



State of Wisconsin
2021 - 2022 LEGISLATURE

January 2021 Special Session

LRB-1430/1
MED:wlj&kjf

SENATE BILL 1

February 17, 2021 - Introduced by JOINT COMMITTEE ON FINANCE. Referred to Joint Committee on Finance.

1 **AN ACT to amend** 20.445 (1) (n), 20.445 (1) (nb) (title), 108.14 (2e), 108.17 (2) (b),
2 108.17 (2b), 108.17 (7) (a) and 108.205 (2); and **to create** 20.445 (1) (ar), 20.445
3 (1) (nc) and 108.14 (26m) of the statutes; **relating to:** transactions with the
4 Department of Workforce Development under the unemployment insurance
5 law, funding for unemployment insurance modernization efforts, granting
6 rule-making authority, and making an appropriation.

Analysis by the Legislative Reference Bureau

Currently, with certain exceptions, each employer that has employees who are engaged in employment covered by the unemployment insurance law must file quarterly contribution (tax) and employment and wage reports and make quarterly payment of its contributions to the Department of Workforce Development. An employer of 25 or more employees or an employer agent that files reports on behalf of any employer must file its reports electronically. Current law also requires each employer that makes contributions for any 12-month period ending on June 30 equal to a total of at least \$10,000 to make all contribution payments electronically in the following year. Finally, current law allows DWD to provide a secure means of electronic interchange between itself and employing units, claimants, and other persons that, upon request to and with prior approval by DWD, may be used for transmission or receipt of any document specified by DWD that is related to the administration of the UI law in lieu of any other means of submission or receipt.

This bill makes use of these electronic methods mandatory in all cases, unless the employer or other person demonstrates good cause for being unable to use the electronic method, as determined by DWD by rule. The bill also provides that DWD may permit the use of electronic records and electronic signatures for any document specified by DWD that is related to the administration of the UI law.

The bill also creates appropriations to provide general purpose revenue (GPR) and federal funding to DWD for the renovation and modernization of unemployment insurance information technology systems and appropriates \$5,320,000 GPR for this purpose.

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.** 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
2 the following amounts for the purposes indicated:

2019-20 2020-21

3 **20.445 Workforce development, department of**

4 (1) **WORKFORCE DEVELOPMENT**

5 (ar) Unemployment insurance; infor-
6 mation technology systems; gen-
7 eral purpose revenue GPR C -0- \$5,320,000

8 **SECTION 2.** 20.445 (1) (ar) of the statutes is created to read:

9 20.445 (1) (ar) *Unemployment insurance; information technology systems;*
10 *general purpose revenue.* As a continuing appropriation, the amounts in the schedule
11 for the purpose specified in s. 108.19 (1e) (d).

12 **SECTION 3.** 20.445 (1) (n) of the statutes is amended to read:

13 20.445 (1) (n) *Employment assistance and unemployment insurance*
14 *administration; federal moneys.* All federal moneys received, as authorized by the
15 governor under s. 16.54, for the administration of employment assistance and

1 unemployment insurance programs of the department, for the performance of the
2 department's other functions under subch. I of ch. 106 and ch. 108, and to pay the
3 compensation and expenses of appeal tribunals and of employment councils
4 appointed under s. 108.14, to be used for such purposes, except as provided in s.
5 108.161 (3e), and, from the moneys received by this state under section 903 (d) of the
6 federal Social Security Act, as amended, to transfer to the appropriation account
7 under par. (nb) an amount determined by the treasurer of the unemployment reserve
8 fund not exceeding the lesser of the amount specified in s. 108.161 (4) (d) or the
9 amounts in the schedule under par. (nb), to transfer to the appropriation account
10 under par. (nd) an amount determined by the treasurer of the unemployment reserve
11 fund not exceeding the lesser of the amount specified in s. 108.161 (4) (d) or the
12 amounts in the schedule under par. (nd), to transfer to the appropriation account
13 under par. (ne) an amount not exceeding the lesser of the amount specified in s.
14 108.161 (4) (d) or the sum of the amounts in the schedule under par. (ne) and the
15 amount determined by the treasurer of the unemployment reserve fund that is
16 required to pay for the cost of banking services incurred by the unemployment
17 reserve fund, and, from any other federal moneys received by this state for the
18 purpose specified in s. 108.19 (1e) (d), to transfer to the appropriation account under
19 par. (nc) an amount determined by the treasurer of the unemployment reserve fund,
20 and to transfer to the appropriation account under s. 20.427 (1) (k) an amount
21 determined by the treasurer of the unemployment reserve fund.

22 **SECTION 4.** 20.445 (1) (nb) (title) of the statutes is amended to read:

23 20.445 (1) (nb) (title) *Unemployment administration; information technology*
24 *systems; other federal moneys.*

25 **SECTION 5.** 20.445 (1) (nc) of the statutes is created to read:

1 20.445 (1) (nc) *Unemployment administration; information technology*
2 *systems; federal moneys.* All moneys transferred from par. (n), for the purpose
3 specified in s. 108.19 (1e) (d).

4 **SECTION 6.** 108.14 (2e) of the statutes is amended to read:

5 108.14 (2e) The department ~~may~~ shall provide a secure means of electronic
6 interchange between itself and employing units, claimants, and other persons that,
7 ~~upon request to and with prior approval by the department, may~~ shall be used for
8 departmental transmission or receipt of any document specified by the department
9 that is related to the administration of this chapter in lieu of any other means of
10 submission or receipt specified in this chapter. The secure means of electronic
11 interchange shall be used by employing units, claimants, and other persons unless
12 a person demonstrates good cause for not being able to use the secure means of
13 electronic interchange. The department shall determine by rule what constitutes
14 good cause, for purposes of this subsection. Subject to s. 137.25 (2) and any rules
15 promulgated thereunder, the department may permit the use of the use of electronic
16 records and electronic signatures for any document specified by the department that
17 is related to the administration of this chapter. If a due date is established by statute
18 for the receipt of any document that is submitted electronically to the department
19 under this subsection, then that submission is timely only if the document is
20 submitted by midnight of the statutory due date.

21 **SECTION 7.** 108.14 (26m) of the statutes is created to read:

22 108.14 (26m) (a) The department shall allocate all available federal funding
23 for the purpose specified in s. 108.19 (1e) (d) before allocating any general purpose
24 revenue for that purpose.

1 (b) If federal funding is received for the purpose specified in s. 108.19 (1e) (d)
2 prior to July 1, 2023, the secretary of administration may, to the extent permitted
3 under federal law, lapse from the appropriation under s. 20.445 (1) (nc) to the general
4 fund an amount not to exceed the amounts in the schedule under s. 20.445 (1) (ar)
5 or the amount of federal funding received, whichever is less. This paragraph does
6 not apply with respect to amounts received as administrative grants by the state
7 under 42 USC 502 or to amounts received by this state under section 903 (d) of the
8 federal Social Security Act, as amended, 42 USC 1103.

9 **SECTION 8.** 108.17 (2) (b) of the statutes is amended to read:

10 108.17 (2) (b) The department ~~may~~ shall electronically provide a means
11 whereby an employer that files its employment and wage reports electronically may
12 determine the amount of contributions due for payment by the employer under s.
13 108.18 for each quarter. If an employer that is subject to a contribution requirement
14 files its employment and wage reports under s. 108.205 (1) electronically, in the
15 manner prescribed by the department for purposes of this paragraph, the
16 department may require the employer to determine electronically the amount of
17 contributions due for payment by the employer under s. 108.18 for each quarter. In
18 such case, the employer is excused from filing contribution reports under par. (a).
19 The employer shall pay the amount due for each quarter by the due date specified
20 in par. (a).

21 **SECTION 9.** 108.17 (2b) of the statutes is amended to read:

22 108.17 (2b) The department shall prescribe a form and methodology for filing
23 contribution reports under sub. (2) electronically. Each employer of ~~25 or more~~
24 ~~employees, as determined under s. 108.22 (1) (ae),~~ that does not use an employer
25 agent to file its contribution reports under this section shall file its contribution

1 reports electronically in the manner and form prescribed by the department, unless
2 the employer demonstrates good cause for not being able to file contribution reports
3 electronically. The department shall determine by rule what constitutes good cause,
4 for purposes of this subsection. Each employer that becomes subject to an electronic
5 reporting requirement under this subsection shall file its initial report under this
6 subsection for the quarter during which the employer becomes subject to the
7 reporting requirement. Once an employer becomes subject to a reporting
8 requirement under this subsection, it shall continue to file its reports under this
9 subsection unless that requirement is waived by the department.

10 **SECTION 10.** 108.17 (7) (a) of the statutes is amended to read:

11 108.17 (7) (a) Each employer ~~whose net total contributions paid or payable~~
12 ~~under this section for any 12-month period ending on June 30 are at least \$10,000~~
13 shall pay all contributions under this section by means of electronic funds transfer
14 beginning with the next calendar year, unless the employer demonstrates good cause
15 for not being able to pay contributions by electronic funds transfer. The department
16 shall determine by rule what constitutes good cause, for purposes of this subsection.
17 Once an employer becomes subject to an electronic payment requirement under this
18 paragraph, the employer shall continue to make payment of all contributions by
19 means of electronic funds transfer unless that requirement is waived by the
20 department.

21 **SECTION 11.** 108.205 (2) of the statutes is amended to read:

22 108.205 (2) Each employer ~~of 25 or more employees, as determined under s.~~
23 ~~108.22 (1) (ae),~~ that does not use an employer agent to file its reports under this
24 section shall file the quarterly report under sub. (1) electronically in the manner and
25 form prescribed by the department, unless the employer demonstrates good cause for

1 not being able to file reports electronically. The department shall determine by rule
2 what constitutes good cause, for purposes of this subsection. An employer that
3 becomes subject to an electronic reporting requirement under this subsection shall
4 file its initial report under this subsection for the quarter during which the employer
5 becomes subject to the reporting requirement. Once an employer becomes subject
6 to the reporting requirement under this subsection, the employer shall continue to
7 file its quarterly reports under this subsection unless that requirement is waived by
8 the department.

9 **SECTION 12. Nonstatutory provisions.**

10 (1) UNEMPLOYMENT INSURANCE; ELECTRONIC INTERCHANGE. The department of
11 workforce development shall submit a notice to the legislative reference bureau for
12 publication in the Wisconsin Administrative Register indicating the date upon which
13 the department is able to implement the treatment of s. 108.14 (2e).

14 **SECTION 13. Effective dates.** This act takes effect on the first Sunday after
15 publication, except as follows:

16 (1) UNEMPLOYMENT INSURANCE; ELECTRONIC INTERCHANGE. The treatment of s.
17 108.14 (2e) takes effect on the date specified in the notice published in the Wisconsin
18 Administrative Register under SECTION 12 (1) of this act.

19 (END)