AN ACT to amend 73.0301 (1) (d) 6., 108.227 (1) (e) 6., 138.14 (3) and 220.02 (3);
and to create 138.09 (1a) (c), chapter 203 and 220.02 (2) (j) of the statutes;
relating to: regulating earned wage access services, granting rule-making
authority, and providing a penalty.

Analysis by the Legislative Reference Bureau

This bill regulates companies that provide earned wage access services in this
state to individuals who reside in this state (consumers) and requires such
companies to be licensed by the Division of Banking (division) in the Department of
Financial Institutions before providing those services.

Under the bill, “earned wage access service” is defined as the business of
delivering to consumers access to earned but unpaid income that is based on 1) the
consumer’s representations and the provider’s reasonable determination of the
consumer’s earned but unpaid income; or 2) employment, income, or attendance data
obtained directly or indirectly from an employer. The bill defines, with exceptions,
a “provider” as a business entity that is in the business of providing earned wage
access services to consumers. “Earned but unpaid income” is defined as salary,
wages, compensation, or other income that a consumer or an employer has
represented, and that a provider has reasonably determined, has been earned or
accrued to the benefit of the consumer in exchange for the consumer’s provision of
services to the employer or on the employer’s behalf but has not, at the time of the
payment of proceeds, been paid to the consumer by the employer. An “employer”
includes a person who is obligated to pay a consumer acting as an independent
contractor. “Proceeds” are defined as a provider’s payment to a consumer based on earned but unpaid income.

The bill requires a provider, before providing earned wage access services in this state, to be licensed by the division. This requirement applies even if the provider is not physically located in this state, such as when the provider conducts business by means of a website. However, these provisions do not apply to financial institutions and their affiliates. An applicant for a license must pay a fee to the division, file and maintain a surety bond, and provide specified information to the division.

The bill imposes various requirements on a licensed provider, including requiring a licensed provider to do all of the following:

1. Develop and implement policies and procedures to respond to consumer questions and complaints.
2. Offer to the consumer at least one reasonable option to obtain proceeds at no cost and explain how to elect this option.
3. Before entering into an earned wage access services agreement with a consumer, inform the consumer of his or her rights under the agreement and disclose all fees associated with these services.
4. Inform the consumer of material changes to the terms and conditions of the earned wage access services before implementing them.
5. Allow the consumer to cancel use of the provider’s earned wage access services at any time, without incurring a cancellation fee or penalty imposed by the provider.
6. If the provider solicits, charges, or receives tips, gratuities, or other donations (tips) from consumers, disclose in its service contract that tips are voluntary and the provider’s services are not contingent on tips and further disclose before each transaction that a tip is voluntary.
7. If the provider will seek repayment of proceeds remitted to the consumer but not yet repaid (outstanding proceeds) or payment of fees or other amounts from a consumer’s bank account, including through electronic funds transfer, reimburse the consumer for overdraft or non-sufficient funds fees caused by the provider’s attempted payment before the date, or in an amount different from, that disclosed to the consumer.

The bill imposes various limitations on a licensed provider, including prohibiting a licensed provider from doing any of the following:

1. Sharing consumer fees or tips with the consumer’s employer.
2. Accepting a consumer’s payment of outstanding proceeds, fees, or tips by means of a credit card.
3. Charging a late fee, deferral fee, interest, or other penalty for failure to pay outstanding proceeds, fees, or tips.
4. Reporting to a consumer reporting agency or debt collector information about the consumer’s nonpayment to the provider of outstanding proceeds, fees, or tips.
5. Compelling the consumer’s payment of outstanding proceeds, fees, or tips through a lawsuit in court, use of a third-party debt collector, or sale of the obligation
to a third-party debt collector or debt buyer, unless the consumer acted through fraudulent or other unlawful means.

6. Misleading or deceiving consumers about the voluntary nature of tips or making representations that tips will benefit any specific individual.

7. Advertising, publishing, or broadcasting any statement or representation regarding the provider’s earned wage access services that is false, misleading, or deceptive.

The bill specifies that a licensed provider’s earned wage access services are not, and do not fall within the scope of current law regulation of, any of the following: 1) a payday loan, or any other form of loan or form of credit or debt; 2) the Wisconsin Consumer Act; 3) money transmission (which current law refers to as a “seller of checks” business); or 4) a violation or noncompliance with state laws governing the sale or assignment of an individual’s wages or other compensation earned or accrued but not yet paid. In addition, the bill specifies that fees and tips paid by a consumer to a provider are not considered interest or finance charges.

The bill requires a licensed provider to submit an annual report to the division that includes certain information related to the provider’s earned wage access services in this state and to keep certain books and records. The bill gives the division the right to suspend or revoke a provider’s license under certain circumstances and provides the division with certain authority to enforce the regulations created in the bill.

For further information see the state 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:

**SECTION 1.** 73.0301 (1) (d) 6. of the statutes is amended to read:

73.0301 (1) (d) 6. A license or certificate of registration issued by the department of financial institutions, or a division of it, under ss. 138.09, 138.12, 138.14, 202.12 to 202.14, 202.22, 203.03, 217.06, 218.0101 to 218.0163, 218.02, 218.04, 218.05, 224.72, 224.725, 224.93 or under subch. IV of ch. 551.

**SECTION 2.** 108.227 (1) (e) 6. of the statutes is amended to read:

108.227 (1) (e) 6. A license or certificate of registration issued by the department of financial institutions, or a division of it, under ss. 138.09, 138.12, 138.14, 202.12 to 202.14, 202.22, 203.03, 217.06, 218.0101 to 218.0163, 218.02, 218.04, 218.05, 224.72, 224.725, 224.93 or under subch. IV of ch. 551.
SECTION 3. 138.09 (1a) (c) of the statutes is created to read:

138.09 (1a) (c) Providers of earned wage access services required to be licensed under s. 203.03 (1).

SECTION 4. 138.14 (3) of the statutes is amended to read:

138.14 (3) EXEMPTIONS. This section does not apply to banks, savings banks, savings and loan associations, trust companies, credit unions, or any of their affiliates or to providers of earned wage access services required to be licensed under s. 203.03 (1).

SECTION 5. Chapter 203 of the statutes is created to read:

CHAPTER 203

EARNED WAGE ACCESS SERVICES

203.01 Definitions. In this chapter:

(1) “Business entity” means any corporation, limited liability company, partnership, association, or other commercial entity.

(2) “Consumer” means an individual who resides in this state.

(3) “Consumer-directed wage access services” means the business of delivering to consumers access to earned but unpaid income that is based on the consumer’s representations and the provider’s reasonable determination of the consumer’s earned but unpaid income.

(4) “Division” means the division of banking.

(5) “Earned but unpaid income” means salary, wages, compensation, or other income that a consumer or an employer has represented, and that a provider has reasonably determined, has been earned or accrued to the benefit of the consumer in exchange for the consumer’s provision of services to the employer or on behalf of the employer, including on an hourly, project-based, piecework, or other basis and
including circumstances in which the consumer is acting as an independent contractor of the employer, but has not, at the time of the payment of proceeds, been paid to the consumer by the employer.

(6) “Earned wage access service” means the business of providing consumer-directed wage access services or employer-integrated wage access services, or both.

(7) (a) Except as provided in par. (b), “employer” means any of the following:

1. A person who employs a consumer.

2. Any other person who is contractually obligated to pay a consumer earned but unpaid income in exchange for the consumer’s provision of services to the employer or on behalf of the employer including on an hourly, project-based, piecework, or other basis and including circumstances in which the consumer is acting as an independent contractor with respect to the employer.

(b) “Employer” does not include any of the following:

1. A customer of an employer.

2. Any other person whose obligation to make a payment of salary, wages, compensation, or other income to a consumer is not based on the provision of services by that consumer for or on behalf of the person.

(8) “Employer-integrated wage access services” means the business of delivering to consumers access to earned but unpaid income that is based on employment, income, or attendance data obtained directly or indirectly from an employer.

(9) (a) Except as provided in par. (b), “fee” includes any of the following:

1. A fee imposed by a provider for delivery or expedited delivery of proceeds to a consumer.
2. A subscription or membership fee imposed by a provider for a bona fide group of services that include earned wage access services.

(b) “Fee” does not include a voluntary tip, gratuity, or other donation.

(10) “Licensee” means a business entity that is licensed by the division under s. 203.03 (1) as an earned wage access services provider.

(11) “Nationwide mortgage licensing system and registry” has the meaning given in 12 USC 5102 (6).

(12) “Outstanding proceeds” means proceeds remitted to a consumer by a provider that have not yet been repaid to the provider.

(13) “Proceeds” means a payment in U.S. dollars to a consumer by a provider that is based on earned but unpaid income.

(14) (a) Except as provided in par. (b), “provider” means a business entity that is in the business of providing earned wage access services to consumers.

(b) “Provider” does not include any of the following:

1. A service provider, such as a payroll service provider, whose role may include verifying the available earnings but that is not contractually obligated to fund proceeds delivered as part of an earned wage access service.

2. An employer that offers a portion of salary, wages, or compensation directly to its employees or independent contractors prior to the normally scheduled pay date.

203.02 Powers of the division. (1) The division may issue any general or special order in execution of or supplementary to this chapter.

(2) The division may promulgate such rules as it considers necessary for the administration of this chapter.

(3) The division has the same power to conduct hearings, take testimony, and secure evidence as is provided in ss. 217.17 and 217.18.
(4) The division for the purpose of discovering violations of this chapter may investigate the business of a licensee that is transacted under this chapter and shall investigate convictions reported to the division by any district attorney for violation by a provider of this chapter. The place of business, if any, books of account, papers, records, safes, and vaults of a licensee shall be open to inspection and examination by the division for the purpose of such investigation, and the division may examine under oath all persons whose testimony the division may require relative to such investigation.

(5) The cost of any investigation, examination, or hearing, including witness fees or any other expenses, conducted by the division under this chapter involving a provider shall be paid by the provider within 30 days after demand therefor by the division, and the state may maintain an action for the recovery of such costs and expenses.

(6) Actual costs incurred by the division to examine books and records maintained outside this state shall be paid by the provider.

203.03 Licensure. (1) (a) Subject to par. (b), a provider, including a provider that is not physically located in this state, may not provide earned wage access services in this state unless the provider has been issued a license by the division.

(b) This section does not apply to banks, savings banks, savings and loan associations, trust companies, credit unions, or any of their affiliates.

(2) A provider required to be licensed under sub. (1) shall apply to the division for a license on a form and in the manner prescribed by the division. The application shall include all of the following information:

(a) The name of the provider.
(b) The name under which the provider transacts business, if different from par. (a).

(c) The address of the provider’s principal office, which may be outside this state.

(d) The addresses of all of the provider’s offices or retail stores, if any, in this state.

(e) If the provider provides earned wage access services at a location that is not an office or retail store in this state, a brief description of the manner in which the provider provides earned wage access services.

(f) The address of the provider’s designated agent upon whom service of process may be made in this state.

(g) The provider’s federal employer identification number.

(h) Any other similar information the division requires to administer this chapter.

(3) In addition to the application under sub. (2), each licensee shall register with, and maintain a valid unique identifier issued by, the nationwide mortgage licensing system and registry.

(4) Each provider required to be licensed under sub. (1) shall update any information provided in its license application within 15 business days after a material change in that information.

(5) A provider that submits an application for a license under sub. (2) shall pay a nonrefundable fee to the division determined in accordance with rates set by the division. In setting the rates, the division shall determine the amount of fees needed to provide sufficient funds for the division to meet the budget requirements of administering and enforcing this chapter in each fiscal year.
(6) (a) A provider required to be licensed under sub. (1) shall file with the
division, and maintain in force, a surety bond that is issued by a surety company
admitted to do business in this state that meets all of the following requirements:

1. The bond is in an amount equal to $25,000.

2. The bond is in favor of the state for the benefit of any person that is damaged
by a violation of this chapter.

3. The bond is in favor of any person that is damaged by a violation of this
chapter.

(b) A person claiming against a bond described under this subsection for a
violation of this chapter may maintain an action at law against the provider that
obtained the bond and against the surety that issued the bond. The surety is liable
only for actual damages and not for punitive damages. The aggregate liability of the
surety to all persons damaged by a provider’s violation of this chapter does not exceed
the amount of the bond.

(7) (a) In this subsection:

1. “Applicant” means a provider that has submitted an application for a license
under sub. (2).

2. “Director” means a member of the applicant’s or licensee’s board of directors.

3. Except in subd. 2., “member” means a person that has the right to receive
upon dissolution, or has contributed, 10 percent or more of the capital of an applicant
or licensee that is organized as a limited liability company or association.

4. “Officer” means a person who participates or has authority to participate,
other than in the capacity of a director, in major policymaking functions of an
applicant or licensee, whether or not the person has an official title. “Officer”
includes the chief executive officer, chief financial officer, chief operations officer,
chief legal officer, chief credit officer, chief compliance officer, each executive vice
president or senior vice president, and any other person meeting the standard under
this subdivision.

5. “Partner” means a person that has the right to receive upon dissolution, or
has contributed, 10 percent or more of the capital of an applicant or licensee that is
organized as a partnership.

(b) Upon the filing of an application under sub. (2) and the payment of the fee
required under sub. (5) by a provider, the division shall investigate the relevant facts.
If the division finds that the character and general fitness and the financial
responsibility of the provider, and the provider’s partners if the provider is a
partnership, the provider’s members if the provider is a limited liability company or
association, and the provider’s officers and directors if the provider is a corporation,
warrant the belief that the provider’s business will be operated in compliance with
this chapter, the division shall issue a license to the provider. If the division does not
make the finding, the division shall deny the provider’s application.

(8) The division may not issue a license under sub. (7) to a provider if any of
the following applies:

(a) The provider fails to provide any information required under sub. (2).

(b) The department of revenue certifies under s. 73.0301 that the provider is
liable for delinquent taxes.

(c) The department of workforce development certifies under s. 108.227 that
the provider is liable for delinquent unemployment insurance contributions.

(9) A provider’s license remains in force and effect until the division suspends
or revokes the license in accordance with this chapter or the provider surrenders the
license. A licensee shall, on or before each December 10, pay to the division the
annual license fee established by the division for the next succeeding calendar year. The division may, by rule, provide for the reinstatement of expired licenses consistent with the standards established by the nationwide mortgage licensing system and registry.

(10) A provider may not assign a license, except as approved by the division or by operation of law in connection with a merger or conversion authorized under s. 178.1121, 178.1141, 179.1121, 179.1141, 180.1101, 180.1161, 183.1021, or 183.1041 or a similar law of this or another state.

(11) A provider shall conspicuously post its license at the provider’s physical place of business, or, if the provider conducts business on a website, the provider shall post its license number on the website.

(12) The division shall keep confidential the information contained in an application for a license under sub. (2) and any information obtained during the division’s investigation under sub. (7), and this information is not subject to public copying or inspection under s. 19.35 (1).

203.04 Provider requirements; limitations. (1) A provider required to be licensed under s. 203.03 (1) shall do all of the following:

(a) Develop and implement policies and procedures to respond to questions raised by consumers and address complaints from consumers in an expedient manner.

(b) Offer to the consumer at least one reasonable option to obtain proceeds at no cost to the consumer and clearly explain how to elect that no-cost option.

(c) Before entering into an agreement with a consumer for the provision of earned wage access services, do all of the following:

1. Inform the consumer of his or her rights under the agreement.
2. Fully and clearly disclose all fees associated with the earned wage access services.

(d) Inform the consumer of the fact of any material changes to the terms and conditions of the earned wage access services before implementing those changes for that consumer.

(e) Allow the consumer to cancel use of the provider’s earned wage access services at any time, without incurring a cancellation fee or penalty imposed by the provider. If the consumer has initiated an advance of proceeds, the provider may require the effective date of the cancellation to be after the consumer has satisfied any repayment obligation the consumer has to the provider, either through payroll deduction, pre-authorized electronic funds transfer from a consumer’s account or depository institution, or other means previously agreed to by the consumer and the provider. Nothing in this paragraph requires a provider to allow a consumer-initiated advance to be canceled, revoked, suspended, or reversed after the consumer initiates the advance.

(f) Comply with all local, state, and federal privacy and information security laws.

(g) If a provider solicits, charges, or receives a tip, gratuity, or other donation from a consumer, the provider shall do all of the following:

1. Clearly and conspicuously disclose to the consumer immediately prior to each transaction that a tip, gratuity, or other donation amount may be zero and is voluntary.

2. Clearly and conspicuously disclose in its service contract with the consumer and elsewhere that tips, gratuities, or donations are voluntary and that the offering of earned wage access services, including the amount of proceeds a consumer is
eligible to request and the frequency with which proceeds are provided to a consumer, is not contingent on whether the consumer pays any tip, gratuity, or other donation or on the size of the tip, gratuity, or other donation.

(h) Provide proceeds to a consumer by any means mutually agreed upon by the consumer and the licensee.

(i) If the provider will seek repayment of outstanding proceeds or payment of fees or other amounts owed, including voluntary tips, gratuities, or other donations, in connection with the activities covered by this chapter, from a consumer’s account at a depository institution, including by means of electronic funds transfer, the provider shall do all of the following:

1. Comply with applicable provisions of the federal electronic fund transfer act, 15 USC 1693 to 1693r, and regulations adopted under the act.

2. Reimburse the consumer for the full amount of any overdraft or non-sufficient funds fees imposed on a consumer by the consumer’s depository institution that were caused by the provider attempting to seek payment of any outstanding proceeds, fees, or other payments, in connection with the activities covered by this chapter, including voluntary tips, gratuities, or other donations, on a date before, or in an incorrect amount from, the date or amount disclosed to the consumer. However, the provider is not subject to the requirements in this subdivision with respect to payments of outstanding amounts or fees incurred by a consumer through fraudulent or other unlawful means.

(2) A provider required to be licensed under s. 203.03 (1) may not do any of the following:
(a) Share with an employer a portion of any fees, voluntary tips, gratuities, or other donations that were received from or charged to a consumer for earned wage access services.

(b) Require a consumer’s credit report or a credit score provided or issued by a consumer reporting agency to determine a consumer’s eligibility for earned wage access services.

(c) Accept payment of outstanding proceeds, fees, voluntary tips, gratuities, or other donations from a consumer by means of a credit card or charge card.

(d) Charge a late fee, deferral fee, interest, or any other penalty or charge for failure to pay outstanding proceeds, fees, voluntary tips, gratuities, or other donations.

(e) Report to a consumer reporting agency or debt collector any information about the consumer regarding the inability of the provider to be repaid outstanding proceeds, fees, voluntary tips, gratuities, or other donations.

(f) Compel or attempt to compel payment by a consumer of outstanding proceeds, fees, voluntary tips, gratuities, or other donations to the provider through any of the following means:
   1. A suit against the consumer in a court of competent jurisdiction.
   2. Use of a 3rd party to pursue collection from the consumer on the provider’s behalf.
   3. Sale of outstanding amounts to a 3rd-party collector or debt buyer for collection from the consumer.

(g) If the provider solicits, charges, or receives tips, gratuities, or other donations from a consumer, mislead or deceive consumers about the voluntary
nature of the tips, gratuities, or donations or make representations that tips, gratuities, or other donations will benefit any specific individuals.

(h) Advertise, print, display, publish, distribute, or broadcast or cause to be advertised, printed, displayed, published, distributed, or broadcast, in any manner, any statement or representation with regard to the earned wage access services offered by the provider, which is false, misleading, or deceptive, or which omits to state material information that is necessary to make the statements therein not false, misleading, or deceptive.

(3) The limitations set forth in sub. (2) (f) do not preclude the use by a provider of any of the methods specified in sub. (2) (f) to compel payment of outstanding amounts or fees incurred by a consumer through fraudulent or other unlawful means, nor do they preclude a provider from pursuing an employer for breach of its contractual obligations to the provider.

(4) A provider may use the mailing address provided by a consumer to determine the consumer's state of residence for purposes of this chapter.

203.05 Interpretation; applicability. (1) (a) Notwithstanding any other provision of law, earned wage access services offered and provided by a licensee in compliance with this chapter shall not be considered to be any of the following:

1. A violation of or noncompliance with s. 241.09 or other law of this state governing the sale or assignment of, or an order for, earned but unpaid income.

2. A loan or other form of credit or debt, nor shall the provider be considered a creditor, debt collector, or lender with respect thereto.

3. Money transmission, nor shall the provider be considered a money transmitter with respect thereto.
(b) Notwithstanding any other provision of law, fees paid to a licensee in accordance with this chapter shall not be considered interest or finance charges. If there is a conflict between the provisions of this chapter and any other statute, the provisions of this chapter control.

(2) Chapters 421 to 427 do not apply to proceeds a provider provides to a consumer in accordance with this chapter.

(3) A voluntary tip, gratuity, or other donation paid by a consumer to a licensee in accordance with this chapter shall not be considered a finance charge.

203.06 Reporting requirements; books and records. (1) On or before July 1 of each year, a provider required to be licensed under s. 203.03 (1) shall submit an annual report to the division that includes all of the following information related to earned wage access services the provider provided in this state during the prior year:

(a) Gross revenue attributable to those earned wage access services.

(b) The total number of transactions in which the provider provided proceeds to consumers.

(c) The total number of unique consumers to whom the provider provided proceeds.

(d) The total dollar amount of proceeds the provider provided to consumers.

(e) The total dollar amount of fees, voluntary tips, gratuities, or other donations the provider received from consumers.

(2) Failure by a provider to submit a timely report as required under sub. (1) is grounds for disciplinary action by the division.

(3) The division shall keep confidential the information contained in the annual report under sub. (1), and this information is not subject to public copying or inspection under s. 19.35 (1), but the division may prepare and make publicly
available an aggregated and anonymized analysis of the information submitted by all providers under this section.

(4) A provider required to be licensed under s. 203.03 (1) shall keep such books and records that, in the opinion of the division, will enable the division to determine whether the provider is in compliance with this chapter. The provider shall retain records related to proceeds for at least 2 years following the date on which proceeds are provided. The provider may keep books and records at a place of business located outside this state if the provider is able to readily produce those books and records for review by the division upon reasonable request by the division.

203.07 Suspension or revocation of license. (1) The division may suspend or revoke a provider’s license issued under s. 203.03 (7) if the division finds any of the following:

(a) That the provider violated any provision of this chapter, any rule promulgated under this chapter, or any lawful order of the division made under this chapter.

(b) That any fact or condition exists that, if it had existed at the time of the provider’s original application for a license, would have warranted the division refusing to issue the license.

(c) That the provider made a material misstatement in an application for a license or in information furnished to the division.

(d) That the provider failed to pay the annual license fee or to maintain in effect the bond required under s. 203.03 (6).

(2) The division shall revoke a provider’s license issued under s. 203.03 (7) if the department of revenue certifies under s. 73.0301 that the provider is liable for delinquent taxes. A provider whose license is revoked under this subsection for
delinquent taxes is entitled to a notice under s. 73.0301 (2) (b) 1. b. and a hearing
under s. 73.0301 (5) (a) but is not entitled to any other notice or hearing under this
chapter.

   (3) The division shall revoke a provider’s license issued under s. 203.03 (7) if
the department of workforce development certifies under s. 108.227 that the
provider is liable for delinquent unemployment insurance contributions. A provider
whose license is revoked under this subsection for delinquent unemployment
insurance contributions is entitled to a notice under s. 108.227 (2) (b) 1. b. and a
hearing under s. 108.227 (5) (a) but is not entitled to any other notice or hearing
under this chapter.

   (4) Except as provided in subs. (2) and (3), the division may not revoke or
suspend a provider’s license except after a hearing under this chapter.

203.08 Violations and enforcement. (1) The division may bring a civil
action to restrain by temporary or permanent injunction a person from violating this
chapter or rules promulgated under this chapter or to restrain a person from
engaging in false, misleading, deceptive, or unconscionable conduct in connection
with offering earned wage access services.

   (2) The division may seek a temporary restraining order without written or
oral notice to the adverse party. If a court finds that there is reasonable cause to
believe that the respondent is engaged in the conduct sought to be restrained and
that such conduct violates this chapter or rules promulgated under this chapter, the
court may grant a temporary restraining order or any temporary relief the court
determines is appropriate. A temporary restraining order granted without notice
shall expire by its terms within a stated time after entry, not to exceed 30 days, as
the court fixes, unless within this time it is extended by the court, or unless the party
against whom the order is directed consents that it may be extended for a longer period. When a temporary restraining order is granted without notice, the motion for a preliminary injunction shall be set down for a hearing at the earliest possible time. Upon notice to the party who obtained the temporary restraining order without notice, the adverse party may appear and move its dissolution or modification, and, in this event, the court shall proceed to hear and determine such motion as expeditiously as the ends of justice require.

(3) The division may recover in a civil action from a person that violates this chapter or rules promulgated under this chapter a civil penalty of not less than $100 and not more than $1,000 for each violation.

(4) In addition to the amount to which the division is entitled under sub. (3), the division may recover in a civil action from a person that knowingly or willfully violates this chapter or rules promulgated under this chapter a civil penalty of not less than $1,000 and not more than $10,000 for each violation.

**SECTION 6.** 220.02 (2) (j) of the statutes is created to read:

220.02 (2) (j) Earned wage access services providers under ch. 203.

**SECTION 7.** 220.02 (3) of the statutes is amended to read:

220.02 (3) It is the intent of sub. (2) to give the division jurisdiction to enforce and carry out all laws relating to banks or banking in this state, including those relating to state banks, savings banks, savings and loan associations, and trust company banks, and also all laws relating to small loan companies or other loan companies or agencies, finance companies, insurance premium finance companies, earned wage access services providers, motor vehicle dealers, adjustment service companies, community currency exchanges, mortgage bankers, mortgage loan originators, mortgage brokers, and collection agencies and those relating to sellers
of checks under ch. 217, whether doing business as corporations, individuals, or otherwise, but to exclude laws relating to credit unions.


(1) Earned wage access services.

(a) License application form. Not later than the first day of the 6th month beginning after the effective date of this paragraph, the division of banking in the department of financial institutions shall prescribe the form and content of an application for a license to provide earned wage access services pursuant to this act.

(b) Transitional provision. Notwithstanding s. 203.03 (1), a person who, as of January 1, 2023, was engaged in the business of providing in this state earned wage access services, as defined in s. 203.01 (6), may, until the first day of the 7th month beginning after the effective date of this paragraph, continue to engage in the business of providing earned wage access services in this state without obtaining a license if the person has submitted an application under s. 203.03 (2) for a license and otherwise complies with ch. 203.

SECTION 9. Initial applicability.

(1) The treatment of s. 203.04 (1) (b) first applies, with respect to a provider that offers proceeds to a consumer under the terms of an agreement that specifies the consumer’s cost of obtaining proceeds, to an agreement entered into on the effective date of this subsection.

SECTION 10. Effective dates. This act takes effect on the first day of the 6th month beginning after publication, except as follows:

(1) SECTION 8 (1) (a) of this act takes effect on the day after publication.

(END)