



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2013 Senate Bill 200	Senate Amendments 1, 2, and 3
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This memorandum describes 2013 Senate Bill 200, relating to various changes in the unemployment insurance (UI) law, and Senate Amendments 1, 2, and 3 to the bill. The description of Senate Amendment 1 incorporates changes made by Senate Amendment 1 to Senate Amendment 1.

2013 Senate Bill 200

Senate Bill 200 makes various changes to UI law, including the following provisions:

- Provides that if a claimant fails to initially comply with a request from the Department of Workforce Development (DWD) to provide information but later complies with the request, the claimant is eligible to receive benefits beginning with the week in which the failure occurred. [Under current law, if a claimant later complies with a request by DWD *or satisfies DWD that he or she had good cause for failure to comply with the request*, the claimant is eligible to receive benefits beginning with the week in which the failure occurred.]
- Requires DWD to maintain a portal on the Internet that allows employers to log in and file complaints related to the administration of UI law.
- Requires DWD to maintain a searchable, electronic database of significant decisions made by the Labor and Industry Review Commission (LIRC).
- Requires DWD to create and keep up-to-date a handbook that informs employers that are subject to UI law about the provisions and requirements of UI law.
- Allows DWD to waive or decrease interest charged on employers' delinquent payments in limited circumstances, as prescribed by rule.

- Provides that if DWD determines that an erroneous payment has been made to an unintended recipient without fault of the intended payee, DWD may issue the correct payment to the intended payee. In addition, the bill authorizes DWD to take certain actions to recover erroneous payments from the unemployment reserve fund.
- Creates a financial record matching program for UI and provides that DWD may reimburse a financial institution up to \$125 per calendar quarter to participate in the program.
- Creates a process by which a license or credential issued by a state licensing department (or the Wisconsin Supreme Court, if it agrees) is denied or revoked based on delinquent UI contributions. As part of such process, DWD must certify to the licensing department or the Supreme Court that the applicant or license holder is liable for delinquent contributions.
- Provides that the bill, if enacted, generally takes effect on the first Sunday after publication. In addition, the bill contains various initial applicability clauses.

Senate Amendment 1, As Amended by Senate Amendment 1

Senate Amendment 1 makes the following changes to the bill:

- Provides that if a claimant later complies with a request to provide information to DWD *within the two years following a DWD determination about a claimant's eligibility for benefits*, the claimant is eligible for benefits beginning with the week in which the failure occurred.
- Requires DWD to request funding from the U.S. Department of Labor (DOL) for the complaint portal.
- Requires that LIRC, and not DWD, maintain the database of LIRC decisions.
- Requires DWD to *periodically update* the UI handbook. In addition, the amendment requires that the UI handbook inform employers that *may* be subject to UI law.
- Allows DWD to also waive or decrease interest charged for employers' unpaid contributions.
- In the case of an erroneous payment, allows DWD to issue the correct payment if DWD determines that an erroneous payment has been made without fault of the intended payee or *payee's authorized agent*.
- *Requires* DWD to reimburse a financial institution up to \$125 per calendar quarter to participate in the financial record matching program.
- Modifies the general effective date clause to provide that the bill, if enacted, takes effect on the first Sunday after the general effective date of the 2013-15 Biennial Budget Act or the first Sunday after publication of this bill, whichever is later. In addition, the amendment modifies various initial applicability clauses.

In addition, the amendment also does the following:

- Creates a general purpose revenue appropriation of \$362,100 in fiscal year 2013-14 for DWD to administer the UI program and perform other functions under UI law.
- Provides that a claimant is ineligible for benefits if the claimant conceals hours that he or she worked. [Under current law, a claimant is also ineligible for benefits if the claimant conceals wages that he or she earned.]
- Provides that “wages,” for purposes of partial benefits, includes wages that the claimant would have earned in certain circumstances, bonus pay, back pay, and certain disability payments. [Under current law, a claimant is ineligible to receive partial benefits in any week that the claimant receives wages of more than \$500.]
- Extends the expiration of the Program Integrity Fund to January 1, 2034. [Under current law, the fund expires on January 1, 2014.]

Senate Amendment 2

Senate Amendment 2 provides that, for purposes of the financial record matching program under the bill, “debtor” means a person who owes DWD a debt; whose debt has been finally determined under UI law and is not subject to further appeal; and for whom, with respect to a debt, a warrant has been issued under certain provisions of UI law.

In addition, the amendment provides that DWD may not take action against a claimant to recover an erroneous payment from the unemployment reserve fund using the procedure outlined in the bill unless the claimant has first been afforded his or her rights to contest the claim under UI law.

Senate Amendment 3

Senate Amendment 3 requires DWD to promulgate rules for the process in the bill relating to license denial or revocation based on delinquent UI contributions. The amendment requires that such rules specify procedures to be used before DWD takes the following action with respect to a person whose license or credential is to be denied, not renewed, discontinued, suspended, or revoked: (1) certifies to the licensing department or the Supreme Court that the applicant or license holder is liable for delinquent contributions; or (2) denies or revokes a license or credential issued by DWD.

Under the amendment, the rules must do the following: (1) permit DWD to take action only when all of the remedies available to DWD under UI law have been exhausted; (2) provide persons with a certified notice of liability for delinquent UI contributions; and (3) allow persons to make full payment of contributions owed or to negotiate with DWD for a payment plan to pay the delinquent contributions. For the last item, the rules must include provisions to consider the ability of persons to pay and to allow persons sufficient time and payment terms for paying delinquent contributions.

Bill History

Senate Amendments 1 and 2, and Senate Amendment 1 to Senate Amendment 1, were offered by Senator Lasee. Senate Amendment 3 was offered by Senator Grothman.

On June 6, 2013, the Senate Committee on Workforce Development, Forestry, Mining, and Revenue recommended adoption of Senate Amendment 1 on a vote of Ayes, 5; Noes, 0. On that same date, the committee recommended passage of Senate Bill 200, as amended, on a vote of Ayes, 3; Noes, 2.

On June 11, 2013, the Senate adopted Senate Amendment 1 to Senate Amendment 1; Senate Amendment 1, as amended; and Senate Amendments 2 and 3 on voice votes. On that same date, the Senate passed Senate Bill 200, as amended, on a vote of Ayes, 17; Noes, 15.

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