



State of Wisconsin  
2021 - 2022 LEGISLATURE

LRB-5846/1  
MED&EAW:cjs&wlj

## 2021 SENATE BILL 899

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

1     **AN ACT** *to repeal* 20.445 (1) (gg), 20.445 (1) (gm), 108.02 (1), 108.14 (7) (c) and  
2     108.14 (23) (d); *to renumber and amend* 20.445 (1) (gc), 20.445 (1) (gd), 20.445  
3     (1) (gh), 108.14 (12) (e), 108.14 (18), 108.19 (1), 108.19 (1m), 108.19 (1n), 108.19  
4     (1p), 108.19 (1q), 108.19 (1s), 108.19 (2), 108.19 (2m) and 108.19 (4); *to*  
5     **consolidate, renumber and amend** 108.14 (12) (a) to (d), 108.161 (1) and  
6     (1m) and 108.161 (5) and (6); *to amend* 20.445 (1) (n), 20.445 (1) (nb), 20.445  
7     (1) (nd), 20.445 (1) (ne), 20.445 (1) (u), 20.445 (1) (v), 25.17 (1) (xe), 25.17 (1) (xf),  
8     103.05 (5) (d), 108.04 (11) (f), 108.07 (5) (am) (intro.), 108.07 (5) (am) 1., 108.07  
9     (5) (am) 3., 108.07 (6), 108.09 (5) (b), 108.14 (2m), 108.14 (3m), 108.14 (16),  
10    108.16 (5) (c), 108.16 (6) (k), 108.16 (6) (m), 108.16 (8) (f), 108.161 (title), 108.161  
11    (2), 108.161 (3), 108.161 (3e), 108.161 (4), 108.161 (7), 108.161 (8), 108.161 (9),  
12    108.162 (7), 108.17 (2m), 108.17 (3), 108.17 (3m), 108.18 (7) (a) 1., 108.18 (7) (h),  
13    108.19 (1e) (a), 108.19 (1e) (d), 108.19 (1f) (a), 108.19 (1f) (c), 108.22 (1) (am) and  
14    108.22 (1m); *to repeal and recreate* 108.19 (title) and 108.20; and *to create*

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1           20.427 (1) (g), 108.19 (1) (d), 108.19 (1e) (cm) and 108.19 (1m) (e) of the statutes;  
2           **relating to:** various changes to the unemployment insurance law and making  
3           an appropriation.

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***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.

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

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

2           20.427 (1) (g) *Agency collections.* All moneys received from fees or other  
3 charges for copying of documents, generation of copies of documents from optical disc  
4 or electronic storage, publication of books, and other services provided in carrying  
5 out the functions of the commission.

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

8           20.445 (1) (wc) *Unemployment administration.* ~~All From the unemployment~~  
9 administration fund, all moneys received by the department under s. 108.19 ~~not~~  
10 ~~otherwise appropriated under this subsection (1) for the administration of ch. 108.~~

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

13           20.445 (1) (wd) *Unemployment interest and penalty payments.* ~~All From the~~  
14 unemployment administration fund, all moneys received as interest and penalties  
15 collected under ss. 108.04 (11) (c) and (cm) ~~and (13) (e) and 108.22~~ except interest and  
16 penalties deposited under s. 108.19 (1q), ~~and forfeitures under s. 103.05 (5), all~~  
17 ~~moneys not appropriated under par. (gg) and 108.20 (3), all moneys received as~~  
18 forfeitures under s. 103.05 (5), all moneys received under s. 108.09 (5) (c), all moneys  
19 received under s. 108.14 (16), all moneys received under s. 108.18 (1) (c), all moneys  
20 transferred to this appropriation account from the appropriation account under par.  
21 (gh) (wh), and all other nonfederal moneys received for the employment service or  
22 for the administration of ch. 108 that are not otherwise appropriated under this  
23 subsection, for the payment of benefits specified in s. 108.07 (5) and 1987 Wisconsin  
24 Act 38, section 132 (1) (e), for the payment of interest to employers under s. 108.17  
25 (3m), for research relating to the condition of the unemployment reserve fund under

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1 s. 108.14 (6), for administration of the unemployment insurance program and federal  
2 or state unemployment insurance programs authorized by the governor under s.  
3 16.54, for satisfaction of any federal audit exception concerning a payment from the  
4 unemployment reserve fund or any federal aid disallowance concerning the  
5 unemployment insurance program, for assistance to the department of justice in the  
6 enforcement of ch. 108, for the payment of interest due on advances from the federal  
7 unemployment account under ~~title XII of the social security act~~ 42 USC 1321 to 1324  
8 to the unemployment reserve fund, and for payments made to the unemployment  
9 reserve fund to obtain a lower interest rate or deferral of interest payments on these  
10 advances, ~~except as otherwise provided in s. 108.20.~~

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

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

14 20.445 (1) (wh) *Unemployment information technology systems; assessments.*  
15 ~~All~~ From the unemployment administration fund, all moneys received from  
16 assessments levied under s. 108.19 (1e) (a) and ~~1997 Wisconsin Act 39, section 164~~  
17 ~~(2)~~, for the purpose specified in s. 108.19 (1e) (d). The treasurer of the unemployment  
18 reserve fund may transfer moneys from this appropriation account to the  
19 appropriation account under par. ~~(gd)~~ (wd).

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

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

22 20.445 (1) (n) *Employment assistance and unemployment insurance*  
23 *administration; federal moneys.* All federal moneys received, as authorized by the  
24 governor under s. 16.54, for the administration of employment assistance and  
25 unemployment insurance programs of the department, for the performance of the

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1 department's other functions under subch. I of ch. 106 and ch. 108, and to pay the  
2 compensation and expenses of appeal tribunals and of employment councils  
3 appointed under s. 108.14, to be used for such purposes, except as provided in s.  
4 108.161 (3e), and, from the moneys received by this state under ~~section 903~~ 42 USC  
5 1103 (d) of the federal Social Security Act, as amended, to transfer to the  
6 appropriation account under par. (nb) an amount determined by the treasurer of the  
7 unemployment reserve fund not exceeding the lesser of the amount specified in s.  
8 108.161 (4) (d) or the amounts in the schedule under par. (nb), to transfer to the  
9 appropriation account under par. (nd) an amount determined by the treasurer of the  
10 unemployment reserve fund not exceeding the lesser of the amount specified in s.  
11 108.161 (4) (d) or the amounts in the schedule under par. (nd), to transfer to the  
12 appropriation account under par. (ne) an amount not exceeding the lesser of the  
13 amount specified in s. 108.161 (4) (d) or the sum of the amounts in the schedule under  
14 par. (ne) and the amount determined by the treasurer of the unemployment reserve  
15 fund that is required to pay for the cost of banking services incurred by the  
16 unemployment reserve fund, and to transfer to the appropriation account under s.  
17 20.427 (1) (k) an amount determined by the treasurer of the unemployment reserve  
18 fund.

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

20 20.445 (1) (nb) *Unemployment administration; information technology*  
21 *systems.* From the moneys received from the federal government under ~~section 903~~  
22 42 USC 1103 (d) of the federal Social Security Act, as amended, as a continuing  
23 appropriation, the amounts in the schedule, as authorized by the governor under s.  
24 16.54, for the purpose specified in s. 108.19 (1e) (d). All moneys transferred from par.  
25 (n) for this purpose shall be credited to this appropriation account. No moneys may

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1 be expended from this appropriation unless the treasurer of the unemployment  
2 reserve fund determines that such expenditure is currently needed for the purpose  
3 specified in s. 108.19 (1e) (d).

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

5 20.445 (1) (nd) *Unemployment administration; apprenticeship and other*  
6 *employment services.* From the moneys received from the federal government under  
7 ~~section 903~~ 42 USC 1103 (d) of the federal Social Security Act, as amended, the  
8 amounts in the schedule, as authorized by the governor under s. 16.54, to be used for  
9 administration by the department of apprenticeship programs under subch. I of ch.  
10 106 and for administration and service delivery of employment and workforce  
11 information services, including the delivery of reemployment assistance services to  
12 unemployment insurance claimants. All moneys transferred from par. (n) for this  
13 purpose shall be credited to this appropriation account. No moneys may be expended  
14 from this appropriation unless the treasurer of the unemployment reserve fund  
15 determines that such expenditure is currently needed for the purposes specified in  
16 this paragraph.

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

18 20.445 (1) (ne) *Unemployment insurance administration and bank service*  
19 *costs.* From the moneys received by this state under ~~section 903 of the federal Social~~  
20 ~~Security Act, as amended~~ 42 USC 1103, all moneys transferred from the  
21 appropriation account under par. (n) to be used for the administration of  
22 unemployment insurance and for the payment of the cost of banking services  
23 incurred by the unemployment reserve fund. No moneys may be expended from this  
24 appropriation unless the treasurer of the unemployment reserve fund determines

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1 that such expenditure is currently needed for the purpose specified in this  
2 paragraph.

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

4 20.445 (1) (u) *Unemployment interest payments and transfers.* From the  
5 unemployment interest payment fund, all moneys received from assessments under  
6 s. 108.19 (1m) (a) for the purpose of making the payments and transfers authorized  
7 under s. 108.19 (1m) (f).

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

9 20.445 (1) (v) *Unemployment program integrity.* From the unemployment  
10 program integrity fund, all moneys received from sources identified under s. ~~108.19~~  
11 ~~(1s)~~ 108.20 (2) (a) for the purpose of making the payments authorized under s. ~~108.19~~  
12 ~~(1s)~~ 108.20 (2) (b).

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

14 25.17 (1) (xe) Unemployment interest payment fund (s. ~~108.19 (1q)~~ 108.20 (3));

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

16 25.17 (1) (xf) Unemployment program integrity fund (s. ~~108.19 (1s)~~ 108.20 (2));

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

18 103.05 (5) (d) The department shall deposit all moneys received under this  
19 subsection in the appropriation account under s. 20.445 (1) (~~gd~~) (wd).

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

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

22 108.04 (11) (f) All amounts forfeited under par. (c) and all collections from  
23 administrative assessments under par. (cm) shall be credited to the administrative  
24 account appropriation under s. 20.445 (1) (wd).

25 **SECTION 18.** 108.07 (5) (am) (intro.) of the statutes is amended to read:

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

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

9           108.07 (5) (am) 1. If no employer from which the claimant has base period  
10       wages is subject to the contribution requirements of ss. 108.17 and 108.18, the  
11       benefits shall be ~~charged to the administrative account and~~ paid from the  
12       appropriation under s. 20.445 (1) (gd) (wd).

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

14           108.07 (5) (am) 3. If 2 or more employers from which the claimant has base  
15       period wages are not subject to the contribution requirements of ss. 108.17 and  
16       108.18, and one or more employers from which the claimant has base period wages  
17       are subject to the contribution requirements of ss. 108.17 and 108.18, that  
18       percentage of the employee's benefits which would otherwise be chargeable to the  
19       fund's balancing account under sub. (3) or s. 108.04 (1) (f) ~~or~~, (5), or (5g), or under s.  
20       108.16 (6m) (e) for benefits specified in s. 108.16 (3) (b), shall be ~~charged to the~~  
21       ~~administrative account and~~ paid from the appropriation under s. 20.445 (1) (gd) (wd).

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

23           108.07 (6) The department may initially charge benefits otherwise ~~chargeable~~  
24       ~~to the administrative account payable from the appropriation under s. 20.445 (1)~~  
25       (wd) as provided under this section to the fund's balancing account, and periodically

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1 reimburse the charges to the balancing account from the ~~administrative account~~  
2 appropriation under s. 20.445 (1) (wd).

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

4 108.09 (5) (b) All testimony at any hearing under this section shall be recorded  
5 by electronic means, but need not be transcribed unless either of the parties requests  
6 a transcript before expiration of that party's right to further appeal under this  
7 section and pays a fee to the commission in advance, the amount of which shall be  
8 established by rule of the commission. When the commission provides a transcript  
9 to one of the parties upon request, the commission shall also provide a copy of the  
10 transcript to all other parties free of charge. The transcript fee collected shall be paid  
11 ~~to the administrative account~~ credited to the appropriation account under s. 20.427  
12 (1) (g).

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

14 108.14 (2m) In the discharge of their duties under this chapter an appeal  
15 tribunal, commissioner, or other authorized representative of the department or  
16 commission may administer oaths to persons appearing before them, take  
17 depositions, certify to official acts, and by subpoenas, served in the manner in which  
18 circuit court subpoenas are served, compel attendance of witnesses and the  
19 production of books, papers, documents, and records necessary or convenient to be  
20 used by them in connection with any investigation, hearing, or other proceeding  
21 under this chapter. A party's attorney of record may issue a subpoena to compel the  
22 attendance of a witness or the production of evidence. A subpoena issued by an  
23 attorney must be in substantially the same form as provided in s. 805.07 (4) and must  
24 be served in the manner provided in s. 805.07 (5). The attorney shall, at the time of  
25 issuance, send a copy of the subpoena to the appeal tribunal or other representative

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1 of the department responsible for conducting the proceeding. However, in any  
2 investigation, hearing, or other proceeding involving the administration of oaths or  
3 the use of subpoenas under this subsection due notice shall be given to any interested  
4 party involved, who shall be given an opportunity to appear and be heard at any such  
5 proceeding and to examine witnesses and otherwise participate therein. Witness  
6 fees and travel expenses involved in proceedings under this chapter may be allowed  
7 by the appeal tribunal or representative of the department at rates specified by  
8 department rules, and shall be paid from the ~~administrative account~~ appropriation  
9 under s. 20.445 (1) (n).

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

11 108.14 (3m) In any court action to enforce this chapter the department, the  
12 commission, and the state may be represented by any licensed attorney who is an  
13 employee of the department or the commission and is designated by either of them  
14 for this purpose or at the request of either of them by the department of justice. If  
15 the governor designates special counsel to defend, in behalf of the state, the validity  
16 of this chapter or of any provision of ~~Title IX of the social security act~~ 42 USC 1101  
17 to 1111, the expenses and compensation of the special counsel and of any experts  
18 employed by the department in connection with that proceeding may be charged to  
19 the ~~administrative account~~ appropriation under s. 20.445 (1) (wd). If the  
20 compensation is being determined on a contingent fee basis, the contract is subject  
21 to s. 20.9305.

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

23 **SECTION 26.** 108.14 (12) (a) to (d) of the statutes are consolidated, renumbered  
24 108.14 (12) (am) and amended to read:

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1           108.14 **(12)** (am) Consistently with the provisions of ~~pars. (8) and (9) of section~~  
2           ~~303 (a) of Title III of the federal social security act, 42 USC 503 (a) (8) and (9), the~~  
3           ~~department shall expend~~ all moneys received in the federal administrative financing  
4           account from any federal agency under said Title III ~~shall be expended~~ 42 USC ch.  
5           7 subch. III solely for the purposes and in the amounts found necessary by said ~~that~~  
6           agency for the ~~proper and efficient~~ administration of this chapter. ~~(b) Consistently~~  
7           ~~with said provisions of said Title III, any~~ The department shall replace, within a  
8           ~~reasonable time, any such moneys, that were received prior to~~ before July 1, 1941,  
9           and ~~remaining~~ remained unencumbered on said ~~that~~ date, or ~~that were~~ received on  
10          or after said ~~that~~ date, ~~which, because of any action or contingency, have been~~ if the  
11          moneys are lost or have been expended for purposes other than, or in amounts in  
12          excess of, those found necessary by said the federal agency for the proper  
13          administration of this chapter, ~~shall be replaced within a reasonable time. This~~  
14          ~~paragraph is the declared policy of this state, as enunciated by the 1941 legislature,~~  
15          and shall be implemented as further provided in this subsection. ~~(c).~~ If it is believed  
16          that any amount of money thus received ~~has been thus~~ is lost or improperly  
17          expended, the department, on its own motion or on notice from said the federal  
18          agency, shall promptly investigate and determine the matter and shall, depending  
19          on the nature of its determination, take such steps as it ~~may deem~~ considers  
20          necessary to protect the interests of the state. ~~(d)~~ If it is finally determined that  
21          moneys ~~thus received~~ have been ~~thus~~ lost or improperly expended, then the  
22          department shall either make the necessary replacement from ~~those moneys in the~~  
23          ~~administrative account specified in s. 108.20 (2m)~~ the appropriation under s. 20.445  
24          (1) (wd) or shall submit, at the next budget hearings conducted by the governor and  
25          at the budget hearings conducted by the next legislature convened in regular session,

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1 a request that the necessary replacement be made by an appropriation from the  
2 general fund.

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

5 108.14 (12) (bm) This subsection shall not be construed to relieve this state of  
6 any obligation existing ~~prior to its enactment before July 1, 1941,~~ with respect to  
7 moneys received ~~prior to before July 1, 1941, pursuant to said Title III under 42 USC~~  
8 ch. 7 subch. III.

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

10 108.14 (16) The department shall have duplicated or printed, ~~and shall~~  
11 ~~distribute without charge, such employment security~~ any reports, studies and,  
12 forms, records, decisions, regulations, rules, or other materials, including the text of  
13 this chapter ~~and, the handbook under sub. (23), and other~~ instructional or  
14 explanatory pamphlets for employers or workers, as that it deems necessary for  
15 public information or for the proper administration of this chapter; ~~but the.~~ The  
16 department may collect a reasonable charge, which shall be credited to the  
17 administrative appropriation account under s. 20.445 (1) (wd), for any such item the  
18 cost of which is not fully covered by federal administrative grants.

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

21 108.19 (1e) (e) No later than the end of the month following each quarter in  
22 which the department expends moneys derived from assessments levied under s.  
23 ~~108.19 (1e)~~ this subsection, the department shall submit a report to the council on  
24 unemployment insurance describing the use of the moneys expended and the status  
25 at the end of the quarter of any project for which moneys were expended.

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1           **SECTION 30.** 108.14 (23) (d) of the statutes is repealed.

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

3           108.16 (5) (c) While the state has an account in the “Unemployment Trust  
4 Fund”,” public deposit insurance charges on the fund’s balances held in banks,  
5 savings banks, savings and loan associations, and credit unions in this state, the  
6 premiums on surety bonds required of the fund’s treasurer under this section, and  
7 any other expense of administration otherwise payable from the fund’s interest  
8 earnings, shall be paid from the ~~administrative account~~ appropriation under s.  
9 20.445 (1) (n) or (ne).

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

11          108.16 (6) (k) All payments to the fund from the ~~administrative account as~~  
12 ~~authorized under s. 108.20 (2m)~~ appropriation under s. 20.445 (1) (wd).

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

14          108.16 (6) (m) Any amounts transferred to the balancing account from the  
15 unemployment interest payment fund under s. 108.19 (1m) (f).

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

17          108.16 (8) (f) The successor shall take over and continue the transferor’s  
18 account, including its positive or negative balance and all other aspects of its  
19 experience under this chapter in proportion to the payroll assignable to the  
20 transferred business and the liability of the successor shall be proportioned to the  
21 extent of the transferred business. The transferor and the successor shall be jointly  
22 and severally liable for any amounts owed by the transferor ~~to the fund and to the~~  
23 ~~administrative account~~ under this chapter at the time of the transfer, but a successor  
24 under par. (c) is not liable for the debts of the transferor except in the case of fraud  
25 or malfeasance.

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1           **SECTION 35.** 108.161 (title) of the statutes is amended to read:

2           **108.161 (title) Federal administrative financing account; Reed Act**  
3           **distributions.**

4           **SECTION 36.** 108.161 (1) and (1m) of the statutes are consolidated, renumbered  
5 108.161 (1) and amended to read:

6           108.161 (1) The fund's treasurer shall maintain within the fund an  
7 employment security "federal administrative financing account", and shall credit  
8 thereto to that account all amounts credited to the fund pursuant to the federal  
9 employment security administrative financing act (of 1954) and section 903 of the  
10 federal social security act, as amended. ~~(1m) The treasurer of the fund shall also~~  
11 ~~credit to said account~~ under 42 USC 1101 to 1103 and all federal moneys credited to  
12 the fund pursuant to under sub. (8).

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

14           108.161 (2) The requirements of ~~said section 903~~ 42 USC 1103 shall control any  
15 appropriation, withdrawal, and use of any moneys in said the federal administrative  
16 financing account.

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

18           108.161 (3) Consistently with this chapter and ~~said section 903~~, such 42 USC  
19 1103, moneys in the federal administrative financing account shall be used solely for  
20 benefits or employment security administration by the department, including  
21 unemployment insurance, employment service, apprenticeship programs, and  
22 related statistical operations.

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

24           108.161 (3e) Notwithstanding sub. (3), any moneys allocated under ~~section 903~~  
25 ~~of the federal Social Security Act, as amended,~~ 42 USC 1103 for federal fiscal years

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1 2000 and 2001 and the first \$2,389,107 of any distribution received by this state  
2 under ~~section 903 of that act~~ 42 USC 1103 in federal fiscal year 2002 shall be used  
3 solely for unemployment insurance administration.

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

5 108.161 (4) ~~Such moneys~~ Moneys in the federal administrative financing  
6 account shall be encumbered and spent for employment security administrative  
7 purposes only pursuant to, and after the effective date of, a specific legislative  
8 appropriation enactment that does all of the following:

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

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

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

23 (d) ~~Limiting Limits~~ the total amount ~~which~~ that may be obligated during any  
24 fiscal year to the aggregate of all amounts credited under sub. (1), including amounts

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1 credited pursuant to under sub. (8), reduced at the time of any obligation by the sum  
2 of the moneys obligated and charged against any of the amounts credited.

3 **SECTION 41.** 108.161 (5) and (6) of the statutes are consolidated, renumbered  
4 108.161 (5m) and amended to read:

5 108.161 **(5m)** The total of the amounts ~~thus~~ appropriated under sub. (4) for use  
6 in any fiscal year shall in no event exceed the moneys available for such use  
7 ~~hereunder~~ under this section, considering the timing of credits ~~hereunder~~ under this  
8 section and the sums already spent or appropriated or transferred or otherwise  
9 encumbered ~~hereunder. (6) under this section.~~ The fund's treasurer shall keep a  
10 record of all such ~~times and amounts; shall charge transactions and shall do all of the~~  
11 following:

12 (a) Charge each sum against the earliest credits ~~duly~~ available therefor; ~~shall~~  
13 ~~include.~~

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

18 (c) Certify the relevant facts whenever necessary ~~hereunder.~~

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

20 108.161 **(7)** If any moneys appropriated ~~hereunder~~ under this section are used  
21 to buy and hold suitable land, ~~with a view to the future construction of an~~ and to build  
22 a suitable employment security building thereon, and if such land is later sold or  
23 transferred to other use, the proceeds of such sale ( ~~or the value of such land when~~  
24 transferred), shall be credited to the federal administrative financing account  
25 ~~created by sub. (1)~~ except as otherwise provided in ss. 13.48 (14) and 16.848.

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1           **SECTION 43.** 108.161 (8) of the statutes is amended to read:

2           108.161 (8) If any sums are appropriated and spent hereunder under this  
3 section to buy land and to build a suitable employment security building thereon, or  
4 to purchase information technology hardware and software, ~~then~~ any federal  
5 moneys thereafter credited to the fund or paid to the department by way of gradual  
6 reimbursement of such employment security capital expenditures, or in lieu of the  
7 estimated periodic amounts ~~which~~ that would otherwise (, in the absence of such  
8 expenditures), be federally granted for the rental of substantially equivalent  
9 quarters, shall be credited to the federal administrative financing account ~~created~~  
10 ~~by sub. (1)~~, consistently with any federal requirements applicable to the handling  
11 and crediting of such moneys.

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

13           108.161 (9) Any land and building or office quarters acquired under this section  
14 shall continue to be used for employment security purposes. Realty or quarters may  
15 not be sold or transferred to other use if prior action is taken under s. 13.48 (14) (am)  
16 or 16.848 (1) and may not be sold or transferred without the governor's approval. The  
17 proceeds from the sale, or the value of realty or quarters upon transfer, shall be  
18 credited to the federal administrative financing account ~~established in sub. (1)~~ or  
19 credited to the ~~fund established in s. 108.20~~ appropriate appropriation account  
20 under s. 20.445, or both as determined by the department in accordance with federal  
21 requirements. Equivalent substitute rent-free quarters may be provided, as  
22 federally approved. Amounts credited under this subsection shall be used solely to  
23 finance employment security quarters according to federal requirements.

24           **SECTION 45.** 108.162 (7) of the statutes is amended to read:

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1           108.162 (7) Any amount appropriated under s. 20.445 (1) (na) ~~which~~ that has  
2 not been obligated shall be available for employment security local office building  
3 projects, consistent with this section and ~~ss. s.~~ s. 108.161 and ~~108.20~~.

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

5           108.17 (2m) When a written statement of account is issued to an employer by  
6 the department, ~~showing as duly credited~~ that shows a specified amount received  
7 from the employer under this chapter as having been credited, no other form of state  
8 receipt ~~therefor~~ is required.

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

10           108.17 (3) If an employing unit ~~makes application~~ applies to the department  
11 to adjust an alleged overpayment by the employer of contributions or interest under  
12 this chapter, and files such an application within 3 years after the close of the  
13 calendar year in which such payment was made, the department shall ~~make a~~  
14 ~~determination~~ determine under s. 108.10 ~~as to the existence and whether and to~~  
15 ~~what~~ extent of any such an overpayment, and said section shall apply to such  
16 ~~determination~~ exists. Except as provided in sub. (3m), the department shall allow  
17 an employer a credit for any amount determined under s. 108.10 to have been  
18 erroneously paid by the employer, without interest, against its future contribution  
19 payments; or, if the department finds it impracticable to allow the employer such a  
20 credit, it shall refund ~~such~~ the overpayment to the employer, without interest, from  
21 the fund or the ~~administrative account, as the case may be~~ appropriate appropriation  
22 under s. 20.445.

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

24           108.17 (3m) If an appeal tribunal or the commission issues a decision under  
25 s. 108.10 (2), or a court issues a decision on review under s. 108.10 (4), in which it is

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

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

8 108.18 (7) (a) 1. Except as provided in pars. (b) to (i), any employer may make  
9 payments to the fund during the month of November in excess of those required by  
10 this section and s. 108.19 (1), ~~(1e)~~, and ~~(1f)~~. Each payment shall be credited to the  
11 employer's account for the purpose of computing the employer's reserve percentage  
12 as of the immediately preceding computation date.

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

14 108.18 (7) (h) The department shall establish contributions, other than those  
15 contributions required by this section and assessments required under s. 108.19 (1),  
16 ~~(1e)~~, and ~~(1f)~~ and contributions other than those submitted during the month of  
17 November or authorized under par. (f) or (i) 2., as a credit, without interest, against  
18 future contributions payable by the employer or shall refund the contributions at the  
19 employer's option.

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

21 **108.19 (title) Special assessments.**

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

24 108.19 (1) (a) Each employer subject to this chapter shall regularly ~~contribute~~  
25 ~~to the administrative account at the rate of two-tenths of one~~ pay an assessment

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1 equal to 0.2 percent per year on its payroll, except that the department may prescribe  
2 at the close of any fiscal year such lower rates of ~~contribution~~ under this section  
3 subsection, to apply to classes of employers throughout the ensuing fiscal year, as will  
4 in the department's judgment adequately finance the administration of this chapter,  
5 and as will in the department's judgment fairly represent the relative cost of the  
6 services rendered by the department to each such class.

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

8 108.19 (1) (d) Assessments under this subsection shall be credited to the  
9 appropriation account under s. 20.445 (1) (wc).

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

11 108.19 (1e) (a) Except as provided in par. (b), each employer, other than an  
12 employer that finances benefits by reimbursement in lieu of contributions under s.  
13 108.15, 108.151, or 108.152 shall, in addition to other ~~contributions~~ amounts payable  
14 under s. 108.18 and this section, pay an assessment ~~to the administrative account~~  
15 for each year ~~prior to~~ before the year 2010 equal to the lesser of 0.01 percent of its  
16 payroll for that year or the solvency contribution that would otherwise be payable  
17 by the employer under s. 108.18 (9) for that year.

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

19 108.19 (1e) (cm) Assessments under this subsection shall be credited to the  
20 appropriation under s. 20.445 (1) (wh).

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

22 108.19 (1e) (d) The department may expend the moneys received from  
23 assessments levied under this subsection in the amounts authorized under s. 20.445  
24 (1) ~~(gh)~~ (wh) for the renovation and modernization of unemployment insurance  
25 information technology systems, specifically including development and

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1 implementation of a new system and reengineering of automated processes and  
2 manual business functions.

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

4 108.19 (1f) (a) Except as provided in par. (b), each employer, other than an  
5 employer that finances benefits by reimbursement in lieu of contributions under s.  
6 108.15, 108.151, or 108.152 shall, in addition to other ~~contributions~~ amounts payable  
7 under s. 108.18 and this section, pay an assessment for each year equal to the lesser  
8 of 0.01 percent of its payroll for that year or the solvency contribution that would  
9 otherwise be payable by the employer under s. 108.18 (9) for that year.

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

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

13 108.19 (1f) (c) Notwithstanding par. (a), the department may, if it finds that the  
14 full amount of the levy is not required to effect the purposes specified in ~~sub. (1s) s.~~  
15 108.20 (2) (b) for any year, prescribe a reduced levy for that year and in such case shall  
16 publish in the notice under par. (b) the rate of the reduced levy.

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

19 108.19 (1m) (a) Each employer subject to this chapter as of the date a rate is  
20 established under this subsection shall pay an assessment ~~to the unemployment~~  
21 ~~interest payment fund~~ at a rate established by the department sufficient to pay  
22 interest due on advances from the federal unemployment account under ~~Title XII of~~  
23 ~~the federal social security act~~, 42 USC 1321 to 1324. The rate established by the  
24 department for employers who finance benefits under s. 108.15 (2), 108.151 (2), or  
25 108.152 (1) shall be 75 percent of the rate established for other employers. The

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1 amount of any employer's assessment shall be the product of the rate established for  
2 that employer multiplied by the employer's payroll of the previous calendar year as  
3 taken from quarterly employment and wage reports filed by the employer under s.  
4 108.205 (1) or, in the absence of the filing of such reports, estimates made by the  
5 department.

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

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

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

18 108.19 **(1m)** (e) Assessments under this subsection shall be deposited in the  
19 unemployment interest payment fund.

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

22 108.19 **(1m)** (b) The department shall publish as a class 1 notice under ch. 985  
23 any rate established under ~~sub. (1m)~~ par. (a) within 10 days of after the date that the  
24 rate is established.

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1           **SECTION 62.** 108.19 (1p) of the statutes is renumbered 108.19 (1m) (c) and  
2 amended to read:

3           108.19 **(1m)** (c) Notwithstanding ~~sub. (1m) par. (a)~~, an employer having a  
4 payroll of \$25,000 or less for the preceding calendar year is exempt from any  
5 assessment under ~~sub. (1m)~~ this subsection.

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

8           108.20 **(3)** UNEMPLOYMENT INTEREST PAYMENT FUND. There is created a separate,  
9 nonlapsible trust fund designated as the unemployment interest payment fund  
10 consisting of all amounts collected under ~~sub. s. 108.19~~ (1m) (a) and all interest and  
11 penalties on those amounts collected under s. 108.22.

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

14           108.20 **(2)** (a) 2. Assessments levied and deposited into the unemployment  
15 program integrity fund under ~~sub. (1f)~~ s. 108.19 (1f).

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

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

19           108.19 **(1)** (b) If the department finds, at any time within a fiscal year for which  
20 it has prescribed lower contribution rates to the administrative account than the  
21 maximum rate permitted under ~~sub. (1) par. (a)~~, that such lower rates will not  
22 adequately finance the administration of this chapter or are excessive for that  
23 purpose, the department may by general rule prescribe a new schedule of rates in no  
24 case exceeding the specified maximum to apply under this section subsection for the  
25 balance of the fiscal year.

**SENATE BILL 899****SECTION 66**

1           **SECTION 66.** 108.19 (2m) of the statutes is renumbered 108.19 (1) (c) and  
2 amended to read:

3           108.19 (1) (c) Within the limit specified by ~~sub. (1)~~ under par. (a), the  
4 department may by rule prescribe at any time as to any period any such rate or rates  
5 or schedule as it deems necessary and proper ~~hereunder~~ under this subsection.  
6 Unless thus prescribed, no such rate or rates or schedule shall apply under ~~sub. (1)~~  
7 ~~or (2)~~ par. (a) or (b).

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

10           108.18 (1) (c) ~~If section 303 Notwithstanding par. (b), if 42 USC 503 (a) (5) of~~  
11 ~~title III of the social security act and section 26 USC 3304 (a) (4) of the internal~~  
12 ~~revenue code are amended to permit a state agency to use, in financing~~  
13 ~~administrative expenditures incurred in carrying out its employment security~~  
14 ~~functions, some any part of the moneys collected or to be collected under the state~~  
15 ~~unemployment insurance law, an employer's contributions in partial or complete~~  
16 ~~substitution for grants under title III 42 USC 501 to 506, then this chapter shall, by~~  
17 ~~rule of the department, be modified in the manner and to the extent and within the~~  
18 ~~limits necessary to permit such use by the department under this chapter; and the~~  
19 ~~modifications shall become effective on the same date as such use becomes~~  
20 ~~permissible under the federal amendments~~ the department may credit any portion  
21 of that part of an employer's contributions to the appropriation under s. 20.445 (1)  
22 (wd).

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

24           **108.20 Segregated funds. (1) UNEMPLOYMENT ADMINISTRATION FUND.** There  
25 is created a separate, nonlapsible trust fund designated as the unemployment

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1 administration fund consisting of moneys credited to the appropriation accounts  
2 under s. 20.445 (1) (wc), (wd), and (wh).

3 **(2) UNEMPLOYMENT PROGRAM INTEGRITY FUND.**

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

5 108.22 **(1)** (am) The interest, penalties, and tardy filing fees levied under pars.  
6 (a), (ac), (ad), and (af) shall be paid to the department and credited to the  
7 administrative account appropriation under s. 20.445 (1) (wd).

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

9 108.22 **(1m)** If any person owes any contributions, reimbursements or  
10 assessments under s. 108.15, 108.151, 108.152, 108.155, or 108.19 ~~(1m)~~, benefit  
11 overpayments, interest, fees, payments for forfeitures, other penalties, or any other  
12 amount to the department under this chapter and fails to pay the amount owed, the  
13 department has a perfected lien upon the right, title, and interest in all of the  
14 person's real and personal property located in this state in the amount finally  
15 determined to be owed, plus costs. Except where creation of a lien is barred or stayed  
16 by bankruptcy or other insolvency law, the lien is effective upon the earlier of the date  
17 on which the amount is first due or the date on which the department issues a  
18 determination of the amount owed under this chapter and shall continue until the  
19 amount owed, plus costs and interest to the date of payment, is paid, except as  
20 provided in sub. (8) (d). If a lien is initially barred or stayed by bankruptcy or other  
21 insolvency law, it shall become effective immediately upon expiration or removal of  
22 such bar or stay. The perfected lien does not give the department priority over  
23 lienholders, mortgagees, purchasers for value, judgment creditors, and pledges  
24 whose interests have been recorded before the department's lien is recorded.

25 **SECTION 71. Fiscal changes.**

