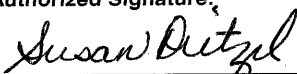


1999 Session		LRB Number -2688/2								
FISCAL ESTIMATE DOA-2048 N(R06/99)		Bill Number AB 612								
<input checked="" type="checkbox"/> ORIGINAL <input type="checkbox"/> UPDATED <input type="checkbox"/> CORRECTED <input type="checkbox"/> SUPPLEMENTAL		Amendment No. if Applicable								
Subject		Administrative Rule Number								
Payday Loan Providers Disclosures										
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.										
<input type="checkbox"/> Increase Existing Appropriation <input checked="" type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Appropriation <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Create New Appropriation		<input checked="" type="checkbox"/> Increase Costs - May be possible to Absorb Within Agency's Budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs								
Local: <input checked="" type="checkbox"/> No local government costs										
1. <input type="checkbox"/> Increase Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	3. <input type="checkbox"/> Increase Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenues <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	5. Types of Local Governmental Units Affected: <input type="checkbox"/> Towns <input type="checkbox"/> Villages <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others _____ <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts								
Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S		Affected Chapter 20 Appropriations								
Assumptions Used in Arriving at Fiscal Estimate <p>This bill requires the Department of Financial Institutions (DFI) to promulgate rules and prescribe forms to ensure the efficient administration of s. 138.14, Wis. Stats. It also requires the Department to develop educational materials that will be used to inform an applicant of the potential costs of entering into a payday loan and of other options for borrowing funds that may be available to the applicant. Payday lenders are to provide the educational materials to a loan applicant before funds are disbursed.</p> <p>In 1998 and 1997, payday lenders licensed in Wisconsin made 630,300 and 350,600 loans, respectively. Assuming that the number of loans will continue to increase and then level off at approximately one million a year, and also assuming that the educational material to be distributed will consist of a one page "fact sheet" estimated costs are as follows:</p> <table style="width:100%; border: none;"> <tr> <td style="width: 60%;">Printing and Paper</td> <td style="text-align: right;">\$22,000</td> </tr> <tr> <td>Mailing</td> <td style="text-align: right;">5,000</td> </tr> <tr> <td>Salaries and Fringe Benefits</td> <td style="text-align: right;">11,000</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">\$38,000</td> </tr> </table> <p>Salary and fringe benefit costs include staff time spent developing the educational material, ordering, taking requests, preparing shipments, monitoring inventory, receipting payments, tracking receivables, and handling an increase in complaints and inquiries. It is assumed approximately 1/3 position at \$25,000 per year plus fringe benefits will handle these tasks. In order to cover costs, the Department would charge the cost of supplying the educational material to the lenders.</p> <p>This estimate presumes that the costs to the Department of promulgating rules, prescribing forms and storing the fact sheets would not be significant.</p>			Printing and Paper	\$22,000	Mailing	5,000	Salaries and Fringe Benefits	11,000	Total	\$38,000
Printing and Paper	\$22,000									
Mailing	5,000									
Salaries and Fringe Benefits	11,000									
Total	\$38,000									
Long-Range Fiscal Implications										
Prepared by: Mike Mach	Telephone No. 266-0451	Agency DFI								
Authorized Signature: 	Telephone No. 267-0399	Date 12/8/99								

FISCAL ESTIMATE WORKSHEET

1999 Session

Detailed Estimate of Annual Fiscal Effect
DOA-2047 (R06/99)

LRB Number 2688/2	Amendment No. if Applicable
Bill Number AB 612	Administrative Rule Number

ORIGINAL UPDATED
 CORRECTED SUPPLEMENTAL

Subject

Pay Day Loan Providers Disclosures

I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

II. Annualized Costs:		Annualized Fiscal impact on State funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$ 11,000	\$ -
(FTE Position Changes)		(FTE)	(- FTE)
State Operations - Other Costs		27,000	-
Local Assistance			-
Aids to Individuals or Organizations			-
TOTAL State Costs by Category		\$ 38,000	\$ -
B. State Costs by Source of Funds		Increased Costs	Decreased Costs
GPR		\$	\$ -
FED			-
PRO/PRS		38,000	-
SEG/SEG-S			-
State Revenues	Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)	Increased Rev.	Decreased Rev.
GPR Taxes		\$	\$ -
GPR Earned			-
FED			-
PRO/PRS		38,000	-
SEG/SEG-S			-
TOTAL State Revenues		\$ 38,000	\$ -

NET ANNUALIZED FISCAL IMPACT

	<u>STATE</u>	<u>LOCAL</u>
NET CHANGE IN COSTS	\$ 38,000	\$
NET CHANGE IN REVENUES	\$ 38,000	\$

Prepared by: Mike Mach	Telephone No. 266-0451	Agency DFI
Authorized Signature: <i>Ausan Ditzel</i>	Telephone No. 267-0399	Date 12/8/99