

# State of Wisconsin



2015 Assembly Bill 778

Date of enactment: **February 29, 2016**

Date of publication\*: **March 1, 2016**

## 2015 WISCONSIN ACT 163

AN ACT *to repeal* 202.02 (5), 202.02 (6) (d), 202.025 (title), 202.025 (1) (title), 202.025 (2) and (3) (title), 202.025 (3) (b), 202.03 (title), 202.035 (title), (1) and (2) (intro.), 202.04 (title), 202.05, 202.055 (title), 202.06 (1) (title), 202.095 (title), 202.12 (1) (b) 1. and 2., 202.12 (1) (c) and (d), 202.12 (2), 202.12 (3) (a) 1., 2., 3. and 4., 202.12 (3) (am), 202.12 (3) (c), 202.12 (4), 202.13 (1) (b) 1., 202.13 (1) (c) and (d), 202.14 (1) (b) 1., 202.14 (1) (c) and (d), 202.14 (3) (a), (b), (c), (d), (e) and (f), 202.14 (4) (b), (c) and (d), 202.14 (5) (title), 202.155 (3) (intro.), 202.155 (3) (b), 202.22 (2) (a), (b), (c), (d) and (e), 202.22 (4) (c), 202.22 (7) (a), 202.22 (8) and 202.26 (1) and (3); *to renumber* 202.02 (1), 202.02 (2), 202.055 (2), 202.06 (1), 202.07 (1), 202.07 (2), 202.07 (4), 202.09, 202.155 (1) (c) and 202.155 (3) (c); *to renumber and amend* 202.02 (title), 202.02 (3), 202.02 (4), 202.02 (6) (a), 202.02 (6) (b), 202.02 (6) (c), 202.02 (6) (e), 202.02 (7), 202.025 (1) (a), 202.025 (1) (b), 202.025 (3) (a) 1., 202.025 (3) (a) 2., 202.03, 202.035 (2) (a), 202.035 (2) (b), 202.04, 202.055 (1), 202.055 (3), 202.06 (2), 202.07 (3), 202.08, 202.095, 202.12 (1) (b) 3., 202.12 (3) (a) (intro.), 202.12 (8), 202.13 (1) (b) 3., 202.14 (1) (b) 3., 202.14 (3) (intro.), 202.14 (5), 202.155 (title), 202.155 (1) (intro.), 202.155 (1) (a), 202.155 (1) (b), 202.155 (2), 202.155 (3) (a) and 202.155 (4); *to consolidate, renumber and amend* 202.26 (intro.) and (2); *to amend* 202.06 (3), 202.11 (5) (intro.), 202.11 (7) (d), 202.11 (10), 202.12 (1) (title), 202.12 (1) (b) 2g., 202.12 (1) (b) 2r., 202.12 (3) (title), 202.12 (3) (b), 202.12 (3) (bm), 202.12 (5) (a) 3., 202.12 (5) (b), 202.13 (1) (b) 2., 202.13 (2), 202.13 (4) (a), 202.14 (1) (b) 2., 202.14 (2), 202.14 (4) (a), 202.14 (7), 202.16 (1) (intro.), 202.16 (1) (g), 202.17 (1), 202.17 (4) (a), 202.18 (1) (b), 202.21 (1), 202.22 (2) (intro.), 202.22 (4) (title), (a) and (b), 202.22 (5) (a), 202.22 (5) (d), 202.22 (6), 202.22 (7) (b), 202.22 (7) (c), 202.22 (9) (am), 202.23 (1) and 202.23 (2); *to repeal and recreate* 202.07 (title), 202.12 (1) (b) (intro.), 202.12 (7), 202.13 (1) (b) (intro.) and 202.14 (1) (b) (intro.); and *to create* 202.01 (1m), 202.021 (title), (1) (title) and (a), (2) (title), (bn), (c) and (d), (3) (title) and (c) and (4) (title) and (a) (intro.), 1. and 4., 202.031 (5) (a) and (6), 202.06 (2) (d), (f) and (g), 202.12 (1) (e), 202.12 (3) (d), 202.12 (5) (a) 9., 202.12 (6m) (a) 3., 202.12 (6m) (d), 202.12 (8) (b) and (c), 202.13 (1) (e), 202.13 (2m), 202.13 (4) (d), 202.14 (1) (e), 202.14 (2m), 202.14 (4) (e), 202.14 (11) (title), (a), (c), (d) and (f), 202.16 (1) (h), (i), (j), (k) and (L), 202.22 (3) and 227.01 (13) (yx) of the statutes; **relating to:** registration and other requirements for charitable organizations, professional fund-raisers, fund-raising counsel, and professional employer organizations and modifying rules promulgated by the Department of Financial Institutions.

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

**SECTION 1.** 202.01 (1m) of the statutes is created to read:

202.01 (1m) "Application" includes an application for initial registration and an application for renewal of a registration.

**SECTION 2.** 202.02 (title) of the statutes is renumbered 202.031 (title) and amended to read:

\* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

**202.031** (title) **General duties and powers.**

**SECTION 3.** 202.02 (1) of the statutes is renumbered 202.07 (2m).

**SECTION 4.** 202.02 (2) of the statutes is renumbered 202.031 (1).

**SECTION 5.** 202.02 (3) of the statutes is renumbered 202.031 (2), and 202.031 (2) (b), as renumbered, is amended to read:

202.031 (2) (b) Post a notice in a conspicuous place in the registrant's office or place of business, or on the registrant's Internet site, describing the procedures for filing a complaint against the registrant.

**SECTION 6.** 202.02 (4) of the statutes is renumbered 202.021 (1) (b) and amended to read:

202.021 (1) (b) 1. The department shall require each applicant to provide his or her social security number with the applicant's application ~~for a registration or registration renewal~~, or, if the applicant is not an individual, the department shall require the applicant to provide its federal employer identification number.

2. If an applicant is an individual who does not have a social security number, the applicant shall submit a statement to the department made or subscribed under oath that the applicant does not have a social security number. The department of children and families shall prescribe the form of the statement. A registration issued in reliance upon a false statement submitted under this paragraph subdivision is invalid.

3. The department may not disclose a social security number obtained under ~~par. (a) subd. 1.~~ to any person except the department of children and families to administer s. 49.22, the department of revenue to request certifications under s. 73.0301 and administer state taxes, and the department of workforce development to request certifications under s. 108.227.

**SECTION 7.** 202.02 (5) of the statutes is repealed.

**SECTION 8.** 202.02 (6) (a) of the statutes is renumbered 202.021 (2) (a) and amended to read:

202.021 (2) (a) The department may conduct an investigation of the applicant, including the applicant's members, officers, trustees, and directors, to determine whether ~~an~~ the applicant satisfies any all of the eligibility requirements specified for the registration, ~~including whether the applicant does not have.~~ The investigation may include determining whether any of the applicant's members, officers, trustees, or directors has an arrest or conviction record. In conducting an investigation under this paragraph, the department may require an applicant to provide any information that is necessary for the investigation, ~~except that, for an investigation of an arrest or conviction record, the department shall comply with the requirements under par. (d).~~

**SECTION 9.** 202.02 (6) (b) of the statutes is renumbered 202.031 (3) and amended to read:

202.031 (3) A registrant, or a registrant's officer, director, trustee, or member, who is convicted of a felony

or misdemeanor anywhere shall send a notice of the conviction by 1st class mail to the department within 48 hours after the entry of the judgment of conviction.

**SECTION 10.** 202.02 (6) (c) of the statutes is renumbered 202.07 (1m) (b) and amended to read:

202.07 (1m) (b) The department may investigate whether ~~an applicant or a registrant, or an officer, director, trustee, or member of a registrant~~, has been charged with or convicted of a crime. In conducting this investigation, the department may require a person for whom the department conducts an investigation to provide any information that is necessary for the investigation.

**SECTION 11.** 202.02 (6) (d) of the statutes is repealed.

**SECTION 12.** 202.02 (6) (e) of the statutes is renumbered 202.021 (2) (b) and amended to read:

202.021 (2) (b) The If an officer, director, or member of an applicant has been convicted or has an arrest or conviction record, the department shall may charge an applicant the fees, costs, or other expenses the department incurs for conducting an investigation under this subsection.

**SECTION 13.** 202.02 (7) of the statutes is renumbered 202.021 (1) (c) and amended to read:

202.021 (1) (c) The department may require the electronic submission of an application ~~for registration or registration renewal~~ or any other document or information that may be submitted to the department under this chapter.

**SECTION 14.** 202.021 (title), (1) (title) and (a), (2) (title), (bn), (c) and (d), (3) (title) and (c) and (4) (title) and (a) (intro.), 1. and 4. of the statutes are created to read:

**202.021** (title) **Registration.** (1) (title) APPLICATIONS FOR REGISTRATION. (a) Applicants for registration under this chapter shall apply to the department, on forms and in the manner prescribed by the department. Forms prescribed by the department under this paragraph may contain any content or requirement that the department, in its discretion, determines necessary and these forms may be modified or updated as necessary by the department to carry out the purposes of this chapter.

(2) (title) COMPLETION OF REGISTRATION PROCESS.

(bn) Subject to ss. 111.321, 111.322, and 111.335, the department may deny or limit the registration of an applicant or registrant that has a member, officer, trustee, or director who has been convicted of a felony or misdemeanor.

(c) Except as provided in sub. (4), the department shall, after its review of an application, issue a certificate of registration to the applicant.

(d) A registration issued under this chapter is not assignable or transferable.

(3) (title) RENEWAL OF REGISTRATION.

(c) 1. A registrant may apply to renew its registration by submitting to the department an application, fees, and any financial statement required by s. 202.22. For the renewal application to be timely, the renewal fee and

application must be received by the department on or before the registration's expiration date.

2. Subject to subd. 4., a registrant whose renewal fee and completed application are not received by the department on or before the registration's expiration date, but are received within 60 days after the expiration date, must pay the late fee determined by the department under s. 202.041.

3. A registrant whose renewal fee and completed application are not received by the department within 60 days after the expiration date of the registration must submit an application for a new registration.

4. After the expiration date, a registrant that is required to renew its registration may not continue to conduct the activity for which the registration is required unless the registrant's certificate has been renewed by the department or the registrant has paid the renewal fee and filed a completed renewal application on or before the registration's expiration date.

(4) (title) DENIAL OF APPLICATION. (a) (intro.) The department may not issue or renew a registration under this chapter if any of the following applies:

1. The applicant has failed to submit a complete application to the department. Before denying an incomplete application, the department shall notify the applicant of any deficiencies in the application and give the applicant a reasonable amount of time to resolve the deficiencies.

4. The department is not satisfied that the applicant or registrant will comply with this chapter and any rules promulgated under this chapter.

**SECTION 15.** 202.025 (title) of the statutes is repealed.

**SECTION 16.** 202.025 (1) (title) of the statutes is repealed.

**SECTION 17.** 202.025 (1) (a) of the statutes is renumbered 202.021 (3) (a) and amended to read:

202.021 (3) (a) The department shall give a notice of renewal to each registrant at least 30 days before the renewal expiration date of the registration. The department may give that notice by electronic transmission.

**SECTION 18.** 202.025 (1) (b) of the statutes is renumbered 202.021 (3) (b) and amended to read:

202.021 (3) (b) Failure to receive a notice of renewal is not a defense in any disciplinary proceeding against a registrant or in any proceeding against a former registrant for practicing without a registration. Failure to receive a notice of renewal does not relieve a registrant from the obligation to pay a penalty for late renewal under ~~sub. (2) par. (c).~~

**SECTION 19.** 202.025 (2) and (3) (title) of the statutes are repealed.

**SECTION 20.** 202.025 (3) (a) 1. of the statutes is renumbered 202.021 (4) (a) 2. and amended to read:

202.021 (4) (a) 2. ~~Notwithstanding ss. 202.12 to 202.14 and 202.23, if the~~ The department determines that

~~an the applicant for registration or registration renewal has failed to comply with any applicable requirement for the issuance or renewal, or that of registration.~~

3. The department determines that the denial of an the application for registration or registration renewal is necessary to protect the public health, safety, or welfare, the department may summarily deny the application for registration or registration renewal.

**SECTION 21.** 202.025 (3) (a) 2. of the statutes is renumbered 202.021 (4) (b) and amended to read:

202.021 (4) (b) If the department denies an application for registration or registration renewal under ~~sub. par. (a) 1., 2., 3., or 4.,~~ the department shall provide the applicant with a notice of denial that states the facts or conduct giving rise to the denial and states that the applicant may, within 30 days after the date stated on the notice of denial, file a written request with the department for the department to review the denial at a hearing.

**SECTION 22.** 202.025 (3) (b) of the statutes is repealed.

**SECTION 23.** 202.03 (title) of the statutes is repealed.

**SECTION 24.** 202.03 of the statutes is renumbered 202.021 (4) (a) 5. and amended to read:

202.021 (4) (a) 5. ~~Notwithstanding ss. 202.12 to 202.14 and 202.22, the department shall deny an application for an initial registration or for registration renewal, or revoke a registration, if the~~ The department of revenue certifies has certified under s. 73.0301 that the applicant ~~or registrant~~ is liable for delinquent taxes ~~or if the.~~ An applicant whose application is denied under this subdivision for delinquent taxes is entitled to a notice under s. 73.0301 (2) (b) 1. b. and hearing under s. 73.0301 (5) (a) but is not entitled to any other notice or hearing under this section.

6. The department of workforce development certifies has certified under s. 108.227 that the applicant ~~or registrant~~ is liable for delinquent unemployment insurance contributions. An applicant whose application is denied under this subdivision for delinquent unemployment insurance contributions is entitled to a notice under s. 108.227 (2) (b) 1. b. and hearing under s. 108.227 (5) (a) but is not entitled to any other notice or hearing under this section.

**SECTION 25.** 202.031 (5) (a) and (6) of the statutes are created to read:

202.031 (5) (a) Applicants and registrants shall keep current and accurate all material information contained in the application or on file with the department. Material information includes name, mailing address, electronic mail address, and trade names.

(6) Before using any trade name in this state, the registrant shall inform the department in writing that the registrant intends to use the trade name. Unless the registrant is informed by the department within 30 days of submission of the trade name to the department that it may not

use the proposed trade name, the registrant may use the trade name.

**SECTION 26.** 202.035 (title), (1) and (2) (intro.) of the statutes are repealed.

**SECTION 27.** 202.035 (2) (a) of the statutes is renumbered 202.06 (2) (e) and amended to read:

202.06 (2) (e) ~~Restrict, limit, The department shall restrict or suspend a registration, or deny an application for an initial registration, if the registrant, applicant, or a controlling person of the registrant or applicant is delinquent in paying support or is an individual who fails to comply, after appropriate notice, with a subpoena or warrant issued by the department of children and families or a county child support agency under s. 59.53 (5) and related to child support or paternity proceedings that is issued by the department of children and families or a county child support agency under s. 59.53 (5) or who is delinquent in making court-ordered payments of child or family support, maintenance, birth expenses, medical expenses, or other expenses related to the support of a child or former spouse, as provided in a memorandum of understanding entered into under s. 49.857. An individual whose registration is restricted or suspended under this paragraph is entitled to a notice and hearing only as provided in a memorandum of understanding entered into under s. 49.857.~~

**SECTION 28.** 202.035 (2) (b) of the statutes is renumbered 202.021 (4) (a) 7. and amended to read:

202.021 (4) (a) 7. ~~Deny an application for registration renewal if the registrant or a controlling person of the registrant is delinquent in paying support or The applicant is an individual who fails to comply, after appropriate notice, with a subpoena or warrant issued by the department of children and families or a county child support agency under s. 59.53 (5) and related to child support or paternity proceedings that is issued by the department of children and families or a county child support agency under s. 59.53 (5) or who is delinquent in making court-ordered payments of child or family support, maintenance, birth expenses, medical expenses, or other expenses related to the support of a child or former spouse, as provided in a memorandum of understanding entered into under s. 49.857. An applicant whose license is not issued or renewed under this subdivision for delinquent payments is entitled to a notice and hearing under s. 49.857 but is not entitled to any other notice or hearing under this section.~~

**SECTION 29.** 202.04 (title) of the statutes is repealed.

**SECTION 30.** 202.04 of the statutes is renumbered 202.031 (4) and amended to read:

202.031 (4) A registrant may voluntarily surrender his or her, or its registration. The department may refuse to accept that surrender if a complaint has been filed or a disciplinary proceeding has been commenced against the registrant.

**SECTION 31.** 202.05 of the statutes is repealed.

**SECTION 32.** 202.055 (title) of the statutes is repealed.

**SECTION 33.** 202.055 (1) of the statutes is renumbered 202.031 (5) (b) and amended to read:

202.031 (5) (b) ~~An applicant or registrant that undergoes a change of name or address shall notify the department of the applicant's or registrant's new name or address Notification of any change to material information shall be made to the department~~ within 30 days after the change and shall be made in writing or in accordance with other notification procedures approved by the department.

**SECTION 34.** 202.055 (2) of the statutes is renumbered 202.07 (3m).

**SECTION 35.** 202.055 (3) of the statutes is renumbered 202.031 (5) (c) and amended to read:

202.031 (5) (c) Any person who fails to comply with sub. (1) par. (b) shall be subject to a forfeiture of \$50 for each violation.

**SECTION 36.** 202.06 (1) (title) of the statutes is repealed.

**SECTION 37.** 202.06 (1) of the statutes is renumbered 202.07 (1m) (a).

**SECTION 38.** 202.06 (2) of the statutes is renumbered 202.06 (2) (c), and 202.06 (2) (c) 1., as renumbered, is amended to read:

202.06 (2) (c) 1. Made a material misrepresentation or false statement in an application for registration or registration renewal or in any other information submitted to the department or in a report under s. 108.067.

**SECTION 39.** 202.06 (2) (d), (f) and (g) of the statutes are created to read:

202.06 (2) (d) Subject to ss. 111.321, 111.322, and 111.335, the department may reprimand a registrant or deny, limit, suspend, revoke, restrict, refuse to renew, or otherwise withhold a registration if the department finds that the registrant has a member, officer, trustee, or director who has been convicted of a felony or misdemeanor.

(f) The department shall revoke a registration if the department of revenue certifies under s. 73.0301 that the registrant is liable for delinquent taxes. A registrant whose registration is revoked under this paragraph 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).

(g) The department shall revoke a registration if the department of workforce development certifies under s. 108.227 that the registrant is liable for delinquent unemployment insurance contributions. A registrant whose registration is revoked under this paragraph 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).

**SECTION 40.** 202.06 (3) of the statutes is amended to read:

202.06 (3) FORFEITURE. In addition to or in lieu of a reprimand or a denial, limitation, suspension, revocation,

restriction, nonrenewal, or other withholding of a registration under sub. (2) ~~(c)~~, the department may assess against an applicant, registrant, or controlling person a forfeiture of not more than \$1,000 for each violation.

**SECTION 41.** 202.07 (title) of the statutes is repealed and recreated to read:

**202.07 (title) General powers of the department.**

**SECTION 42.** 202.07 (1) of the statutes is renumbered 202.07 (5m) (a).

**SECTION 43.** 202.07 (2) of the statutes is renumbered 202.07 (5m) (b).

**SECTION 44.** 202.07 (3) of the statutes is renumbered 202.07 (5m) (c), and 202.07 (5m) (c) 1., as renumbered, is amended to read:

202.07 (5m) (c) 1. An administrative warning does not constitute an adjudication of guilt or the imposition of discipline and, except as provided in ~~par. (b)~~ subd. 2., may not be used as evidence that the registrant is guilty of the alleged misconduct.

**SECTION 45.** 202.07 (4) of the statutes is renumbered 202.07 (5m) (d).

**SECTION 46.** 202.08 of the statutes is renumbered 202.041, and 202.041 (2), as renumbered, is amended to read:

202.041 (2) Before the department makes any fee adjustment under sub. (1), the department shall send a notification of the proposed fee adjustments to the cochairpersons of the joint committee on finance. If the cochairpersons of the committee do not notify the secretary of financial institutions within 14 working days after the date of the department's notification that the committee has scheduled a meeting for the purpose of reviewing the proposed fee adjustments, the fee adjustments may be made as proposed. The department shall notify registrants of the fee adjustments by posting the fee adjustments on the department's Internet site and in registration renewal notices sent to affected registrants under s. ~~202.025 (1)~~ 202.021 (3) (a). If, within 14 working days after the date of the department's notification, the cochairpersons of the committee notify the secretary of financial institutions that the committee has scheduled a meeting for the purpose of reviewing the proposed fee adjustments, the fee adjustments may be made only upon approval of the committee.

**SECTION 47.** 202.09 of the statutes is renumbered 202.051.

**SECTION 48.** 202.095 (title) of the statutes is repealed.

**SECTION 49.** 202.095 of the statutes is renumbered 202.07 (4m) and amended to read:

202.07 (4m) The department ~~shall~~ may promulgate rules to implement this chapter.

**SECTION 50.** 202.11 (5) (intro.) of the statutes is amended to read:

202.11 (5) (intro.) "Contribution" means a grant or pledge of money, credit, property, or other thing of any

kind or value, except food, used clothing, or used household goods, to a charitable organization or for a charitable purpose. "Contribution" does not include income from any of the following:

**SECTION 51.** 202.11 (7) (d) of the statutes is amended to read:

202.11 (7) (d) A bona fide employee of a ~~person who employs another person to solicit in this state~~ professional fund-raiser that is registered under this chapter.

**SECTION 52.** 202.11 (10) of the statutes is amended to read:

202.11 (10) "Unpaid solicitor" means a person who solicits in this state and who is not a professional fund-raiser and is not a bona fide employee of a professional fund-raiser that is registered under this chapter.

**SECTION 53.** 202.12 (1) (title) of the statutes is amended to read:

202.12 (1) (title) ~~ANNUAL REGISTRATION~~ REGISTRATION REQUIREMENT.

**SECTION 54.** 202.12 (1) (b) (intro.) of the statutes is repealed and recreated to read:

202.12 (1) (b) (intro.) Applicants for a charitable organization registration shall apply to the department, in the form and manner prescribed by the department. Each application that is not a renewal application shall be accompanied by any information required by the department, including all of the following:

**SECTION 55.** 202.12 (1) (b) 1. and 2. of the statutes are repealed.

**SECTION 56.** 202.12 (1) (b) 2g. of the statutes is amended to read:

202.12 (1) (b) 2g. ~~Submits to the department an annual~~ A reviewed financial report statement for the most recently completed fiscal year of the charitable organization, if the charitable organization received contributions in excess of \$5,000 ~~\$300,000, subject to adjustment under sub. (8), but not more than \$100,000~~ \$500,000, subject to adjustment under sub. (8), during its most recently completed fiscal year. The statement shall be prepared in accordance with generally accepted accounting principles and include a review of the financial statement by an independent certified public accountant.

**SECTION 57.** 202.12 (1) (b) 2r. of the statutes is amended to read:

202.12 (1) (b) 2r. ~~Submits to the department an~~ An audited financial statement for the most recently completed fiscal year of the charitable organization, if the charitable organization received contributions in excess of \$100,000 ~~\$500,000, subject to adjustment under sub. (8), during its most recently completed fiscal year. The statement shall be prepared in accordance with generally accepted accounting principles and include the opinion of an independent certified public accountant on the financial statement.~~

**SECTION 58.** 202.12 (1) (b) 3. of the statutes is renumbered 202.12 (1) (b) 1m. and amended to read:

202.12 (1) (b) 1m. Pays to the department the The registration fee determined by the department under s. ~~202.08~~ 202.041.

**SECTION 59.** 202.12 (1) (c) and (d) of the statutes are repealed.

**SECTION 60.** 202.12 (1) (e) of the statutes is created to read:

202.12 (1) (e) All charitable organization registrations expire on July 31 of each year.

**SECTION 61.** 202.12 (2) of the statutes is repealed.

**SECTION 62.** 202.12 (3) (title) of the statutes is amended to read:

202.12 (3) (title) ~~ANNUAL FINANCIAL REPORT; AUDIT REQUIREMENT.~~

**SECTION 63.** 202.12 (3) (a) (intro.) of the statutes is renumbered 202.12 (3) (a) and amended to read:

202.12 (3) (a) ~~Except as provided in pars. (am), (b), and (bm), and in rules promulgated under sub. (8), a~~ A charitable organization ~~that received contributions in excess of \$5,000 during its most recently completed fiscal year registered under sub. (1)~~ shall file with the department an annual ~~financial~~ report for the charitable organization's most recently completed fiscal year. The department shall prescribe the form of the report and shall prescribe standards for its completion. The annual ~~financial~~ report shall be filed within 12 months after the end of that fiscal year ~~and shall include all of the following:~~

**SECTION 64.** 202.12 (3) (a) 1., 2., 3. and 4. of the statutes are repealed.

**SECTION 65.** 202.12 (3) (am) of the statutes is repealed.

**SECTION 66.** 202.12 (3) (b) of the statutes is amended to read:

202.12 (3) (b) ~~Except as provided in rules promulgated under sub. (8) In addition to the annual report required under par. (a),~~ if a charitable organization received contributions in excess of ~~\$400,000~~ \$500,000, ~~subject to adjustment under sub. (8),~~ during its most recently completed fiscal year, the charitable organization shall file with the department, ~~in lieu of a report under par. (a),~~ an audited financial statement for the charitable organization's most recently completed fiscal year, prepared in accordance with generally accepted accounting principles, and the opinion of an independent certified public accountant on the financial statement. The audited financial statement shall be filed within ~~6- 12~~ months after the end of that fiscal year.

**SECTION 67.** 202.12 (3) (bm) of the statutes is amended to read:

202.12 (3) (bm) ~~Except as provided in rules promulgated under sub. (8) In addition to the annual report required under par. (a),~~ if a charitable organization received contributions in excess of ~~\$200,000~~ \$300,000, ~~subject to adjustment under sub. (8),~~ but less ~~not more~~ than ~~\$400,000~~ \$500,000, ~~subject to adjustment under~~

~~sub. (8),~~ during its most recently completed fiscal year, the charitable organization shall file with the department, ~~in lieu of a report under par. (a),~~ a financial statement for the charitable organization's most recently completed fiscal year, prepared in accordance with generally accepted accounting principles, and a review of the financial statement by an independent certified public accountant. The financial statement shall be filed within ~~6- 12~~ months after the end of that fiscal year.

**SECTION 68.** 202.12 (3) (c) of the statutes is repealed.

**SECTION 69.** 202.12 (3) (d) of the statutes is created to read:

202.12 (3) (d) A charitable organization may apply to the department for a waiver of the requirement set forth in par. (b) or (bm). The waiver application shall be in writing, be received by the department within 90 days after the charitable organization's fiscal year-end, and include documentation to support all of the following:

1. The charitable organization's contributions were, during each of the past 3 fiscal years, less than \$100,000, subject to adjustment under sub. (8).

2. During the fiscal year for which the waiver is being requested, the charitable organization received one or more contributions from one contributor that exceeded \$200,000, subject to adjustment under sub. (8), if the charitable organization is applying for a waiver of the requirement set forth in par. (bm), or exceeded \$400,000, subject to adjustment under sub. (8), if the charitable organization is applying for a waiver of the requirement set forth in par. (b).

**SECTION 70.** 202.12 (4) of the statutes is repealed.

**SECTION 71.** 202.12 (5) (a) 3. of the statutes is amended to read:

202.12 (5) (a) 3. ~~Except as provided in par. (b) and in rules promulgated under sub. (8),~~ a charitable organization that does not intend to raise or receive contributions in excess of ~~\$5,000~~ \$25,000, ~~subject to adjustment under sub. (8),~~ during a fiscal year, if all of its functions, including solicitation, are performed by persons who are unpaid for their services and if no part of its assets or income inures to the benefit of, or is paid to, any officer or member of the charitable organization.

**SECTION 72.** 202.12 (5) (a) 9. of the statutes is created to read:

202.12 (5) (a) 9. Any corporation established by an act of the United States Congress that is required by federal law to submit to Congress annual reports, fully audited by the United States Department of Defense, of its activities including itemized accounts of all receipts and expenditures.

**SECTION 73.** 202.12 (5) (b) of the statutes is amended to read:

202.12 (5) (b) ~~Except as provided in rules promulgated under sub. (8),~~ ~~if~~ If a charitable organization would otherwise be exempt under par. (a) 3., but it raises or receives more than ~~\$5,000~~ \$25,000, ~~subject to adjust-~~

ment under sub. (8), in contributions, it shall, within 30 days after the date on which its contributions exceed \$5,000 this amount, register as required under sub. (1).

**SECTION 74.** 202.12 (6m) (a) 3. of the statutes is created to read:

202.12 (6m) (a) 3. That the contribution is not tax-deductible, if this disclosure is applicable.

**SECTION 75.** 202.12 (6m) (d) of the statutes is created to read:

202.12 (6m) (d) The disclosures required by this subsection are required unless the unpaid solicitor is soliciting a contribution for a charitable organization that is not required to be registered under sub. (1) or that has obtained a disclosure exemption under par. (e).

**SECTION 76.** 202.12 (7) of the statutes is repealed and recreated to read:

202.12 (7) RELATIONSHIP WITH FUND-RAISING COUNSEL AND PROFESSIONAL FUND-RAISERS. (a) A charitable organization that is required to be registered under sub. (1), and that permits a fund-raising counsel to perform any material services for the charitable organization, shall do all of the following:

1. Before permitting the fund-raising counsel to perform any material services for the charitable organization, ensure the fund-raising counsel is registered under s. 202.13 (1) or is not required to be registered.

2. Before permitting the fund-raising counsel to perform any material services for the charitable organization, contract in writing with the fund-raising counsel, unless the fund-raising counsel is exempt under s. 202.13 (6) from contracting in writing with the charitable organization. Requirements for the contract are specified in s. 202.13 (3).

3. Retain, for at least 3 years, the accounting the fund-raising counsel is required to provide to the charitable organization under s. 202.13 (4) (a) and make this accounting available to the department upon request.

4. Maintain an account at a financial institution within which the fund-raising counsel shall deposit, in its entirety, within 5 days after its receipt, a contribution of money received by the fund-raising counsel on behalf of the charitable organization. The account shall be in the name of the charitable organization, and the charitable organization shall have sole control of all withdrawals from the account.

(b) A charitable organization that is required to be registered under sub. (1), and that permits a professional fund-raiser to perform any material services for the charitable organization, shall do all of the following:

1. Before permitting the professional fund-raiser to perform any material services for the charitable organization, ensure the professional fund-raiser is registered under s. 202.14 (1) or is not required to be registered.

2. Before permitting the professional fund-raiser to perform any material services for the charitable organization, contract in writing with the professional fund-

raiser. Requirements for the contract are specified in s. 202.14 (4).

3. Before permitting the professional fund-raiser to perform any material services for the charitable organization, file with the department a written confirmation that any solicitation notice filed with the department under s. 202.14 (3), and any material accompanying that notice, are true and correct to the best of the charitable organization's knowledge.

4. Retain, for at least 3 years, the accounting the professional fund-raiser is required to provide to the charitable organization under s. 202.14 (7), and make this accounting available to the department upon request.

5. Maintain an account at a financial institution within which the professional fund-raiser shall deposit, in its entirety, within 5 days after its receipt, a contribution of money received by the professional fund-raiser on behalf of the charitable organization. The account shall be in the name of the charitable organization, and the charitable organization shall have sole control of all withdrawals from the account.

**SECTION 77.** 202.12 (8) of the statutes is renumbered 202.12 (8) (a) and amended to read:

202.12 (8) (a) ~~The Subject to par. (b), the department may promulgate rules that~~ adjust the threshold amounts in subs. (1) (b) ~~2g. and 2r.~~ (3) (a), (b), (bm), and (e) (d) and (5) (a) 3. and (b) to account for inflation.

**SECTION 78.** 202.12 (8) (b) and (c) of the statutes are created to read:

202.12 (8) (b) Before the department makes any adjustment under par. (a), the department shall send a notification of the proposed adjustment to the cochairpersons of the joint committee for review of administrative rules. If the cochairpersons of the committee do not notify the secretary of financial institutions within 14 working days after the date of the department's notification that the committee has scheduled a meeting for the purpose of reviewing the proposed adjustment, the adjustment may be made as proposed. If, within 14 working days after the date of the department's notification, the cochairpersons of the committee notify the secretary of financial institutions that the committee has scheduled a meeting for the purpose of reviewing the proposed adjustment, the adjustment may be made only upon approval of the committee.

(c) The department shall notify registrants of any adjustment under this subsection by posting the adjustment on the department's Internet site.

**SECTION 79.** 202.13 (1) (b) (intro.) of the statutes is repealed and recreated to read:

202.13 (1) (b) (intro.) Applicants for a fund-raising counsel registration shall apply to the department, in the form and manner prescribed by the department. Each application that is not a renewal application shall be accompanied by any information required by the department, including all of the following:

**SECTION 80.** 202.13 (1) (b) 1. of the statutes is repealed.

**SECTION 81.** 202.13 (1) (b) 2. of the statutes is amended to read:

202.13 (1) (b) 2. Files with the department a Δ bond that is approved under sub. (2).

**SECTION 82.** 202.13 (1) (b) 3. of the statutes is renumbered 202.13 (1) (b) 1m. and amended to read:

202.13 (1) (b) 1m. Pays to the department the The registration fee determined by the department under s. ~~202.08 202.041~~, except that no registration fee is required under this subdivision for an individual who is eligible for the veterans fee waiver program under s. 45.44.

**SECTION 83.** 202.13 (1) (c) and (d) of the statutes are repealed.

**SECTION 84.** 202.13 (1) (e) of the statutes is created to read:

202.13 (1) (e) All fund-raising counsel registrations expire on August 31 of each year.

**SECTION 85.** 202.13 (2) of the statutes is amended to read:

202.13 (2) BOND. At the time of applying for registration under sub. (1), the fund-raising counsel shall file with and have approved by the department a bond, in which the fund-raising counsel is the principal obligor, in the sum of \$20,000, ~~with one or more responsible sureties whose liability in the aggregate as sureties at least equals that sum.~~ The fund-raising counsel shall maintain the bond in effect as long as the registration is in effect. The bond, which ~~may shall~~ be in the a form of a rider to a larger blanket liability bond prescribed by and acceptable to the department, shall run to the state and to any person who may have a cause of action against the principal obligor of the bond for any liabilities resulting from the obligor's conduct of any activities as a fund-raising counsel or arising out of a violation of this subchapter or the rules promulgated under this subchapter.

**SECTION 86.** 202.13 (2m) of the statutes is created to read:

202.13 (2m) ANNUAL REPORT. Each fund-raising counsel registered under sub. (1) shall, on or before March 31 of each year, file a report with the department giving such reasonable and relevant information as the department may require concerning the business and operations conducted by the registrant. This report shall be in the form prescribed by the department.

**SECTION 87.** 202.13 (4) (a) of the statutes is amended to read:

202.13 (4) (a) Within 90 days after services under a contract required under sub. (3) are completed, and on the anniversary of the signing of a contract lasting more than one year, the fund-raising counsel shall account in writing to the charitable organization with which the fund-raising counsel has contracted for all contributions received and expenses incurred under the contract. The

~~charitable organization fund-raising counsel~~ shall keep the accounting for at least 3 years after the date on which services under the contract are completed ~~and make it available to the department upon request.~~

**SECTION 88.** 202.13 (4) (d) of the statutes is created to read:

202.13 (4) (d) All records described in this subsection shall be made available to the department upon the department's request.

**SECTION 89.** 202.14 (1) (b) (intro.) of the statutes is repealed and recreated to read:

202.14 (1) (b) (intro.) Applicants for a professional fund-raiser registration shall apply to the department, in the form and manner prescribed by the department. Each application that is not a renewal application shall be accompanied by any information required by the department, including all of the following:

**SECTION 90.** 202.14 (1) (b) 1. of the statutes is repealed.

**SECTION 91.** 202.14 (1) (b) 2. of the statutes is amended to read:

202.14 (1) (b) 2. Files with the department a Δ bond that is approved under sub. (2).

**SECTION 92.** 202.14 (1) (b) 3. of the statutes is renumbered 202.14 (1) (b) 1m. and amended to read:

202.14 (1) (b) 1m. Pays the The registration fee determined by the department under s. ~~202.08 202.041~~, except that no registration fee is required under this subdivision for an individual who is eligible for the veterans fee waiver program under s. 45.44.

**SECTION 93.** 202.14 (1) (c) and (d) of the statutes are repealed.

**SECTION 94.** 202.14 (1) (e) of the statutes is created to read:

202.14 (1) (e) All professional fund-raiser registrations expire on August 31 of each year.

**SECTION 95.** 202.14 (2) of the statutes is amended to read:

202.14 (2) BOND. At the time of applying for registration under sub. (1), a professional fund-raiser shall file with and have approved by the department a bond, in which the professional fund-raiser is the principal obligor, in the sum of \$20,000, ~~with one or more responsible sureties whose liability in the aggregate as sureties at least equals that sum.~~ If a professional fund-raiser does not at any time have custody of any contributions, the bond shall be in the sum of \$5,000. The professional fund-raiser shall maintain the bond in effect as long as the registration is in effect. The bond, which ~~may shall~~ be in the a form of a rider to a larger blanket liability bond prescribed by and acceptable to the department, shall run to the state and to any person who may have a cause of action against the principal obligor of the bond for any liabilities resulting from the obligor's conduct of any activities as a professional fund-raiser or arising out of a

violation of this subchapter or the rules promulgated under this subchapter.

**SECTION 96.** 202.14 (2m) of the statutes is created to read:

202.14 (2m) ANNUAL REPORT. Each professional fund-raiser registered under sub. (1) shall, on or before March 31 of each year, file a report with the department giving such reasonable and relevant information as the department may require concerning the business and operations conducted by the registrant. This report shall be in the form prescribed by the department.

**SECTION 97.** 202.14 (3) (intro.) of the statutes is renumbered 202.14 (3) (am) and amended to read:

202.14 (3) (am) Before performing services under a contract with a charitable organization that is required to be registered under s. 202.12 (1), a professional fund-raiser shall file with the department a completed solicitation notice in the form and manner prescribed by the department. Forms prescribed by the department under this paragraph may contain any content or requirement that the department, in its discretion, determines necessary. The charitable organization on whose behalf the professional fund-raiser is acting shall file with the department a written confirmation that the solicitation notice and any accompanying material are true and complete to the best of its knowledge. ~~The solicitation notice shall include all of the following:~~

**SECTION 98.** 202.14 (3) (a), (b), (c), (d), (e) and (f) of the statutes are repealed.

**SECTION 99.** 202.14 (4) (a) of the statutes is amended to read:

202.14 (4) (a) A professional fund-raiser ~~and may not solicit contributions on behalf of~~ a charitable organization that is required to be registered under s. 202.12 (1) ~~shall enter into unless the professional fund-raiser has executed~~ a written contract with the charitable organization that clearly states the respective obligations of the professional fund-raiser and the charitable organization ~~and states the amount of gross revenue, raised under the contract, that the charitable organization will receive. The amount of the gross revenue that the charitable organization will receive shall be expressed as a fixed percentage of the gross revenue or as an estimated percentage of the gross revenue, as provided in pars. (b) to (d).~~

**SECTION 100.** 202.14 (4) (b), (c) and (d) of the statutes are repealed.

**SECTION 101.** 202.14 (4) (e) of the statutes is created to read:

202.14 (4) (e) The contract required under par. (a) shall include all of the following:

1. The name of the professional fund-raiser.
2. The name of the charitable organization.
3. The beginning and expiration dates of the contract.
4. The terms of the contract, including a clear description of the services to be performed by the professional fund-raiser.

5. A clear statement of the financial arrangement between the professional fund-raiser and the charitable organization, including, if applicable, a statement of all of the following:

a. The percentage or dollar amount of the total funds collected on behalf of the charitable organization that shall be paid to, or retained by, the charitable organization.

b. The percentage or dollar amount of the total funds collected on behalf of the charitable organization that shall be paid to the professional fund-raiser or any other person for purposes other than the exclusive benefit of the charitable organization's charitable purposes.

c. The fixed fee, if any, to be received by the professional fund-raiser.

d. All contractual expenses to be incurred by the professional fund-raiser but charged to the charitable organization. This list of expenses shall contain specific dollar amounts or projected estimates of these costs.

e. The costs per unit for the services to be provided and the projected number of units to be provided.

6. The signature of an owner or principal officer of the professional fund-raiser and the signatures of 2 authorized officers, directors, or trustees of the charitable organization.

**SECTION 102.** 202.14 (5) (title) of the statutes is repealed.

**SECTION 103.** 202.14 (5) of the statutes is renumbered 202.14 (3) (bm) and amended to read:

202.14 (3) (bm) Within 7 days after any material change occurs in information filed with the department under ~~this section par. (am)~~, the professional fund-raiser shall report the change, in writing, to the department.

**SECTION 104.** 202.14 (7) of the statutes is amended to read:

202.14 (7) FINANCIAL REPORT. Within 90 days after completing services under a contract described in sub. (4), and on the anniversary of the signing of a contract described under sub. (4) lasting more than one year, the professional fund-raiser shall, if the charitable organization is required to be registered under s. 202.12 (1), account in writing to the charitable organization for all contributions received and all expenses incurred under the contract. ~~The charitable organization~~ professional fund-raiser shall retain the accounting for at least 3 years and make it available to the department upon request.

**SECTION 105.** 202.14 (11) (title), (a), (c), (d) and (f) of the statutes are created to read:

202.14 (11) (title) SOLICITATION DISCLOSURE REQUIREMENTS. (a) Prior to orally requesting a contribution or contemporaneously with a written request for a contribution, a professional fund-raiser shall clearly and conspicuously disclose all of the following:

1. The name of the charitable organization, as it appears on file with the department, on whose behalf the solicitation is being made.

2. A clear description of the primary charitable purpose for which the solicitation is made.

3. That the contribution is not tax-deductible, if this disclosure is applicable.

4. The name of the professional fund-raiser, as it appears on file with the department, and that the solicitation is being conducted by a professional fund-raiser who is being paid for his, her, or its services.

5. If the individual acting on behalf of the professional fund-raiser identifies himself or herself by name, the individual's legal name.

6. Upon request by a person from whom a charitable contribution is sought, the percentage of the contribution that will be paid to the charitable organization as a result of the person's contribution. If the professional fund-raiser does not receive a percentage of the contribution, the professional fund-raiser shall disclose the dollar amount it was to or will receive.

(c) In addition to the information required by par. (a) 1. to 5., any written solicitation, and any confirmation, receipt, or reminder required by par. (b), shall, unless the charitable organization has obtained a disclosure exemption under s. 202.12 (6m) (e), conspicuously state the following verbatim: "A financial statement of the charitable organization disclosing assets, liabilities, fund balances, revenue, and expenses for the preceding fiscal year will be provided to any person upon request."

(d) The financial statement under par. (c) shall, at a minimum, divide expenses into categories of management and general, program services, and fund-raising. If the charitable organization is required to file financial information with its annual report under s. 202.12 (3), the financial statement under par. (c) shall be consistent with the financial information reported in that annual report.

(f) The disclosures required by this subsection are required unless the professional fund-raiser is soliciting a contribution for a charitable organization that is not required to be registered under s. 202.12 (1).

**SECTION 106.** 202.155 (title) of the statutes is renumbered 202.12 (6m) (title) and amended to read:

202.12 (6m) (title) ~~SOLICITATION~~ UNPAID SOLICITOR DISCLOSURE REQUIREMENTS.

**SECTION 107.** 202.155 (1) (intro.) of the statutes is renumbered 202.12 (6m) (a) (intro.) and amended to read:

202.12 (6m) (a) (intro.) ~~Except as provided in sub. (4), if a professional fund-raiser or unpaid solicitor solicits a contribution for a charitable organization that is required to be registered under s. 202.12 (1), the professional fund-raiser or~~ Prior to orally requesting a contribution or contemporaneously with a written request for a contribution, an unpaid solicitor shall, at the time of the solicitation or with a written confirmation of a solicitation, prior to accepting a contribution, make clearly and conspicuously disclose all of the following disclosures to the person from whom the contribution is solicited:

**SECTION 108.** 202.155 (1) (a) of the statutes is renumbered 202.12 (6m) (a) 1. and amended to read:

202.12 (6m) (a) 1. ~~The name and location of the charitable organization, as it appears on file with the department, on whose behalf the solicitation is being made.~~

**SECTION 109.** 202.155 (1) (b) of the statutes is renumbered 202.12 (6m) (b) and amended to read:

202.12 (6m) (b) ~~That a~~ In addition to the information required by par. (a), any written solicitation, and any confirmation, receipt, or reminder of a pledged amount, shall conspicuously state the following verbatim: "A financial statement of the charitable organization disclosing assets, liabilities, fund balances, revenue, and expenses for the preceding fiscal year will be provided to the any person upon request."

**SECTION 110.** 202.155 (1) (c) of the statutes is renumbered 202.12 (6m) (a) 2.

**SECTION 111.** 202.155 (2) of the statutes is renumbered 202.12 (6m) (c) and amended to read:

202.12 (6m) (c) ~~The financial statement under sub. (4) par. (b) shall, at a minimum, divide expenses into categories of management and general, program services, and fund-raising. If the charitable organization is required to file an financial information with its annual financial report under s. 202.12 sub. (3) (a), the financial statement under sub. (4) par. (b) shall be consistent with the financial information reported in that annual financial report.~~

**SECTION 112.** 202.155 (3) (intro.) of the statutes is repealed.

**SECTION 113.** 202.155 (3) (a) of the statutes is renumbered 202.14 (11) (b) and amended to read:

202.14 (11) (b) ~~If a solicitation is made orally, including a solicitation made by telephone, the professional fund-raiser shall send a written confirmation, within 5 days after the solicitation, send to each person contributing or pledging to contribute. The written confirmation shall include a clear and conspicuous disclosure of the name of the professional fund-raiser and that the solicitation is being conducted by a professional fund-raiser a written confirmation, receipt, or reminder of the contribution.~~

**SECTION 114.** 202.155 (3) (b) of the statutes is repealed.

**SECTION 115.** 202.155 (3) (c) of the statutes is renumbered 202.14 (11) (e).

**SECTION 116.** 202.155 (4) of the statutes is renumbered 202.12 (6m) (e) and amended to read:

202.12 (6m) (e) ~~A charitable organization that operates solely within one community and that received less than \$50,000 in contributions during its most recently completed fiscal year may apply to the department for an exemption from the disclosure requirements under this section subsection. The department shall promulgate rules specifying the criteria for eligibility for an exemption under this paragraph, and shall grant exemptions~~

from the disclosure requirements under this section to a charitable organization that satisfies those criteria prescribe the forms and procedures for use in applying for an exemption.

**SECTION 117.** 202.16 (1) (intro.) of the statutes is amended to read:

202.16 (1) (intro.) No person charitable organization, fund-raising counsel, or professional fund-raiser may, in the conduct of his, her, or its affairs, including the planning, management, or execution of a solicitation or charitable sales promotion, do any of the following:

**SECTION 118.** 202.16 (1) (g) of the statutes is amended to read:

202.16 (1) (g) Represent directly or by implication that a charitable organization will receive a fixed or estimated percentage of the gross revenue raised total funds collected greater than that established under s. 202.14 (4).

**SECTION 119.** 202.16 (1) (h), (i), (j), (k) and (L) of the statutes are created to read:

202.16 (1) (h) Represent or cause another to represent that contributions are tax-deductible unless they so qualify under the federal Internal Revenue Code.

(i) Represent or cause another to represent that the person has previously approved or agreed to make a contribution when in fact the person has not given this approval or agreement.

(j) Represent or cause another to represent that the person has previously contributed to the same organization or for the same purpose when in fact the person has not so contributed.

(k) Fail to apply contributions in a manner substantially consistent with the solicitation or the purposes expressed in the solicitation.

(L) Represent in any manner that registration constitutes an endorsement or approval by the department or the department of justice.

**SECTION 120.** 202.17 (1) of the statutes is amended to read:

202.17 (1) PUBLIC RECORDS. Except as provided in ss. 202.13 (5) and 202.14 (10), ~~registration statements, applications, reports, contracts, and agreements of charitable organizations, fund-raising counsel, professional fund-raisers, and unpaid solicitors and all other documents and information retained by or filed with the department under this subchapter are available for inspection or copying under s. 19.35 (1).~~

**SECTION 121.** 202.17 (4) (a) of the statutes is amended to read:

202.17 (4) (a) ~~If the department or the department of justice has reason to believe a person has violated or is violating this subchapter or the rules promulgated under this subchapter, it may conduct an investigation to determine whether the person has violated or is violating those provisions. The department of justice may subpoena persons and require the production of books and other docu-~~

ments to aid in its investigations of alleged violations of this subchapter.

**SECTION 122.** 202.18 (1) (b) of the statutes is amended to read:

202.18 (1) (b) Upon finding that a person has violated this subchapter or the applicable rules promulgated under s. ~~202.095~~ 202.07 (4m) or this subchapter, the court may make any necessary order or judgment, including but not limited to injunctions, restitution, and, notwithstanding s. 814.04, award of reasonable attorney fees and costs of investigation and litigation, and, except as provided in par. (c), may impose a forfeiture of not less than \$100 nor more than \$10,000 for each violation.

**SECTION 123.** 202.21 (1) of the statutes is amended to read:

202.21 (1) "Applicant" means a professional employer organization or a professional employer group that applies for initial or renewal registration under s. 202.22.

**SECTION 124.** 202.22 (2) (intro.) of the statutes is amended to read:

202.22 (2) APPLICATION FOR REGISTRATION. (intro.) Except as provided in sub. (7) (b), an applicant for registration under this section shall submit to the department an application for registration in a form and manner prescribed by the department, ~~together with the.~~ Each application shall be accompanied by any information required by the department, including all of the following:

(am) The registration fee determined by the department under s. ~~202.08~~ and all of the following: 202.041.

**SECTION 125.** 202.22 (2) (a), (b), (c), (d) and (e) of the statutes are repealed.

**SECTION 126.** 202.22 (3) of the statutes is created to read:

202.22 (3) REGISTRATION EXPIRATION. All professional employer organization and professional employer group registrations expire on July 31 of each year.

**SECTION 127.** 202.22 (4) (title), (a) and (b) of the statutes are amended to read:

202.22 (4) (title) ~~REGISTRATION RENEWAL; EXTENSION FOR FILING UPDATED~~ UPDATED FINANCIAL STATEMENT. (a) ~~A registrant shall submit a renewal application, together with the renewal fee determined by the department under s. 202.08, to the department in a form and manner prescribed by the department by July 31 of each year. Except as provided in pars. par. (b) and (e) and sub. (7) (b), a registrant shall submit with each renewal application a financial statement, as specified in sub. (2) (f) 1., updated to reflect the current financial condition of the registrant.~~

(b) A registrant whose fiscal year end is March 31, April 30, or May 31 may apply to the department for an extension of the time within which until August 31, September 30, or October 31, respectively, to submit the updated financial statement required under par. (a) ~~by providing with the renewal application a letter from the~~

~~certified public accountant who is auditing the registrant's financial statement stating the reasons for the delay and the anticipated completion date of the audit. This application shall be accompanied by any information or documentation required by the department, and may be denied by the department.~~

**SECTION 128.** 202.22 (4) (c) of the statutes is repealed.

**SECTION 129.** 202.22 (5) (a) of the statutes is amended to read:

202.22 (5) (a) Except as provided in sub. (7) (b), a professional employer organization or professional employer group that is domiciled outside this state, that is registered or licensed as a professional employer organization or professional employer group in another state, that does not maintain an office in this state or directly solicit clients that are located or domiciled in this state, and that has no more than 50 employees performing services for clients in this state on any given day may apply for small operations registration under this section by submitting to the department an application for small operations registration in a form and manner prescribed by the department and paying the initial registration fee determined by the department under s. ~~202.08~~ 202.041. An applicant that is seeking small operations registration shall, in addition to the information required under sub. (2) ~~(a) to (e)~~, provide the department with information and documentation showing that the applicant meets the qualifications specified in this paragraph for small operations registration.

**SECTION 130.** 202.22 (5) (d) of the statutes is amended to read:

202.22 (5) (d) Except as provided in sub. (7) (b), a professional employer organization or professional employer group registered under this subsection that wishes to renew its small operations registration shall, in addition to complying with sub. (4) ~~(2)~~, provide the department with information and documentation showing that the professional employer organization or professional employer group continues to meet the qualifications specified in par. (a) for small operations registration.

**SECTION 131.** 202.22 (6) of the statutes is amended to read:

202.22 (6) PROFESSIONAL EMPLOYER GROUP REGISTRATION. Except as provided in sub. (7) (b), 2 or more professional employer organizations that are part of a professional employer group may register under this section or renew a registration by providing the information required under sub. ~~subs.~~ (2), and (4); ~~(a)~~ or sub. (5) on a combined or consolidated basis, paying the initial registration or renewal fee determined by the department under s. ~~202.08~~ 202.041, and guaranteeing each other's obligations. If a professional employer group provides a combined or consolidated financial statement under sub. (2) (f) 1. that includes the financial condition of entities

that are not part of the professional employer group, the controlling person shall guarantee the obligations of the professional employer organizations in the professional employer group.

**SECTION 132.** 202.22 (7) (a) of the statutes is repealed.

**SECTION 133.** 202.22 (7) (b) of the statutes is amended to read:

202.22 (7) (b) The department may ~~by rule provide for~~ allow the registration of a professional employer organization or professional employer group without compliance with sub. (2), (4), (5), or (6), s. 202.23, or rules promulgated under s. ~~202.095~~ 202.07 (4m) or 202.26 on acceptance by the department of assurance, provided by a bonded, independent, and qualified assurance organization that has been approved by the department, satisfactory to the department that the professional employer organization or professional employer group is qualified to operate as a professional employer organization or a professional employer group in this state.

**SECTION 134.** 202.22 (7) (c) of the statutes is amended to read:

202.22 (7) (c) This subsection does not limit the authority of the department to require a professional employer organization or professional employer group to register as provided in sub. (2), (4), (5), or (6), to maintain proof of financial capability as required under s. 202.23, or to comply with this chapter and the rules promulgated under s. ~~202.095~~ 202.07 (4m) or 202.26; to investigate an applicant or registrant and deny registration or renewal registration under ~~sub. (8)~~ s. 202.021, or to investigate an applicant, registrant, or controlling person and take disciplinary action under s. 202.06.

**SECTION 135.** 202.22 (8) of the statutes is repealed.

**SECTION 136.** 202.22 (9) (am) of the statutes is amended to read:

202.22 (9) (am) The department shall maintain and periodically update a list of all professional employer organizations and professional employer groups registered under this section, and shall make the list available ~~on the department's Internet Web site~~ upon request. The list shall include the address of each registrant.

**SECTION 137.** 202.23 (1) of the statutes is amended to read:

202.23 (1) WORKING CAPITAL REQUIREMENT. Working capital, as defined by generally accepted accounting principles, of not less than \$100,000, as shown in the financial statement submitted to the department under s. 202.22 (2) (f) 1., (4) ~~(a)~~, or (6). ~~If a professional employer organization or professional employer group has less than \$100,000 in working capital, the department may issue a registration or renewal registration contingent on the registrant meeting the working capital requirement of this subsection no later than 180 days after the issuance of the registration or renewal registration. During the period of contingent registration, the registrant shall sub-~~

mit quarterly financial statements to the department accompanied by an attestation by the chief executive officer of the registrant that all wages, salaries, employee benefits, worker's compensation insurance premiums, payroll taxes, unemployment insurance contributions, and other amounts that are payable to or with respect to an employee of the registrant performing services for a client were paid by the registrant when due.

**SECTION 138.** 202.23 (2) of the statutes is amended to read:

202.23 (2) ALTERNATIVE COMMITMENT. A bond, certificate of deposit, escrow account, or irrevocable letter of credit in an amount that is not less than \$100,000 or, if the financial statement submitted to the department under s. 202.22 (2) (f) 1., (4), or (6) indicates a deficit in negative working capital, a bond, certificate of deposit, escrow account, or irrevocable letter of credit in an amount that is not less than \$100,000 plus an amount that is sufficient to cover that deficit negative amount. The commitment described in this subsection bond shall be in a form approved by the department, shall be held in a depository designated by the department, and shall secure the payment by the professional employer organization or professional employer group of any wages, salaries, employee benefits, worker's compensation insurance premiums, payroll taxes, unemployment insurance contributions, or other amounts that are payable to or with respect to an employee performing services for a client if the professional employer organization or professional employer group does not make those payments when due. The commitment bond shall be established in favor of or be made payable to the department, for the benefit of the state and any employee to whom or with respect to whom the professional employer organization or professional employer group does not make a payment described in this subsection when due. The professional employer organization or professional employer group shall file with the department any agreement, instrument, or other document that is necessary to enforce the commitment against the professional employer organization or professional employer group, or against any relevant 3rd party, or both.

**SECTION 139.** 202.26 (intro.) and (2) of the statutes are consolidated, renumbered 202.26 and amended to read:

**202.26 Rules.** The rules the department promulgates under s. ~~202.095~~ 202.07 (4m) that implement this subchapter shall may include rules providing for all of the following: (2) Reasonable reasonable fees for any service provided under this chapter that do not exceed an amount that is necessary to cover the cost of providing that service.

**SECTION 140.** 202.26 (1) and (3) of the statutes are repealed.

**SECTION 141.** 227.01 (13) (yx) of the statutes is created to read:

227.01 (13) (yx) Relates to adjustments under s. 202.12 (8), exemptions under s. 202.12 (6m) (e), or the alternative registration of professional employer organizations under s. 202.22 (7) (b).

**SECTION 142.** DFI-Bkg 60.01 of the administrative code is amended to read:

DFI-Bkg 60.01 **Authority.** This chapter is adopted pursuant to ~~ss. 202.12 (3) (am), 202.12 (8), 202.155 (4), and 227.11 (2) s. 202.07 (4m)~~, Stats.

**SECTION 143.** DFI-Bkg 60.02 (3) of the administrative code is repealed.

**SECTION 144.** DFI-Bkg 60.03 (intro.) and (1) of the administrative code are repealed.

**SECTION 145.** DFI-Bkg 60.03 (2) (title) of the administrative code is renumbered DFI-Bkg 60.03 (title).

**SECTION 146.** DFI-Bkg 60.03 (2) of the administrative code is amended to read:

DFI-Bkg 60.03 (2) A registered charitable organization which desires that operates solely within one community and that received less than \$50,000 in contributions during its most recently completed fiscal year may apply to the department to be exempted from the solicitation disclosure requirements of ~~s. 202.155 (1) and (2), Stats., may apply for the exemption by filing the affidavit prescribed by s. DFI-Bkg 60.04 s. 202.12 (6m) (b), Stats.~~ The application shall be made on forms and in the manner prescribed by the department. A registered charitable organization which has applied for the exemption may not conduct solicitations without making the disclosures required under ~~s. 202.155 (1) and (2) 202.12 (6m), Stats., until the registered charitable organization has received written notice from the department that the department has granted the exemption. A registered charitable organization may qualify for the exemption from solicitation disclosures regardless of whether it uses a professional fund-raiser or an unpaid solicitor for the solicitation of contributions to the registered charitable organization.~~

**SECTION 147.** DFI-Bkg 60.03 (3) of the administrative code is created to read:

DFI-Bkg 60.03 (3) If a registered charitable organization obtains an exemption under sub. (2), a professional fund-raiser who solicits contributions on behalf of the registered charitable organization is exempt from the solicitation disclosure requirements in s. 202.14 (11) (c), Stats., when soliciting contributions on behalf of the registered charitable organization.

**SECTION 148.** DFI-Bkg 60.04 of the administrative code is repealed.

**SECTION 149.** DFI-Bkg 60.05 of the administrative code is repealed.

**SECTION 150.** DFI-Bkg 60.06 (title) and (1) of the administrative code are repealed.

**SECTION 151.** DFI-Bkg 60.06 (note) of the administrative code is repealed.

**SECTION 152.** DFI-Bkg 60.06 (2) (title) of the administrative code is renumbered DFI-Bkg 60.06 (title).

**SECTION 153.** DFI-Bkg 60.06 (2) of the administrative code is amended to read:

DFI-Bkg 60.06 (2) A central organization may file a single application for charitable organization registration of the central organization and all of its affiliated subunits, provided that the central organization has complete and direct control over the solicitation activities of all subunits, receives all contributions for its use or future distribution to the subunits and is accountable for all receipts and disbursements relating to the solicited contributions.

**SECTION 154.** DFI-Bkg 60.07 of the administrative code is repealed.

**SECTION 155.** DFI-Bkg 60.075 (2) (c) of the administrative code is amended to read:

DFI-Bkg 60.075 (2) (c) The contents of the mailing do not include the name or contact information of the professional fund-raiser or the fund-raising counsel.

**SECTION 156.** DFI-Bkg 60.08 (title) of the administrative code is amended to read:

**DFI-Bkg 60.08 (title) Annual financial reports.**

**SECTION 157.** DFI-Bkg 60.08 (1) of the administrative code is amended to read:

DFI-Bkg 60.08 (1) Only charitable organizations which are registered or are required to be registered with the department are required to file an annual report ~~or an affidavit in lieu of an annual report with the department~~ under s. 202.12 (3), Stats.

**SECTION 158.** DFI-Bkg 60.08 (2) of the administrative code is repealed.

**SECTION 159.** DFI-Bkg 60.08 (3) and (note) of the administrative code are amended to read:

DFI-Bkg 60.08 (3) An annual ~~financial~~ report submitted to the department pursuant to s. 202.12 (3), ~~202.13 (2m), or 202.14 (2m), Stats., by a charitable organization which is registered or required to be registered~~ shall be complete, accurate and truthful. It shall include all schedules and attachments required by the form prepared by the department pursuant to s. 202.12 (3) (a), Stats., ~~or prepared by another person pursuant to s. 202.12 (4), Stats.~~ A charitable organization which files with the department ~~financial information which it has filed with another state or the federal government shall complete a supplemental form prepared by the department which requires additional information to comply with sub. (2).~~

**Note:** The annual Annual report form and the supplemental form forms may be obtained upon request from the current Internet site of the Department of Financial Institutions, Division of Banking, 201 West Washington Avenue, P.O. Box 7876, Madison, Wisconsin 53707-7876.

**SECTION 160.** DFI-Bkg 60.08 (3m) of the administrative code is repealed.

**SECTION 161.** DFI-Bkg 60.08 (4) of the administrative code is repealed.

**SECTION 162. Effective date.**

(1) This act takes effect on June 1, 2016, or on the day after publication, whichever is later.