February 1, 2022 – Introduced by COMMITTEE ON LABOR AND REGULATORY REFORM. Referred to Committee on Labor and Regulatory Reform.

AN ACT to repeal 20.445 (1) (gg), 20.445 (1) (gm), 108.02 (1), 108.14 (7) (c) and 108.14 (23) (d); to renumber and amend 20.445 (1) (gc), 20.445 (1) (gd), 20.445 (1) (gh), 108.14 (12) (e), 108.14 (18), 108.19 (1), 108.19 (1m), 108.19 (1n), 108.19 (1p), 108.19 (1q), 108.19 (1s), 108.19 (2), 108.19 (2m) and 108.19 (4); to consolidate, renumber and amend 108.14 (12) (a) to (d), 108.161 (1) and (1m) and 108.161 (5) and (6); to amend 20.445 (1) (n), 20.445 (1) (nb), 20.445 (1) (nd), 20.445 (1) (ne), 20.445 (1) (u), 20.445 (1) (v), 25.17 (1) (xe), 25.17 (1) (xf), 103.05 (5) (d), 108.04 (11) (f), 108.07 (5) (am) (intro.), 108.07 (5) (am) 1., 108.07 (5) (am) 3., 108.07 (5) (b), 108.14 (2m), 108.14 (3m), 108.14 (16), 108.16 (5) (c), 108.16 (6) (k), 108.16 (6) (m), 108.16 (8) (f), 108.161 (title), 108.161 (2), 108.161 (3), 108.161 (3e), 108.161 (4), 108.161 (7), 108.161 (8), 108.161 (9), 108.162 (7), 108.17 (2m), 108.17 (3), 108.17 (3m), 108.18 (7) (a) 1., 108.18 (7) (h), 108.19 (1e) (a), 108.19 (1e) (d), 108.19 (1f) (a), 108.19 (1f) (c), 108.22 (1) (am) and 108.22 (1m); to repeal and recreate 108.19 (title) and 108.20; and to create
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20.427 (1) (g), 108.19 (1) (d), 108.19 (1e) (cm) and 108.19 (1m) (e) of the statutes; relating to: various changes to the unemployment insurance law and making an appropriation.

Analysis by the Legislative Reference Bureau

This bill makes various changes in the unemployment insurance (UI) law, which is administered by the Department of Workforce Development. Significant changes include all of the following:

Segregated fund

The bill creates a segregated fund to receive various program revenue moneys received by DWD under the UI law that are not otherwise credited to other segregated funds, including various moneys collected by DWD as interest and penalties under the UI law and all other nonfederal moneys received for the administration of the UI law that are not otherwise appropriated. Current law provides for depositing these revenues in appropriations in the general fund.

Other changes

The bill makes various changes to a) reorganize, clarify, and update provisions relating to the financing of the UI law; and b) address numerous out-of-date or erroneous cross-references in the UI law, including all of the following:

1. Repealing and consolidating certain appropriations and making other changes to clarify the funding sources and receiving appropriations for various revenues and expenses under the UI law.
2. Creating a program revenue appropriation for the Labor and Industry Review Commission to collect moneys received for the copying and generation of documents and for other services provided in carrying out its functions.
3. Deleting obsolete references to state laws.
4. Correcting various cross-references that are otherwise incomplete or erroneous.
5. Replacing certain references to provisions in federal acts or to the Internal Revenue Code with references to the U.S. Code in order to facilitate accessibility to federal law.
6. Making other nonsubstantive changes to the UI law to improve organization, modernize language, and provide further clarity, specificity, and consistency in the law.

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:
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**SECTION 1.** 20.427 (1) (g) of the statutes is created to read:

20.427 (1) (g) **Agency collections.** All moneys received from fees or other charges for copying of documents, generation of copies of documents from optical disc or electronic storage, publication of books, and other services provided in carrying out the functions of the commission.

**SECTION 2.** 20.445 (1) (gc) of the statutes is renumbered 20.445 (1) (wc) and amended to read:

20.445 (1) (wc) **Unemployment administration.** All from the unemployment administration fund, all moneys received by the department under s. 108.19 not otherwise appropriated under this subsection (1) for the administration of ch. 108.

**SECTION 3.** 20.445 (1) (gd) of the statutes is renumbered 20.445 (1) (wd) and amended to read:

20.445 (1) (wd) **Unemployment interest and penalty payments.** All from the unemployment administration fund, all moneys received as interest and penalties collected under ss. 108.04 (11) (c) and (cm) and 108.22 except interest and penalties deposited under s. 108.19 (1q), and forfeitures under s. 103.05 (5), all moneys not appropriated under par. (gg) and 108.20 (3), all moneys received as forfeitures under s. 103.05 (5), all moneys received under s. 108.09 (5) (c), all moneys received under s. 108.14 (16), all moneys received under s. 108.18 (1) (c), all moneys transferred to this appropriation account from the appropriation account under par. (gh) (wh), and all other nonfederal moneys received for the employment service or for the administration of ch. 108 that are not otherwise appropriated under this subsection, for the payment of benefits specified in s. 108.07 (5) and 1987 Wisconsin Act 38, section 132 (1) (e), for the payment of interest to employers under s. 108.17 (3m), for research relating to the condition of the unemployment reserve fund under
s. 108.14 (6), for administration of the unemployment insurance program and federal or state unemployment insurance programs authorized by the governor under s. 16.54, for satisfaction of any federal audit exception concerning a payment from the unemployment reserve fund or any federal aid disallowance concerning the unemployment insurance program, for assistance to the department of justice in the enforcement of ch. 108, for the payment of interest due on advances from the federal unemployment account under title XII of the social security act 42 USC 1321 to 1324 to the unemployment reserve fund, and for payments made to the unemployment reserve fund to obtain a lower interest rate or deferral of interest payments on these advances, except as otherwise provided in s. 108.20.

SECTION 4. 20.445 (1) (gg) of the statutes is repealed.

SECTION 5. 20.445 (1) (gh) of the statutes is renumbered 20.445 (1) (wh) and amended to read:

20.445 (1) (wh) Unemployment information technology systems; assessments.

All From the unemployment administration fund, all moneys received from assessments levied under s. 108.19 (1e) (a) and 1997 Wisconsin Act 39, section 164 (2), for the purpose specified in s. 108.19 (1e) (d). The treasurer of the unemployment reserve fund may transfer moneys from this appropriation account to the appropriation account under par. (gd) (wd).

SECTION 6. 20.445 (1) (gm) of the statutes is repealed.

SECTION 7. 20.445 (1) (n) of the statutes is amended to read:

20.445 (1) (n) Employment assistance and unemployment insurance administration; federal moneys. All federal moneys received, as authorized by the governor under s. 16.54, for the administration of employment assistance and unemployment insurance programs of the department, for the performance of the
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department’s other functions under subch. I of ch. 106 and ch. 108, and to pay the
compensation and expenses of appeal tribunals and of employment councils
appointed under s. 108.14, to be used for such purposes, except as provided in s.
108.161 (3e), and, from the moneys received by this state under section 903 42 USC
1103 (d) of the federal Social Security Act, as amended, to transfer to the
appropriation account under par. (nb) an amount determined by the treasurer of the
unemployment reserve fund not exceeding the lesser of the amount specified in s.
108.161 (4) (d) or the amounts in the schedule under par. (nb), to transfer to the
appropriation account under par. (nd) an amount determined by the treasurer of the
unemployment reserve fund not exceeding the lesser of the amount specified in s.
108.161 (4) (d) or the amounts in the schedule under par. (nd), to transfer to the
appropriation account under par. (ne) an amount not exceeding the lesser of the
amount specified in s. 108.161 (4) (d) or the sum of the amounts in the schedule under
par. (ne) and the amount determined by the treasurer of the unemployment reserve
fund that is required to pay for the cost of banking services incurred by the
unemployment reserve fund, and to transfer to the appropriation account under s.
20.427 (1) (k) an amount determined by the treasurer of the unemployment reserve
fund.

SECTION 8. 20.445 (1) (nb) of the statutes is amended to read:

20.445 (1) (nb) Unemployment administration; information technology
systems. From the moneys received from the federal government under section 903
42 USC 1103 (d) of the federal Social Security Act, as amended, as a continuing
appropriation, the amounts in the schedule, as authorized by the governor under s.
16.54, for the purpose specified in s. 108.19 (1e) (d). All moneys transferred from par.
(n) for this purpose shall be credited to this appropriation account. No moneys may
be expended from this appropriation unless the treasurer of the unemployment reserve fund determines that such expenditure is currently needed for the purpose specified in s. 108.19 (1e) (d).

SECTION 9. 20.445 (1) (nd) of the statutes is amended to read:

20.445 (1) (nd) Unemployment administration; apprenticeship and other employment services. From the moneys received from the federal government under section 903 42 USC 1103 (d) of the federal Social Security Act, as amended, the amounts in the schedule, as authorized by the governor under s. 16.54, to be used for administration by the department of apprenticeship programs under subch. I of ch. 106 and for administration and service delivery of employment and workforce information services, including the delivery of reemployment assistance services to unemployment insurance claimants. All moneys transferred from par. (n) for this purpose shall be credited to this appropriation account. No moneys may be expended from this appropriation unless the treasurer of the unemployment reserve fund determines that such expenditure is currently needed for the purposes specified in this paragraph.

SECTION 10. 20.445 (1) (ne) of the statutes is amended to read:

20.445 (1) (ne) Unemployment insurance administration and bank service costs. From the moneys received by this state under section 903 of the federal Social Security Act, as amended 42 USC 1103, all moneys transferred from the appropriation account under par. (n) to be used for the administration of unemployment insurance and for the payment of the cost of banking services incurred by the unemployment reserve fund. No moneys may be expended from this appropriation unless the treasurer of the unemployment reserve fund determines
that such expenditure is currently needed for the purpose specified in this paragraph.

SECTION 11. 20.445 (1) (u) of the statutes is amended to read:

20.445 (1) (u) Unemployment interest payments and transfers. From the unemployment interest payment fund, all moneys received from assessments under s. 108.19 (1m) (a) for the purpose of making the payments and transfers authorized under s. 108.19 (1m) (f).

SECTION 12. 20.445 (1) (v) of the statutes is amended to read:

20.445 (1) (v) Unemployment program integrity. From the unemployment program integrity fund, all moneys received from sources identified under s. 108.19 (1s) 108.20 (2) (a) for the purpose of making the payments authorized under s. 108.19 (1s) 108.20 (2) (b).

SECTION 13. 25.17 (1) (xe) of the statutes is amended to read:

25.17 (1) (xe) Unemployment interest payment fund (s. 108.19 (1q) 108.20 (3));

SECTION 14. 25.17 (1) (xf) of the statutes is amended to read:

25.17 (1) (xf) Unemployment program integrity fund (s. 108.19 (1s) 108.20 (2));

SECTION 15. 103.05 (5) (d) of the statutes is amended to read:

103.05 (5) (d) The department shall deposit all moneys received under this subsection in the appropriation account under s. 20.445 (1) (gd) (wd).

SECTION 16. 108.02 (1) of the statutes is repealed.

SECTION 17. 108.04 (11) (f) of the statutes is amended to read:

108.04 (11) (f) All amounts forfeited under par. (c) and all collections from administrative assessments under par. (cm) shall be credited to the administrative account appropriation under s. 20.445 (1) (wd).

SECTION 18. 108.07 (5) (am) (intro.) of the statutes is amended to read:
108.07 (5) (am) (intro.) Except as provided in sub. (7), whenever benefits which would otherwise be chargeable to the fund’s balancing account are paid based on wages paid by an employer that is not subject to the contribution requirements of ss. 108.17 and 108.18, and the benefits are so chargeable under sub. (3) or s. 108.04 (1) (f), or (5), or (5g) or 108.14 (8n) (e), or under s. 108.16 (6m) (e) for benefits specified in s. 108.16 (3) (b), the department shall charge the benefits as follows:

SECTION 19. 108.07 (5) (am) 1. of the statutes is amended to read:

108.07 (5) (am) 1. If no employer from which the claimant has base period wages is subject to the contribution requirements of ss. 108.17 and 108.18, the benefits shall be charged to the administrative account and paid from the appropriation under s. 20.445 (1) (gd) (wd).

SECTION 20. 108.07 (5) (am) 3. of the statutes is amended to read:

108.07 (5) (am) 3. If 2 or more employers from which the claimant has base period wages are not subject to the contribution requirements of ss. 108.17 and 108.18, and one or more employers from which the claimant has base period wages are subject to the contribution requirements of ss. 108.17 and 108.18, that percentage of the employee’s benefits which would otherwise be chargeable to the fund’s balancing account under sub. (3) or s. 108.04 (1) (f) or (5), or (5g), or under s. 108.16 (6m) (e) for benefits specified in s. 108.16 (3) (b), shall be charged to the administrative account and paid from the appropriation under s. 20.445 (1) (gd) (wd).

SECTION 21. 108.07 (6) of the statutes is amended to read:

108.07 (6) The department may initially charge benefits otherwise chargeable to the administrative account payable from the appropriation under s. 20.445 (1) (wd) as provided under this section to the fund’s balancing account, and periodically
reimburse the charges to the balancing account from the administrative account appropriation under s. 20.445 (1) (wd).

SECTION 22. 108.09 (5) (b) of the statutes is amended to read:

108.09 (5) (b) All testimony at any hearing under this section shall be recorded by electronic means, but need not be transcribed unless either of the parties requests a transcript before expiration of that party’s right to further appeal under this section and pays a fee to the commission in advance, the amount of which shall be established by rule of the commission. When the commission provides a transcript to one of the parties upon request, the commission shall also provide a copy of the transcript to all other parties free of charge. The transcript fee collected shall be paid to the administrative account credited to the appropriation account under s. 20.427 (1) (g).

SECTION 23. 108.14 (2m) of the statutes is amended to read:

108.14 (2m) In the discharge of their duties under this chapter an appeal tribunal, commissioner, or other authorized representative of the department or commission may administer oaths to persons appearing before them, take depositions, certify to official acts, and by subpoenas, served in the manner in which circuit court subpoenas are served, compel attendance of witnesses and the production of books, papers, documents, and records necessary or convenient to be used by them in connection with any investigation, hearing, or other proceeding under this chapter. A party’s attorney of record may issue a subpoena to compel the attendance of a witness or the production of evidence. A subpoena issued by an attorney must be in substantially the same form as provided in s. 805.07 (4) and must be served in the manner provided in s. 805.07 (5). The attorney shall, at the time of issuance, send a copy of the subpoena to the appeal tribunal or other representative
of the department responsible for conducting the proceeding. However, in any
investigation, hearing, or other proceeding involving the administration of oaths or
the use of subpoenas under this subsection due notice shall be given to any interested
party involved, who shall be given an opportunity to appear and be heard at any such
proceeding and to examine witnesses and otherwise participate therein. Witness
fees and travel expenses involved in proceedings under this chapter may be allowed
by the appeal tribunal or representative of the department at rates specified by
department rules, and shall be paid from the administrative account appropriation
under s. 20.445 (1) (n).

SECTION 24. 108.14 (3m) of the statutes is amended to read:

108.14 (3m) In any court action to enforce this chapter the department, the
commission, and the state may be represented by any licensed attorney who is an
employee of the department or the commission and is designated by either of them
for this purpose or at the request of either of them by the department of justice. If
the governor designates special counsel to defend, in behalf of the state, the validity
of this chapter or of any provision of Title IX of the social security act 42 USC 1101
to 1111, the expenses and compensation of the special counsel and of any experts
employed by the department in connection with that proceeding may be charged to
the administrative account appropriation under s. 20.445 (1) (wd). If the
compensation is being determined on a contingent fee basis, the contract is subject
to s. 20.9305.

SECTION 25. 108.14 (7) (c) of the statutes is repealed.

SECTION 26. 108.14 (12) (a) to (d) of the statutes are consolidated, renumbered
108.14 (12) (am) and amended to read:
108.14 (12) (am) Consistently with the provisions of paras. (8) and (9) of section 303 (a) of Title III of the federal social security act, 42 USC 503 (a) (8) and (9), the department shall expend all moneys received in the federal administrative financing account from any federal agency under said Title III shall be expended 42 USC ch. 7 subch. III solely for the purposes and in the amounts found necessary by said that agency for the proper and efficient administration of this chapter. (b) Consistently with said provisions of said Title III, any The department shall replace, within a reasonable time, any such moneys, that were received prior to before July 1, 1941, and remaining remained unencumbered on said that date, or that were received on or after said that date, which, because of any action or contingency, have been if the moneys are lost or have been expended for purposes other than, or in amounts in excess of, those found necessary by said the federal agency for the proper administration of this chapter, shall be replaced within a reasonable time. This paragraph is the declared policy of this state, as enunciated by the 1941 legislature, and shall be implemented as further provided in this subsection. (c) If it is believed that any amount of money thus received has been thus is lost or improperly expended, the department, on its own motion or on notice from said the federal agency, shall promptly investigate and determine the matter and shall, depending on the nature of its determination, take such steps as it may deem considers necessary to protect the interests of the state. (d) If it is finally determined that moneys thus received have been thus lost or improperly expended, then the department shall either make the necessary replacement from those moneys in the administrative account specified in s. 108.20 (2m) the appropriation under s. 20.445 (1) (wd) or shall submit, at the next budget hearings conducted by the governor and at the budget hearings conducted by the next legislature convened in regular session,
a request that the necessary replacement be made by an appropriation from the general fund.

**SECTION 27.** 108.14 (12) (e) of the statutes is renumbered 108.14 (12) (bm) and amended to read:

108.14 (12) (bm) This subsection shall not be construed to relieve this state of any obligation existing prior to its enactment before July 1, 1941, with respect to moneys received prior to before July 1, 1941, pursuant to said Title III under 42 USC ch. 7 subch. III.

**SECTION 28.** 108.14 (16) of the statutes is amended to read:

108.14 (16) The department shall have duplicated or printed, and shall distribute without charge, such employment security reports, studies and forms, records, decisions, regulations, rules, or other materials, including the text of this chapter and the handbook under sub. (23), and other instructional or explanatory pamphlets for employers or workers, as that it deems necessary for public information or for the proper administration of this chapter; but the The department may collect a reasonable charge, which shall be credited to the administrative appropriation account under s. 20.445 (1) (wd), for any such item the cost of which is not fully covered by federal administrative grants.

**SECTION 29.** 108.14 (18) of the statutes is renumbered 108.19 (1e) (e) and amended to read:

108.19 (1e) (e) No later than the end of the month following each quarter in which the department expends moneys derived from assessments levied under s. 108.19 (1e) this subsection, the department shall submit a report to the council on unemployment insurance describing the use of the moneys expended and the status at the end of the quarter of any project for which moneys were expended.
SECTION 30. 108.14 (23) (d) of the statutes is repealed.

SECTION 31. 108.16 (5) (c) of the statutes is amended to read:

108.16 (5) (c) While the state has an account in the “Unemployment Trust Fund,” public deposit insurance charges on the fund’s balances held in banks, savings banks, savings and loan associations, and credit unions in this state, the premiums on surety bonds required of the fund’s treasurer under this section, and any other expense of administration otherwise payable from the fund’s interest earnings, shall be paid from the administrative account appropriation under s. 20.445 (1) (n) or (ne).

SECTION 32. 108.16 (6) (k) of the statutes is amended to read:

108.16 (6) (k) All payments to the fund from the administrative account as authorized under s. 108.20 (2m) appropriation under s. 20.445 (1) (wd).

SECTION 33. 108.16 (6) (m) of the statutes is amended to read:

108.16 (6) (m) Any amounts transferred to the balancing account from the unemployment interest payment fund under s. 108.19 (1m) (f).

SECTION 34. 108.16 (8) (f) of the statutes is amended to read:

108.16 (8) (f) The successor shall take over and continue the transferor’s account, including its positive or negative balance and all other aspects of its experience under this chapter in proportion to the payroll assignable to the transferred business and the liability of the successor shall be proportioned to the extent of the transferred business. The transferor and the successor shall be jointly and severally liable for any amounts owed by the transferor to the fund and to the administrative account under this chapter at the time of the transfer, but a successor under par. (c) is not liable for the debts of the transferor except in the case of fraud or malfeasance.
SECTION 35. 108.161 (title) of the statutes is amended to read:

108.161 (title) Federal administrative financing account; Reed Act distributions.

SECTION 36. 108.161 (1) and (1m) of the statutes are consolidated, renumbered 108.161 (1) and amended to read:

108.161 (1) The fund’s treasurer shall maintain within the fund an employment security “federal administrative financing account” and shall credit thereto to that account all amounts credited to the fund pursuant to the federal employment security administrative financing act (of 1954) and section 903 of the federal social security act, as amended. (1m) The treasurer of the fund shall also credit to said account under 42 USC 1101 to 1103 and all federal moneys credited to the fund pursuant to under sub. (8).

SECTION 37. 108.161 (2) of the statutes is amended to read:

108.161 (2) The requirements of said section 903 42 USC 1103 shall control any appropriation, withdrawal, and use of any moneys in said the federal administrative financing account.

SECTION 38. 108.161 (3) of the statutes is amended to read:

108.161 (3) Consistently with this chapter and said section 903, such 42 USC 1103, moneys in the federal administrative financing account shall be used solely for benefits or employment security administration by the department, including unemployment insurance, employment service, apprenticeship programs, and related statistical operations.

SECTION 39. 108.161 (3e) of the statutes is amended to read:

108.161 (3e) Notwithstanding sub. (3), any moneys allocated under section 903 of the federal Social Security Act, as amended, 42 USC 1103 for federal fiscal years
2000 and 2001 and the first $2,389,107 of any distribution received by this state under section 903 of that act 42 USC 1103 in federal fiscal year 2002 shall be used solely for unemployment insurance administration.

**SECTION 40.** 108.161 (4) of the statutes is amended to read:

108.161 (4) **Such moneys** Moneys in the federal administrative financing account shall be encumbered and spent for employment security administrative purposes only pursuant to, and after the effective date of, a specific legislative appropriation enactment that does all of the following:

(a) **Stating States** for which such purposes and in what amounts the appropriation is being made to the administrative account created by s. 108.20.

(b) **Directing Directs** the fund's treasurer to transfer the appropriated amounts to the administrative account the appropriation account under s. 20.445 (1) (n) only as and to the extent that they are currently needed for such expenditures, and directing directs that there shall be restored to the federal administrative financing account created by sub. (1) any amount thus transferred which has ceased to be needed or available for such expenditures.

(c) **Specifying Specifies** that the appropriated amounts are available for obligation solely within the 2 years beginning on the appropriation law's date of enactment. This paragraph does not apply to the appropriations under s. 20.445 (1) (nd) and (ne) or to any amounts expended from the appropriation under s. 20.445 (1) (nb) from moneys transferred to this state on March 13, 2002, pursuant to section 903 (d) of the federal Social Security Act 42 USC 1103 (d).

(d) **Limiting Limits** the total amount which may be obligated during any fiscal year to the aggregate of all amounts credited under sub. (1), including amounts
credited pursuant to sub. (8), reduced at the time of any obligation by the sum of the moneys obligated and charged against any of the amounts credited.

**SECTION 41.** 108.161 (5) and (6) of the statutes are consolidated, renumbered 108.161 (5m) and amended to read:

108.161 (5m) The total of the amounts thus appropriated under sub. (4) for use in any fiscal year shall in no event exceed the moneys available for such use hereunder under this section, considering the timing of credits hereunder under this section and the sums already spent or appropriated or transferred or otherwise encumbered hereunder under this section. The fund's treasurer shall keep a record of all such times and amounts; shall charge transactions and shall do all of the following:

(a) Charge each sum against the earliest credits duly available therefor, shall include.

(b) Include any sum thus that has been appropriated but not yet spent hereunder under this section in computing the fund's net balance as of the close of any month, in line with the federal requirement that any such sum shall, until spent, be considered part of the fund; and shall certify.

(c) Certify the relevant facts whenever necessary hereunder.

**SECTION 42.** 108.161 (7) of the statutes is amended to read:

108.161 (7) If any moneys appropriated hereunder under this section are used to buy and hold suitable land, with a view to the future construction of an and to build a suitable employment security building thereon, and if such land is later sold or transferred to other use, the proceeds of such sale (x or the value of such land when transferred) shall be credited to the federal administrative financing account created by sub. (1) except as otherwise provided in ss. 13.48 (14) and 16.848.
SECTION 43. 108.161 (8) of the statutes is amended to read:

108.161 (8) If any sums are appropriated and spent hereunder to buy land and to build a suitable employment security building thereon, or to purchase information technology hardware and software, then any federal moneys thereafter credited to the fund or paid to the department by way of gradual reimbursement of such employment security capital expenditures, or in lieu of the estimated periodic amounts which would otherwise be federally granted for the rental of substantially equivalent quarters, shall be credited to the federal administrative financing account created by sub. (1), consistently with any federal requirements applicable to the handling and crediting of such moneys.

SECTION 44. 108.161 (9) of the statutes is amended to read:

108.161 (9) Any land and building or office quarters acquired under this section shall continue to be used for employment security purposes. Realty or quarters may not be sold or transferred to other use if prior action is taken under s. 13.48 (14) (am) or 16.848 (1) and may not be sold or transferred without the governor’s approval. The proceeds from the sale, or the value of realty or quarters upon transfer, shall be credited to the federal administrative financing account established in sub. (1) or credited to the fund established in s. 108.20. Equivalent substitute rent-free quarters may be provided, as federally approved. Amounts credited under this subsection shall be used solely to finance employment security quarters according to federal requirements.

SECTION 45. 108.162 (7) of the statutes is amended to read:
108.162 (7) Any amount appropriated under s. 20.445 (1) (na) which has not been obligated shall be available for employment security local office building projects, consistent with this section and ss. s. 108.161 and 108.20.

**SECTION 46.** 108.17 (2m) of the statutes is amended to read:

108.17 (2m) When a written statement of account is issued to an employer by the department, showing as duly credited a specified amount received from the employer under this chapter as having been credited, no other form of state receipt therefor is required.

**SECTION 47.** 108.17 (3) of the statutes is amended to read:

108.17 (3) If an employing unit makes application to the department to adjust an alleged overpayment by the employer of contributions or interest under this chapter, and files such an application within 3 years after the close of the calendar year in which such payment was made, the department shall make a determination under s. 108.10 as to the existence and whether and to what extent of any such an overpayment, and said section shall apply to such determination. Except as provided in sub. (3m), the department shall allow an employer a credit for any amount determined under s. 108.10 to have been erroneously paid by the employer, without interest, against its future contribution payments; or, if the department finds it impracticable to allow the employer such a credit, it shall refund the overpayment to the employer, without interest, from the fund or the administrative account, as the case may be, under s. 20.445.

**SECTION 48.** 108.17 (3m) of the statutes is amended to read:

108.17 (3m) If an appeal tribunal or the commission issues a decision under s. 108.10 (2), or a court issues a decision on review under s. 108.10 (4), in which it is
determined that an amount has been erroneously paid by an employer, the
department shall, from the administrative account appropriation under s. 20.445 (1)
(wd), credit the employer with interest at the rate of 0.75 percent per month or
fraction thereof on the amount of the erroneous payment. Interest shall accrue from
the month which the erroneous payment was made until the month in which it is
either used as a credit against future contributions or refunded to the employer.

SECTION 49. 108.18 (7) (a) 1. of the statutes is amended to read:

108.18 (7) (a) 1. Except as provided in pars. (b) to (i), any employer may make
payments to the fund during the month of November in excess of those required by
this section and s. 108.19 (1), (1e), and (1f). Each payment shall be credited to the
employer's account for the purpose of computing the employer's reserve percentage
as of the immediately preceding computation date.

SECTION 50. 108.18 (7) (h) of the statutes is amended to read:

108.18 (7) (h) The department shall establish contributions, other than those
contributions required by this section and assessments required under s. 108.19 (1),
(1e), and (1f) and contributions other than those submitted during the month of
November or authorized under par. (f) or (i) 2., as a credit, without interest, against
future contributions payable by the employer or shall refund the contributions at the
employer's option.

SECTION 51. 108.19 (title) of the statutes is repealed and recreated to read:

108.19 (title) Special assessments.

SECTION 52. 108.19 (1) of the statutes is renumbered 108.19 (1) (a) and
amended to read:

108.19 (1) (a) Each employer subject to this chapter shall regularly contribute
to the administrative account at the rate of two-tenths of one pay an assessment
equal to 0.2 percent per year on its payroll, except that the department may prescribe
at the close of any fiscal year such lower rates of contribution under this section
subsection, to apply to classes of employers throughout the ensuing fiscal year, as will
in the department’s judgment adequately finance the administration of this chapter,
and as will in the department’s judgment fairly represent the relative cost of the
services rendered by the department to each such class.

SECTION 53. 108.19 (1) (d) of the statutes is created to read:

108.19 (1) (d) Assessments under this subsection shall be credited to the
appropriation account under s. 20.445 (1) (wc).

SECTION 54. 108.19 (1e) (a) of the statutes is amended to read:

108.19 (1e) (a) Except as provided in par. (b), each employer, other than an
employer that finances benefits by reimbursement in lieu of contributions under s.
108.15, 108.151, or 108.152 shall, in addition to other contributions amounts payable
under s. 108.18 and this section, pay an assessment to the administrative account
for each year prior to before the year 2010 equal to the lesser of 0.01 percent of its
payroll for that year or the solvency contribution that would otherwise be payable
by the employer under s. 108.18 (9) for that year.

SECTION 55. 108.19 (1e) (cm) of the statutes is created to read:

108.19 (1e) (cm) Assessments under this subsection shall be credited to the
appropriation under s. 20.445 (1) (wh).

SECTION 56. 108.19 (1e) (d) of the statutes is amended to read:

108.19 (1e) (d) The department may expend the moneys received from
assessments levied under this subsection in the amounts authorized under s. 20.445
(1) (gh) (wh) for the renovation and modernization of unemployment insurance
information technology systems, specifically including development and
implementation of a new system and reengineering of automated processes and manual business functions.

SECTION 57. 108.19 (1f) (a) of the statutes is amended to read:

108.19 (1f) (a) Except as provided in par. (b), each employer, other than an employer that finances benefits by reimbursement in lieu of contributions under s. 108.15, 108.151, or 108.152 shall, in addition to other amounts payable under s. 108.18 and this section, pay an assessment for each year equal to the lesser of 0.01 percent of its payroll for that year or the solvency contribution that would otherwise be payable by the employer under s. 108.18 (9) for that year.

(d) Assessments under this subsection shall be deposited in the unemployment program integrity fund.

SECTION 58. 108.19 (1f) (c) of the statutes is amended to read:

108.19 (1f) (c) Notwithstanding par. (a), the department may, if it finds that the full amount of the levy is not required to effect the purposes specified in sub. (1s) s. 108.20 (2) (b) for any year, prescribe a reduced levy for that year and in such case shall publish in the notice under par. (b) the rate of the reduced levy.

SECTION 59. 108.19 (1m) of the statutes is renumbered 108.19 (1m) (a) and amended to read:

108.19 (1m) (a) Each employer subject to this chapter as of the date a rate is established under this subsection shall pay an assessment to the unemployment interest payment fund at a rate established by the department sufficient to pay interest due on advances from the federal unemployment account under Title XII of the federal social security act, 42 USC 1321 to 1324. The rate established by the department for employers who finance benefits under s. 108.15 (2), 108.151 (2), or 108.152 (1) shall be 75 percent of the rate established for other employers. The
amount of any employer’s assessment shall be the product of the rate established for
that employer multiplied by the employer’s payroll of the previous calendar year as
taken from quarterly employment and wage reports filed by the employer under s.
108.205 (1) or, in the absence of the filing of such reports, estimates made by the
department.

(d) Each assessment made under this subsection is due within 30 days after the
date the department issues the assessment. If the

(f) The department shall use amounts collected from employers under this
subsection exceed the amounts needed to pay interest due on advances from the
federal unemployment account under 42 USC 1321 to 1324. If the amounts collected
exceed the amounts needed to pay that interest for a given year, the department shall
use any excess to pay interest owed in subsequent years on advances from the
federal unemployment account. If the department determines that additional
interest obligations are unlikely, the department shall transfer the excess to the
fund’s balancing account of the fund, the unemployment program integrity fund, or
both in amounts determined by the department.

SECTION 60. 108.19 (1m) (e) of the statutes is created to read:

108.19 (1m) (e) Assessments under this subsection shall be deposited in the
unemployment interest payment fund.

SECTION 61. 108.19 (1n) of the statutes is renumbered 108.19 (1m) (b) and
amended to read:

108.19 (1m) (b) The department shall publish as a class 1 notice under ch. 985
any rate established under sub. (1m) par. (a) within 10 days of the date that the
rate is established.
SECTION 62. 108.19 (1p) of the statutes is renumbered 108.19 (1m) (c) and amended to read:

108.19 (1m) (c) Notwithstanding sub. (1m) par. (a), an employer having a payroll of $25,000 or less for the preceding calendar year is exempt from any assessment under sub. (1m) this subsection.

SECTION 63. 108.19 (1q) of the statutes is renumbered 108.20 (3) and amended to read:

108.20 (3) UNEMPLOYMENT INTEREST PAYMENT FUND. There is created a separate, nonlapsible trust fund designated as the unemployment interest payment fund consisting of all amounts collected under sub. s. 108.19 (1m) (a) and all interest and penalties on those amounts collected under s. 108.22.

SECTION 64. 108.19 (1s) of the statutes is renumbered 108.20 (2), and 108.20 (2) (a) 2. and 3., as renumbered, are amended to read:

108.20 (2) (a) 2. Assessments levied and deposited into the unemployment program integrity fund under sub. (1f) s. 108.19 (1f).

3. Amounts transferred under sub. (1m) s. 108.19 (1m) (f).

SECTION 65. 108.19 (2) of the statutes is renumbered 108.19 (1) (b) and amended to read:

108.19 (1) (b) If the department finds, at any time within a fiscal year for which it has prescribed lower contribution rates to the administrative account than the maximum rate permitted under sub. (1) par. (a), that such lower rates will not adequately finance the administration of this chapter or are excessive for that purpose, the department may by general rule prescribe a new schedule of rates in no case exceeding the specified maximum to apply under this section subsection for the balance of the fiscal year.
SECTION 66. 108.19 (2m) of the statutes is renumbered 108.19 (1) (c) and amended to read:

108.19 (1) (c) Within the limit specified by sub. (1) under par. (a), the department may by rule prescribe at any time as to any period any such rate or rates or schedule as it deems necessary and proper hereunder under this subsection. Unless thus prescribed, no such rate or rates or schedule shall apply under sub. (1) or (2) par. (a) or (b).

SECTION 67. 108.19 (4) of the statutes is renumbered 108.18 (1) (c) and amended to read:

108.18 (1) (c) If section 303 notwithstanding par. (b), if 42 USC 503 (a) (5) of title III of the social security act and section 26 USC 3304 (a) (4) of the internal revenue code are amended to permit a state agency to use, in financing administrative expenditures incurred in carrying out its employment security functions, any part of the moneys collected or to be collected under the state unemployment insurance law, an employer's contributions in partial or complete substitution for grants under title III 42 USC 501 to 506, then this chapter shall, by rule of the department, be modified in the manner and to the extent and within the limits necessary to permit such use by the department under this chapter; and the modifications shall become effective on the same date as such use becomes permissible under the federal amendments the department may credit any portion of that part of an employer's contributions to the appropriation under s. 20.445 (1) (wd).

SECTION 68. 108.20 of the statutes is repealed and recreated to read:

108.20 Segregated funds. (1) UNEMPLOYMENT ADMINISTRATION FUND. There is created a separate, nonlapsable trust fund designated as the unemployment
administration fund consisting of moneys credited to the appropriation accounts under s. 20.445 (1) (wc), (wd), and (wh).

(2) UNEMPLOYMENT PROGRAM INTEGRITY FUND.

SECTION 69. 108.22 (1) (am) of the statutes is amended to read:

108.22 (1) (am) The interest, penalties, and tardy filing fees levied under pars. (a), (ac), (ad), and (af) shall be paid to the department and credited to the administrative account appropriation under s. 20.445 (1) (wd).

SECTION 70. 108.22 (1m) of the statutes is amended to read:

108.22 (1m) If any person owes any contributions, reimbursements or assessments under s. 108.15, 108.151, 108.152, 108.155, or 108.19 (1m), benefit overpayments, interest, fees, payments for forfeitures, other penalties, or any other amount to the department under this chapter and fails to pay the amount owed, the department has a perfected lien upon the right, title, and interest in all of the person's real and personal property located in this state in the amount finally determined to be owed, plus costs. Except where creation of a lien is barred or stayed by bankruptcy or other insolvency law, the lien is effective upon the earlier of the date on which the amount is first due or the date on which the department issues a determination of the amount owed under this chapter and shall continue until the amount owed, plus costs and interest to the date of payment, is paid, except as provided in sub. (8) (d). If a lien is initially barred or stayed by bankruptcy or other insolvency law, it shall become effective immediately upon expiration or removal of such bar or stay. The perfected lien does not give the department priority over lienholders, mortgagees, purchasers for value, judgment creditors, and pledges whose interests have been recorded before the department's lien is recorded.

SECTION 71. Fiscal changes.
(1) The unencumbered balance in the appropriation account under s. 20.445 (1)
(gg), 2019 stats., immediately before the effective date of the repeal of s. 20.445 (1)
(gg), 2019 stats., and the unencumbered balance in the appropriation account under
s. 20.445 (1) (gm), 2019 stats., immediately before the effective date of the repeal of
s. 20.445 (1) (gm), 2019 stats., are transferred to the appropriation account under s.
20.445 (1) (wd), as affected by this act.

(2) (a) The unencumbered balance in the appropriation account under s. 20.445
(1) (gc) is transferred to the appropriation account under s. 20.445 (1) (wc).
(b) The unencumbered balance in the appropriation account under s. 20.445 (1)
(gd) is transferred to the appropriation account under s. 20.445 (1) (wd).
(c) The unencumbered balance in the appropriation account under s. 20.445 (1)
(gh) is transferred to the appropriation account under s. 20.445 (1) (wh).

SECTION 72. Effective date.

(1) This act takes effect on the first Sunday after publication.

(END)