



Newsletter

August 2016

Wisconsin Independent Businesses...Helping you where you need it.

MyVote Wisconsin the "Go To" Site for Voting Information

The State of Wisconsin Elections Commission has recently upgraded the MyVote Wisconsin website - the official source for voting information.

At MyVote Wisconsin, you can register to vote, check your voter registration status, find your polling place, see what's on your ballot and request an absentee ballot (military and permanent overseas voters only).



We encourage members who have voting-related questions to check out the site at <https://myvote.wi.gov/en-us/>.

Our State Budget Priorities: Repeal the Personal Property Tax and Greater State Infrastructure Investment



The formulation of Wisconsin's next two-year budget has begun. Late last month, Governor Walker advised state agency leaders of his priorities for the 2017-2019 state budget. They include keeping state education programs strong, income and property tax relief and improving Wisconsin's economy.

Our initial WIB state budget priorities are consistent with the Governor's priorities. Repealing the personal property tax will reduce the tax burden on small, independent businesses and spur local economic growth.

A commercially viable transportation network and a modern telecommunications infrastructure are vitally important to small employers and Wisconsin's economy. That's why we will be lobbying for additional state investments in road construction, repair and maintenance as well as more state funding for the deployment of affordable, reliable broadband service in underserved areas of Wisconsin.

More details on these subjects can be found within this newsletter.

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Confronting the Challenges of Maintaining a Commercially Viable Transportation System



For many of you, keeping equipment in good working order is an ongoing challenge. If it breaks down, you have to decide whether to fix it or replace it.

Letting a broken piece of equipment sit idle may be a short-term option, but it is not a solution.

The age of the equipment, the replacement\repair costs and the time it takes to be back up and running guide the decision-making. Rarely is there a clear-cut, easy answer.

State lawmakers are confronted with a similar scenario. The equipment in question is Wisconsin's transportation infrastructure. For roads, good working order means roads that are safe for travel, able to handle commercial loads and frequent traffic.

The backbone of this network – the State Highway System – consists of 11,500 miles of roadway. Every day, this system carries 60% of all vehicle traffic and 75% of all commercial traffic in Wisconsin. The hometown connections to the state system are 100,000 miles of county, city, village and town roads.

The State Highway System was built before 1970. Many segments within it are beyond their useful life. The repair costs are high, but so, too, are the replacement costs. Portions of Wisconsin's network of local roads also need to be fixed. Here, as well, the repair costs are high.

The revenues currently available to keep Wisconsin roads in good working order are insufficient. As a result, needed improvements to the state's transportation network are being financed with borrowed money and debt service costs have tripled in the last 15 years. Transportation officials routinely triage road projects and divert resources accordingly. Delayed road repair

and deferred road maintenance lead to much higher costs in the long run.

Thankfully, state lawmakers are already discussing and debating the key elements of a sustainable transportation infrastructure plan.

The Governor believes it is important to prioritize road projects and identify efficiencies that will help build and repair roads in a more cost effective manner. Assembly Republican leaders, led by Joint Finance Committee Co-Chair John Nygren (R-Marinette), also believe the State of Wisconsin must bring in new revenue to fund the road projects on the priority list and buy down the state's transportation debt.

From the perspective of WIB, maintaining a commercially viable state transportation system will require additional revenue. Furthermore, we agree that money coming into the state's Transportation Fund should be spent wisely on road projects which are important to Wisconsin's economy and hometown businesses.

State lawmakers need to put a long-term infrastructure plan in place next year. WIB will be working with state lawmakers to achieve this important goal.



Brian Dake is the Legislative Director for WIB. With nearly 15 years in the Wisconsin State Assembly as a legislative aide, Brian has a broad understanding of the legislative process and how state government operates.



Momentum Builds to Repeal Wisconsin's Personal Property Tax

In May, WIB became a founding member of the Coalition to Repeal Wisconsin's Personal Property Tax ("Coalition"). We are off to a great start.

As of this writing, 34 statewide business advocacy organizations have joined the Coalition and we continue to seek out more allies. Our goal is to enlist the support of at least 50 statewide pro-business groups.

With the help of WIB members, more than 300 Wisconsin businesses have signed the Coalition's online petition calling upon Governor Walker and legislative leaders to end the personal property tax. If you have not signed the petition, please consider doing so at <http://smallbusinesseswi.com/petition>.

On June 2, the Coalition sent a letter to Governor Walker asking for his commitment in the 2017-2019 state budget to repeal this tax, whether in full or phased out over several years. A spokesman for the Governor responded to this letter, saying "the Governor is committed to ensuring that property taxes are lower in 2018 than they are today." Repealing the personal property tax is wholly consistent with this objective.

After the August 9 primary election, the Coalition will be sending letters to all state legislative candidates asking for their support to end this unfair and antiquated tax. Any follow-up from WIB members to their local legislative candidates would be most appreciated.

Soon, the Coalition will begin its education and outreach campaign to build public support to repeal Wisconsin's personal property tax. We need your help!

Most Wisconsinites do not pay personal property taxes. They are unfamiliar with the burdensome process by which these taxes are reported and the negative impact they have on small, independent businesses. We believe your experience and insight can help sway public opinion in our favor.

The coalition has created a LinkedIn group (registration required) - <https://www.linkedin.com/groups/8551812> where businesses can submit their concerns and input on the personal property tax. In turn, the Coalition will share this information through social media, face-to-face meetings with legislators and opinion leaders across Wisconsin.



SUBMIT YOUR CONCERNS
AND SUGGESTIONS ON THE
PERSONAL PROPERTY TAX

<https://www.linkedin.com/groups/8551812>
(registration required)

Our State Budget Priorities

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State agency budget requests are available for review in mid-September. Shortly after the general election, the non-partisan Legislative Fiscal Bureau will publish its analysis of these requests. Governor Walker will present his final 2017-2019 budget recommendations to the Wisconsin State Legislature early next year.

Between now and then, we will be lobbying to have our priorities included in the budget plan the Governor submits to legislators. As we have learned over the years, it is much easier to convince lawmakers to keep things in the state budget than it is to add them in later.



Legal Line

Child Labor Laws

Both the state and federal government have laws and regulations governing employment of minors, persons who have not yet reached the age of 18.

These laws exist to protect the health and welfare of minors in the workforce. The topic of child labor is far too detailed to fully address in a single newsletter article, as permitted employment may vary industry by industry. This article will address general requirements and businesses are also encouraged to obtain copies of the Guide to Wisconsin's Child Labor Laws published by the Wisconsin Department of Workforce Development (DWD). The Guide can be found online at <http://dwd.wisconsin.gov/dwd/publications>, DWD publication no. ERD 17231-P. The Guide addresses rules industry by industry itemizing what is prohibited work.

RULES OF WORK

1. Work Permits

Work permits issued by the DWD are generally required for all employees under age 18. Exceptions to this requirement include agricultural and domestic employment, volunteer work for non-profit agencies, court ordered restitution or community service, and certain student learning activities.

2. Wage Payments

- a. **Minimum wage:** For the most part, minors must be paid the state/federal minimum wage of \$7.25.
- b. **Opportunity Wage:** Employees under 20 may be paid a lower "opportunity wage" of \$5.90/hour (state which is higher than federal) during the first 90 calendar days after employment. On the 91st calendar day after employment, the wage must be raised to at least \$7.25.

- c. **Other exceptions:** Other exceptions may be applicable in restaurants, or for persons with impairments restricting productivity, which must be looked at on a case by case basis.

3. Hours of Work

- a. **Minors who are high school graduates:** No restriction on hours of work and are subject to minimum wage and overtime regulations.
- b. **16-17 years old:** No restrictions on hours worked except they may not be employed during hours they are required to be in school.
- c. **14-15 year olds:** Hours for minors 14-15 years old are restricted with different requirements for school and non-school weeks and time of year.

During non-school weeks, these minors are restricted to no more than 40 hours per week and 8 hours per non-school day.

During school weeks, employment is restricted to 18 hours per week and 3 hours per school day.

After Labor Day and through May 31, employment is permitted between 7 a.m. and 7 p.m. when not required to be in school.

From June 1 to Labor Day, permitted time is from 7 a.m. to 9 p.m.



4. Workers Compensation

Minors are employers for purposes of workers compensation laws. When minors without work permits are injured, the employer may be required to match any primary compensation due by its insurance carrier. This employer liability is doubled if the employee was engaged in prohibited hazardous employment.

5. Unemployment Compensation

Minors are employees for purposes of unemployment compensation laws.

6. Prohibited Employment

Minors are generally prohibited from performing tasks deemed hazardous which includes driving equipment, operating cutting or burning tools, climbing ladders over 20 feet, working under hoists, and other similar activities.

Minors over 16 may operate lawn and garden equipment. It is important that in hiring minors, you assess any equipment they may use or come in contact with and make specific checks against DWD regulations and publications.

7. Student Learners / Interns / Job Shadowing

There are some exceptions from regulations for accredited school programs, but programs must be in conjunction with schools or other educational institutions. Unpaid interns and job

shadowing may be permitted but not if the intern or shadower performs productive work for a commercial business, or performs tasks otherwise performed by paid employees. Employers are encouraged to seek specific advice before engaging in educational activities as many types of work programs are strictly limited in exemptions from the child labor laws.

8. Parent owned businesses

Children 12 years of age or more are permitted to work at any gainful employment under the direct supervision of their parent or in a parent owned business so long as the employment is not deemed hazardous.

Employment of minors is challenging given the extensive regulations imposed. Nonetheless, employment of minors is important to our economy. Businesses are encouraged to know the rules to avoid liabilities and to create a safe working environment.

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Gary Antoniewicz is an attorney with the Madison-based law firm Boardman & Clark LLP. Gary practices business and dealership law. For over 30 years, Gary has provided legal advice and counsel to small and family-held businesses throughout Wisconsin.

Share Your Ideas and Suggestions for Worker's Compensation Insurance Reform

The Wisconsin Department of Workforce Development (DWD) has scheduled a public hearing on Tuesday, November 15, 2016 to gather input on possible changes to the state's Worker's Compensation program. We strongly encourage members to share their concerns, ideas and suggestions.

The hearing will be conducted simultaneously at six locations during the afternoon session (2:00 p.m. - 4:00 p.m.) and six locations during the evening session (6:00 p.m. - 7:00 p.m.) using video conference technology. The hearing locations are:

Eau Claire

UW-Eau Claire
Centennial Hall
1698 Park Avenue, Rm 1804

Green Bay

UW-Green Bay
Information Technology
Service Building
2420 Nicolet Drive, Rm IS 1034

La Crosse

UW-Lacrosse
Wing Technology Center
17th and State Street, Rm 24

Madison

UW-Extension
Pyle Center
702 Langdon Street, Rm 235

Milwaukee

UW-Milwaukee
Kenwood IRC
2200 E. Kenwood Blvd., Rm 2175

Wausau

UW-Marathon County
Location TBA in September

Written comments may be submitted no later than December 2, 2016 to:

B.J. Dernbach
Chair
Worker's Compensation Advisory Council
201 E. Washington Ave., Rm C100
Madison, Wisconsin 53703

UIAC Studying Work Search Requirements for Seasonal Employees

To receive Unemployment Insurance (UI) benefits, claimants must perform at least four work search actions each week unless the Wisconsin Department of Workforce Development (DWD) waives such requirements. Generally speaking, work search waivers are granted for a limited period of time.

Last summer, DWD revised the work search requirements for claimants who expect to be recalled back to work. More specifically, claimants who expect recall by their employer may seek a waiver of the weekly work search requirement for an 8-week period that can be extended for a maximum of 4 additional weeks with recall verification from the claimant's employer.

The stated intent of this policy change was to "help more UI claimants transition back to employment quickly." This is a worthy objective. Fewer UI benefit claims improves the financial condition of the UI Trust Fund which in turn reduces UI taxes for employers.

That being said, this new regulation is creating significant uncertainty and hardship for small and medium-sized seasonal employers. Weather and timing are circumstances beyond the control of seasonal employers.

Worker's Compensation Insurance Reform

SUBMIT YOUR IDEAS AND SUGGESTIONS

B.J. Dernbach
Chair
Worker's Compensation Advisory Council
201 E. Washington Ave., Rm C100
Madison, Wisconsin 53703



Department of Labor Finalizes Pay Regulations

by Gary Antoniewicz, Attorney, Boardman & Clark LLP

After months of anticipation, the U.S. Department of Labor has finalized changes to its overtime pay regulations.



The new regulations are scheduled to become effective on December 1, 2016. The

new changes to the Fair Labor Standards Act (FLSA) regulations are applicable to employers covered by FLSA, which includes enterprises with two or more employees and an annual business dollar volume of \$500,000 or more.

The principal changes are to minimum salary requirements for

employees exempt from overtime pay under the managerial, administrative and professional exemptions.

The new rules do not make any changes to the duties test with respect to the exemptions, just the minimum salary requirements.

Changes include:

- Minimum salary threshold is raised from \$455/week to \$913/week (\$47,476 for full year worker).
- The minimum salary for the highly compensated employees exemption will be raised from \$100,000 to \$134,004. These are employees who are not required to meet the duties test for the managerial, administrative

or professional exemptions and are exempt based solely on compensation.

- Non-discretionary bonuses, incentive pay, and commissions can be counted as salary (up to 10%) providing the payments are made on at least a quarterly basis. (Previously not counted.)
- Salary levels will automatically be updated every three years commencing January 1, 2020. Minimum salary is to be set at the 40th percentile of full-time salaried workers in the lowest wage census region and 90th percentile for highly compensated employees.

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UIAC Studying Work Search Requirements for Seasonal Employees *continued from page 6*

Construction and landscaping companies cannot operate when the ground is frozen or the grass is covered with snow. Likewise, school bus companies shut down during the summer months. When these seasonal employers can operate, they depend on their experienced workers.

The Wisconsin Unemployment Insurance Advisory Council (UIAC) – the entity which advises

While the stated intent of this policy was a worthy objective, the new regulation is creating significant uncertainty and hardship for small and medium-sized seasonal employers who depend on their experienced, seasonal workers.

state lawmakers on UI-related issues is studying this issue.

They have asked DWD to analyze statistics from the winter of 2015-2016 to assess the impact of

this policy change on seasonal employers and the UI financing system. This information will be presented to the UIAC later this year.

WIB has gone on the record in support of changes to this new policy which will make it easier for seasonal employers to retain their valued employees. Hopefully, the UIAC can come up with a solution that can be submitted for review and approval by state lawmakers.

WIB Opposes Business Liability Proposal

WIB routinely evaluates legislative proposals which may impact small, independent businesses. This due diligence guides our advocacy efforts and helps us educate members.

In late June, State Representative Bob Gannon (R-Slinger) announced plans to introduce a legislative proposal next year which would:

“hold public places, mainly businesses, legally responsible

for any harm to a guest, visitor or consumer on their premises that is injured by a weapon banned under a “No Weapons Allowed” policy posted at the same establishment.

By way of background, under Wisconsin’s Conceal-and-Carry law, a private business may prohibit customers from carrying a concealed weapon in their establishment.

To exercise this option, notice must be provided to customers. The notice can be oral or by posting a sign. Any sign must be located in a prominent place near all of the entrances to the business.

If, or when, Representative Gannon’s proposal is formally introduced, WIB will be lobbying against it. Our advocacy is guided by the following beliefs:

1. Wisconsin’s Conceal-and-Carry law strikes the proper balance between the legal obligations of a private business owner to maintain a safe environment for customers and the rights of law-abiding citizens to protect themselves; and
2. Terrorists should be held solely responsible for their heinous acts of violence against law-abiding citizens and law-abiding business owners.

Wisconsin Independent Businesses...Helping you where you need it.

If you have questions about these issues or any workplace problems, call the **WIB toll-free member HOTLINE at 800-362-9644**



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