b) Except as provided in sub. (2) (bm) ~~and, (br), and (bt)~~, after
2 providing at least 10 days' notice to a house-to-house employer, the department may,
3 on its own or upon a written and signed complaint, suspend the house-to-house
4 employer's certificate. The department shall serve a copy of the complaint with
5 notice of a suspension of the certificate on the person complained against, and the
6 person shall file an answer to the complaint with the department and the
7 complainant within 10 days after service. After receiving the answer, the
8 department shall set the matter for hearing as promptly as possible and within 30
9 days after the date of filing the complaint. Either party may appear at the hearing
10 in person or by attorney or agent. The department shall make its findings and
11 determination concerning the suspension within 90 days after the date that the
12 hearing is concluded and send a copy to each interested party.

13 **SECTION 46.** 103.275 (7) (c) of the statutes is amended to read:

14 103.275 (7) (c) Except as provided in sub. (2) (bm) ~~and, (br), and (bt)~~, the
15 department may revoke a certificate issued under sub. (2) after holding a public
16 hearing at a place designated by the department. At least 10 days prior to the
17 revocation hearing, the department shall send written notice of the time and place
18 of the revocation hearing to the person holding the certificate and to the person's
19 attorney or agent of record by mailing the notice to their last-known address. The
20 testimony presented and proceedings at the revocation hearing shall be recorded and
21 preserved as the records of the department. The department shall, as soon after the
22 hearing as possible, make its findings and determination concerning revocation and
23 send a copy to each interested party.

24 **SECTION 47.** 103.34 (3) (c) of the statutes is amended to read:

1 103.34 (3) (c) Subject to par. (d) and sub. (10) (b) ~~and, (c), and (d)~~, after
2 completing the investigation under par. (b), the department shall issue a certificate
3 of registration to the applicant if the department determines that the applicant
4 meets the minimum requirements under this section and rules promulgated under
5 sub. (13) for issuance of a certificate of registration and is satisfied that the applicant
6 will comply with this section and those rules.

7 **SECTION 48.** 103.34 (10) (title) of the statutes is amended to read:

8 103.34 (10) (title) CHILD SUPPORT; DELINQUENT TAXES OR UNEMPLOYMENT
9 INSURANCE CONTRIBUTIONS.

10 **SECTION 49.** 103.34 (10) (d) of the statutes is created to read:

11 103.34 (10) (d) 1. The department may deny an application for the issuance or
12 renewal of a certificate of registration, or revoke a certificate of registration already
13 issued, if the department determines that the applicant or registrant is liable for
14 delinquent contributions, as defined in s. 108.227 (1) (d). Notwithstanding s. 103.005
15 (10), an action taken under this subdivision is subject to review only as provided
16 under s. 108.227 (5) and not as provided in ch. 227.

17 2. If the department denies an application or revokes a certificate of
18 registration under subd. 1., the department shall mail a notice of denial or revocation
19 to the applicant or registrant. The notice shall include a statement of the facts that
20 warrant the denial or revocation and a statement that the applicant or registrant
21 may, within 30 days after the date on which the notice of denial or revocation is
22 mailed, file a written request with the department to have the determination that
23 the applicant or registrant is liable for delinquent contributions reviewed at a
24 hearing under s. 108.227 (5) (a).

1 3. If, after a hearing under s. 108.227 (5) (a), the department affirms a
2 determination under subd. 1. that an applicant or registrant is liable for delinquent
3 contributions, the department shall affirm its denial or revocation. An applicant or
4 registrant may seek judicial review under s. 108.227 (6) of an affirmation by the
5 department of a denial or revocation under this subdivision.

6 4. If, after a hearing under s. 108.227 (5) (a), the department determines that
7 a person whose certificate of registration is revoked or whose application is denied
8 under subd. 1. is not liable for delinquent contributions, as defined in s. 108.227 (1)
9 (d), the department shall reinstate the certificate of registration or approve the
10 application, unless there are other grounds for revocation or denial. The department
11 may not charge a fee for reinstatement of a certificate under this subdivision.

12 **SECTION 50.** 103.91 (4) (d) of the statutes is created to read:

13 103.91 (4) (d) 1. The department may deny an application for the issuance or
14 renewal of a certificate of registration under sub. (1), or revoke such a certificate
15 already issued, if the department determines that the applicant or registrant is
16 liable for delinquent contributions, as defined in s. 108.227 (1) (d). Notwithstanding
17 s. 103.005 (10), an action taken under this subdivision is subject to review only as
18 provided under s. 108.227 (5) and not as provided in ch. 227.

19 2. If the department denies an application or revokes a certificate of
20 registration under subd. 1., the department shall mail a notice of denial or revocation
21 to the applicant or registrant. The notice shall include a statement of the facts that
22 warrant the denial or revocation and a statement that the applicant or registrant
23 may, within 30 days after the date on which the notice of denial or revocation is
24 mailed, file a written request with the department to have the determination that

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1 the applicant or registrant is liable for delinquent contributions reviewed at a
2 hearing under s. 108.227 (5) (a).

3 3. If, after a hearing under s. 108.227 (5) (a), the department affirms a
4 determination under subd. 1. that an applicant or registrant is liable for delinquent
5 contributions, the department shall affirm its denial or revocation. An applicant or
6 registrant may seek judicial review under s. 108.227 (6) of an affirmation by the
7 department of a denial or revocation under this subdivision.

8 4. If, after a hearing under s. 108.227 (5) (a), the department determines that
9 a person whose certificate is revoked or whose application is denied under subd. 1.
10 is not liable for delinquent contributions, as defined in s. 108.227 (1) (d), the
11 department shall reinstate the certificate or approve the application, unless there
12 are other grounds for revocation or denial. The department may not charge a fee for
13 reinstatement of a certificate under this subdivision.

14 **SECTION 51.** 103.92 (3) of the statutes is amended to read:

15 103.92 (3) CERTIFICATE. The department shall inspect each camp for which
16 application to operate is made, to determine if it is in compliance with the rules of
17 the department establishing minimum standards for migrant labor camps. Except
18 as provided under subs. (6) ~~and, (7), and (8)~~, if the department finds that the camp
19 is in compliance with the rules, it shall issue a certificate authorizing the camp to
20 operate until March 31 of the next year. The department shall refuse to issue a
21 certificate if it finds that the camp is in violation of such rules, if the person
22 maintaining the camp has failed to pay court-ordered payments as provided in sub.
23 (6) or if the person maintaining the camp is liable for delinquent taxes as provided
24 in sub. (7) or delinquent unemployment insurance contributions as provided in sub.
25 (8).

1 **SECTION 52.** 103.92 (8) of the statutes is created to read:

2 103.92 (8) LIABILITY FOR DELINQUENT UNEMPLOYMENT INSURANCE CONTRIBUTIONS.

3 (a) The department may deny an application for the issuance or renewal of a
4 certificate to operate a migrant labor camp, or revoke such a certificate already
5 issued, if the department determines that the applicant or person operating the
6 camp is liable for delinquent contributions, as defined in s. 108.227 (1) (d).
7 Notwithstanding s. 103.005 (10), an action taken under this paragraph is subject to
8 review only as provided under s. 108.227 (5) and not as provided in ch. 227.

9 (b) If the department denies an application or revokes a certificate under par.
10 (a), the department shall mail a notice of denial or revocation to the applicant or
11 person operating the camp. The notice shall include a statement of the facts that
12 warrant the denial or revocation and a statement that the applicant or person
13 operating the camp may, within 30 days after the date on which the notice of denial
14 or revocation is mailed, file a written request with the department to have the
15 determination that the applicant or person operating the camp is liable for
16 delinquent contributions reviewed at a hearing under s. 108.227 (5) (a).

17 (c) If, after a hearing under s. 108.227 (5) (a), the department affirms a
18 determination under par. (a) that an applicant or person operating a camp is liable
19 for delinquent contributions, the department shall affirm its denial or revocation.
20 An applicant or person operating a camp may seek judicial review under s. 108.227
21 (6) of an affirmation by the department of a denial or revocation under this
22 paragraph.

23 (d) If, after a hearing under s. 108.227 (5) (a), the department determines that
24 a person whose certificate is revoked or whose application is denied under par. (a) is
25 not liable for delinquent contributions, as defined in s. 108.227 (1) (d), the

1 department shall reinstate the certificate or approve the application, unless there
2 are other grounds for revocation or denial. The department may not charge a fee for
3 reinstatement of a certificate under this paragraph.

4 **SECTION 53.** 104.07 (1) and (2) of the statutes are amended to read:

5 104.07 (1) The department shall make rules, and, except as provided under
6 subs. (5) ~~and (6), and (7)~~, grant licenses to any employer who employs any employee
7 who is unable to earn the living wage determined by the department, permitting the
8 employee to work for a wage that is commensurate with the employee's ability. Each
9 license so granted shall establish a wage for the licensee.

10 (2) The department shall make rules, and, except as provided under subs. (5)
11 ~~and (6), and (7)~~, grant licenses to sheltered workshops, to permit the employment
12 of workers with disabilities who are unable to earn the living wage at a wage that
13 is commensurate with their ability and productivity. A license granted to a sheltered
14 workshop under this subsection may be issued for the entire workshop or a
15 department of the workshop.

16 **SECTION 54.** 104.07 (7) of the statutes is created to read:

17 104.07 (7) (a) The department may deny an application for the issuance or
18 renewal of a license under sub. (1) or (2), or revoke such a license already issued, if
19 the department determines that the applicant or licensee is liable for delinquent
20 contributions, as defined in s. 108.227 (1) (d). Notwithstanding s. 103.005 (10), an
21 action taken under this paragraph is subject to review only as provided under s.
22 108.227 (5) and not as provided in ch. 227.

23 (b) If the department denies an application or revokes a license under par. (a),
24 the department shall mail a notice of denial or revocation to the applicant or licensee.
25 The notice shall include a statement of the facts that warrant the denial or revocation

1 and a statement that the applicant or licensee may, within 30 days after the date on
2 which the notice of denial or revocation is mailed, file a written request with the
3 department to have the determination that the applicant or licensee is liable for
4 delinquent contributions reviewed at a hearing under s. 108.227 (5) (a).

5 (c) If, after a hearing under s. 108.227 (5) (a), the department affirms a
6 determination under par. (a) that an applicant or licensee is liable for delinquent
7 contributions, the department shall affirm its denial or revocation. An applicant or
8 licensee may seek judicial review under s. 108.227 (6) of an affirmation by the
9 department of a denial or revocation under this paragraph.

10 (d) If, after a hearing under s. 108.227 (5) (a), the department determines that
11 a person whose license is revoked or whose application is denied under par. (a) is not
12 liable for delinquent contributions, as defined in s. 108.227 (1) (d), the department
13 shall reinstate the license or approve the application, unless there are other grounds
14 for revocation or denial. The department may not charge a fee for reinstatement of
15 a license under this paragraph.

16 **SECTION 55.** 105.13 (1) of the statutes is amended to read:

17 105.13 (1) The department may issue licenses to employment agents, and
18 refuse to issue a license whenever, after investigation, the department finds that the
19 character of the applicant makes the applicant unfit to be an employment agent, that
20 the applicant has failed to pay court-ordered payments as provided in sub. (2) ~~or~~, that
21 the applicant is liable for delinquent taxes as provided in sub. (3), or that the
22 applicant is liable for delinquent unemployment insurance contributions as
23 provided in sub. (4), or when the premises for conducting the business of an
24 employment agent is found upon investigation to be unfit for such use. Any license
25 granted by the department may be suspended or revoked by it upon notice to the

1 licensee and good cause. Failure to comply with this chapter and rules promulgated
2 thereunder, or with any lawful orders of the department, is cause to suspend or
3 revoke a license. Failure to pay court-ordered payments as provided in sub. (2) is
4 cause to deny, suspend, restrict, refuse to renew or otherwise withhold a license.
5 Liability for delinquent taxes as provided in sub. (3) or delinquent unemployment
6 insurance contributions as provided in sub. (4) is cause to deny or revoke a license.

7 **SECTION 56.** 105.13 (4) of the statutes is created to read:

8 105.13 (4) (a) The department may deny an application for the issuance or
9 renewal of an employment agent's license, or revoke such a license already issued,
10 if the department determines that the applicant or licensee is liable for delinquent
11 contributions, as defined in s. 108.227 (1) (d). Notwithstanding s. 103.005 (10), an
12 action taken under this paragraph is subject to review only as provided under s.
13 108.227 (5) and not as provided in ch. 227.

14 (b) If the department denies an application or revokes a license under par. (a),
15 the department shall mail a notice of denial or revocation to the applicant or licensee.
16 The notice shall include a statement of the facts that warrant the denial or revocation
17 and a statement that the applicant or licensee may, within 30 days after the date on
18 which the notice of denial or revocation is mailed, file a written request with the
19 department to have the determination that the applicant or licensee is liable for
20 delinquent contributions reviewed at a hearing under s. 108.227 (5) (a).

21 (c) If, after a hearing under s. 108.227 (5) (a), the department affirms a
22 determination under par. (a) that an applicant or licensee is liable for delinquent
23 contributions, the department shall affirm its denial or revocation. An applicant or
24 licensee may seek judicial review under s. 108.227 (6) of an affirmation by the
25 department of a denial or revocation under this paragraph.

1 (d) If, after a hearing under s. 108.227 (5) (a), the department determines that
2 a person whose license is revoked or whose application is denied under par. (a) is not
3 liable for delinquent contributions, as defined in s. 108.227 (1) (d), the department
4 shall reinstate the license or approve the application, unless there are other grounds
5 for revocation or denial. The department may not charge a fee for reinstatement of
6 a license under this paragraph.

7 **SECTION 57.** 108.02 (3) of the statutes is created to read:

8 108.02 (3) ALCOHOL BEVERAGES. “Alcohol beverages” has the meaning given in
9 s. 125.02 (1).

10 **SECTION 58.** 108.02 (4m) (a) of the statutes is amended to read:

11 108.02 (4m) (a) All earnings for wage-earning service which are paid to an
12 employee during his or her base period as a result of employment for an employer
13 except any payment made to or on behalf of an employee or his or her beneficiary
14 under a cafeteria plan within the meaning of 26 USC 125, if the payment would not
15 be treated as wages without regard to that plan and if 26 USC 125 would not treat
16 the payment as constructively received;

17 **SECTION 59.** 108.02 (4m) (g) of the statutes is repealed.

18 **SECTION 60.** 108.02 (9) of the statutes is created to read:

19 108.02 (9) CONTROLLED SUBSTANCE. “Controlled substance” has the meaning
20 given in s. 961.01 (4).

21 **SECTION 61.** 108.02 (9m) of the statutes is created to read:

22 108.02 (9m) CONTROLLED SUBSTANCE ANALOG. “Controlled substance analog”
23 has the meaning given in s. 961.01 (4m).

24 **SECTION 62.** 108.02 (10e) (intro.) of the statutes is renumbered 108.02 (10e)
25 (am) (intro.) and amended to read:

1 108.02 (10e) (am) (intro.) "Departmental error" means an error made by the
2 department in computing or paying benefits which results exclusively from:

3 **SECTION 63.** 108.02 (10e) (a) and (b) of the statutes ^{is}renumbered 108.02 (10e)
4 (am) 1. and 2. *are*

5 **SECTION 64.** 108.02 (10e) (b) of the statutes is renumbered 108.02 (10e) (am)
6 1. and 2.

7 **SECTION 65.** 108.02 (10e) (bm) of the statutes is created to read:

8 108.02 (10e) (bm) "Departmental error" does not include an error made by the
9 department in computing, paying, or crediting benefits to any individual, whether
10 or not a claimant, or in crediting contributions or reimbursements to one or more
11 employers that results from any of the following:

- 12 1. A computer malfunction or programming error.
- 13 2. An error in transmitting data to or from a financial institution.
- 14 3. A typographical or keying error.
- 15 4. A bookkeeping or other payment processing error.
- 16 5. An action by the department resulting from a false statement or
- 17 representation by an individual, including a statement or representation relating to
- 18 the individual's identity.
- 19 6. An action by the department resulting from an unauthorized manipulation
- 20 of an electronic system from within or outside the department.

21 **SECTION 66.** 108.02 (13) (a) of the statutes is amended to read:

22 108.02 (13) (a) "Employer" means every government unit and Indian tribe, and
23 any person, association, corporation, whether domestic or foreign, or legal
24 representative, debtor in possession or trustee in bankruptcy or receiver or trustee
25 of a person, partnership, association, or corporation, or guardian of the estate of a

1 person, or legal representative of a deceased person, any partnership or partnerships
2 consisting of the same partners, except as provided in par. (L), any limited liability
3 company or limited liability companies consisting of the same members, except as
4 provided in par. (kL), and any fraternal benefit society as defined in s. 614.01 (1) (a),
5 which is subject to this chapter under the statutes of 1975, or which has had
6 employment in this state and becomes subject to this chapter under this subsection
7 and, notwithstanding any other provisions of this section, any service insurance
8 corporation organized or operating under ch. 613, except as provided in s. 108.152
9 (6) (a) 3.

10 **SECTION 67.** 108.02 (13) (kL) of the statutes is repealed.

11 **SECTION 68.** 108.02 (15) (kt) of the statutes is created to read:

12 108.02 (15) (kt) “Employment”, as applied to work for a given employer other
13 than a government unit, an Indian tribe, or a nonprofit organization, except as the
14 employer elects otherwise with the department’s approval, does not include service
15 performed by an inmate of a state prison, as defined in s. 302.01, or a federal prison.

16 **SECTION 69.** 108.02 (15m) (intro.) of the statutes is amended to read:

17 108.02 (15m) FAMILY CORPORATION. (intro.) ~~Except as provided in s. 108.04 (7)~~
18 ~~(r)~~, “family Family corporation” means:

19 **SECTION 70.** 108.04 (1) (f) of the statutes is amended to read:

20 108.04 (1) (f) If an employee is required by law to have a license issued by a
21 governmental agency to perform his or her customary work for an employer, and the
22 employee’s employment is suspended or terminated because the employee’s license
23 has been suspended, revoked or not renewed due to the employee’s fault, the
24 employee is not eligible to receive benefits until 5 weeks have elapsed since the end
25 of the week in which the suspension or termination occurs or until the license is

1 reinstated or renewed, whichever occurs first. The wages paid by the employer with
 2 which an employee's employment is suspended or terminated shall be excluded from
 3 the employee's base period wages under s. 108.06 (1) for purposes of benefit
 4 entitlement while the suspension, revocation or nonrenewal of the license is in effect.
 5 This paragraph does not preclude an employee from establishing a benefit year using
 6 the wages excluded under this paragraph if the employee qualifies to establish a
 7 benefit year under s. 108.06 (2) (a). The department shall charge to the fund's
 8 balancing account any benefits paid during a benefit year otherwise chargeable to
 9 the account of an employer that is subject to the contribution requirements of ss.
 10 108.17 and 108.18 from which base period wages are excluded under this paragraph
 11 if an employee qualifies to receive benefits for any week in that benefit year using
 12 wages that were excluded under this paragraph.

13 **SECTION 71.** 108.04 (1) (g) (intro.) of the statutes is amended to read:

14 108.04 (1) (g) (intro.) Except as provided in par. (gm) and s. 108.06 (7) (d), the
 15 base period wages utilized to compute total benefits payable to an individual under
 16 s. 108.06 (1) as a result of the following employment shall not exceed 10 times the
 individual's weekly benefit rate based solely on that employment under s. 108.05 (1):

17 **SECTION 72.** 108.04 (1) (hm) of the statutes is amended to read:
 18
 19

20 108.04 (1) (hm) The department may require any claimant to appear before it
 21 and to answer truthfully, orally or in writing, any questions relating to the claimant's
 22 eligibility for benefits and or to provide such demographic information as may be
 23 necessary to permit the department to conduct a statistically valid sample audit of
 24 compliance with this chapter. A claimant is not eligible to receive benefits for any
 25 week in which the claimant fails to comply with a request by the department to
 provide the information required under this paragraph, or any subsequent week,

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1 until the claimant complies or satisfies the department that he or she had good cause
2 for failure to comply with a request of the department under this paragraph. If a
3 claimant later complies with a request by the department ~~or~~ and satisfies the
4 department that he or she had good cause for failure to comply with the request,
5 the claimant is eligible to receive benefits ~~as of beginning with~~ beginning with the week in which the
6 failure occurred, if otherwise qualified. If a claimant later complies with a request
7 by the department but does not have good cause for the initial failure to comply with
8 the request, the claimant is eligible only to receive benefits beginning with the week
9 in which the claimant complies with the request, if otherwise qualified.

10 **SECTION 73.** 108.04 (1) (i) of the statutes is amended to read:

11 108.04 (1) (i) A claimant who does not provide information sufficient for the
12 department to determine whether the claimant has been discharged for misconduct
13 connected with his or her employment, has been discharged for substantial fault
14 connected with his or her employment, has voluntarily terminated his or her work,
15 has failed without good cause to accept suitable work when offered, or has failed to
16 return to work with a former employer that recalls the employee within 52 weeks
17 after the employee last worked for that employer is not eligible to receive benefits for
18 the week in which the discharge, termination or failure occurs ~~or any subsequent~~
19 week. If a claimant later provides the information and has good cause for the initial
20 failure to provide the information, he or she is eligible to receive benefits as of the
21 week in which the discharge, termination or failure occurred, if otherwise qualified.
22 If a claimant later provides the information but does not have good cause for the
23 initial failure to provide the information, he or she is eligible to receive benefits as
24 of the week in which the information is provided, if otherwise qualified.

25 **SECTION 74.** 108.04 (2) (a) 2. of the statutes is amended to read: