
Wisconsin Legislative Council

AMENDMENT MEMO



Memo published: February 19, 2024

Contact: Dan Schmidt, Deputy Director

2023 Assembly Bill 574

**Senate
Amendment 1**

2023 ASSEMBLY BILL 574

Assembly Bill 574 regulates companies that offer earned wage access services to Wisconsin consumers and requires those companies to be licensed by the Wisconsin Department of Financial Institutions (DFI) as a condition of doing business in Wisconsin. The bill defines the provision of *earned wage access services* as either or both of the following:

- 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.
- 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.

Under the bill, the definition of an *employer* includes:

- A person who employs a consumer; or
- 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.

But does not include:

- A customer of an employer; or
- 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.

The bill defines *earned but unpaid income* 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 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.

The bill imposes a variety of requirements and limitations for providers of earned wage access services doing business in Wisconsin and requires those providers to submit an annual report to DFI.

The bill includes an applicability provision that states that, notwithstanding any other provision of law, earned wage access services offered and provided by a licensee in compliance with the bill are not considered to be any of the following:

- A violation of or noncompliance with state law governing the sale or assignment of, or an order for, earned but unpaid income.
- A loan or other form of credit or debt, nor is the provider to be considered a creditor, debt collector, or lender with respect thereto.
- Money transmission, nor is the provider to be considered a money transmitter with respect thereto.

In addition, the applicability provision states that:

- Fees paid to a licensee in accordance with the provisions of the bill may not be considered interest or finance charges.
- The Wisconsin Consumer Act does not apply to proceeds a provider provides to a consumer in accordance with the bill's provisions.
- A voluntary tip, gratuity, or other donation paid by a consumer to a licensee in accordance with the bill's provisions may not be considered a finance charge.

SENATE AMENDMENT 1

Senate Amendment 1 eliminates the applicability provision that is described immediately above.

BILL HISTORY

Senate Amendment 1 was offered by Senator Stafsholt on February 13, 2024. On February 16, 2024, the Senate Committee on Financial Institutions and Sporting Heritage recommended both the adoption of Senate Amendment 1 and concurrence in Assembly Bill 574, as amended, by votes of Ayes, 5; Noes, 0.

For a full history of the bill, visit the Legislature's [bill history page](#).

DWS:jal