



WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

Ronald Sklansky
Clearinghouse Director

Richard Sweet
Clearinghouse Assistant Director

Terry C. Anderson
Legislative Council Director

Laura D. Rose
Legislative Council Deputy Director

CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

CLEARINGHOUSE RULE 02-001

AN ORDER to create DFI-Bkg 80.90, relating to registration fees paid by persons who make or solicit consumer credit transactions.

Submitted by **DEPARTMENT OF FINANCIAL INSTITUTIONS**

01-02-02 RECEIVED BY LEGISLATIVE COUNCIL.

01-24-02 REPORT SENT TO AGENCY.

RS:NZ:tlu;ksm

LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached YES NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached YES NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached YES NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS [s. 227.15 (2) (e)]

Comment Attached YES NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached YES NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL REGULATIONS [s. 227.15 (2) (g)]

Comment Attached YES NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

Comment Attached YES NO



WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

Ronald Sklansky
Clearinghouse Director

Richard Sweet
Clearinghouse Assistant Director

Terry C. Anderson
Legislative Council Director

Laura D. Rose
Legislative Council Deputy Director

CLEARINGHOUSE RULE 02-001

Comments

[NOTE: All citations to "Manual" in the comments below are to the Administrative Rules Procedures Manual, prepared by the Revisor of Statutes Bureau and the Legislative Council Staff, dated September 1998.]

2. Form, Style and Placement in Administrative Code

a. The rule should contain an action clause and a relating clause. For example, at the beginning of the rule-making order the following statement should be included:

An order to create DFI-Bkg 80.90, relating to registration fees under the Wisconsin consumer act.

[See s. 1.02 (1), Manual.]

b. The analysis indicates the statutory authority under which the rule is promulgated; it also should indicate the statutes interpreted by the rule. [See s. 1.02 (2) (a), Manual.]

c. In s. DFI-Bkg 80.90, the notation "Stats.," should follow the second statutory cross-reference and the word "or" should be replaced by the word "nor."

PROPOSED RULE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
OFFICE OF FINANCIAL EDUCATION

Analysis: The create s. DFI—Bkg 80.90. Statutory authority: ss. 426.201 (3) and 227.11 (2), Stats. Summary: 2001 Act 16 amended ss. 426.201 (2)(intro), (2)(fm), (3), and 426.202 (1m)(b) and (1m)(c), Stats.; created s. 426.201 (2m), Stats.; repealed ss. 426.202 (1m)(a)1.a., (1m)(a)1. b., and (1m)(a)1.c., (d) and (e), Stats.; and renumbered and amended s. 426.202 (1m)(a)1.(intro.), Stats. The act authorizes the Department of Financial Institutions to adopt rules pertaining to registration fees under the Wisconsin Consumer Act. The proposed rule revises the formula for calculating these fees. Agency person to be contacted for substantive questions and responsible for the agency's internal processing: David D. Mancl, Director, Department of Financial Institutions, Office of Financial Education, P.O. Box 8041, Madison, WI 53708-8041, Tel. (608) 261-9540. Pursuant to the statutory authority referenced above, the Department of Financial Institutions, Office of Financial Education adopts the following:

SECTION 1: Section DFI—Bkg 80.90 is created to read:

DFI—Bkg 80.90 Registration fees. The registration fee required to be paid pursuant to s. 426.202 (1m), Stats., shall be 0.006% of the year-end balance, as defined in s. 426.202 (1m)(a)3., except the fee shall not be less than \$25 or greater than \$2,800.

NOTE

Pursuant to s. 227.14 (3), Stats., an agency shall include a reference to forms in a note to the proposed rule and shall attach a description of how copies of the forms may be obtained. Pursuant to s. 227.14 (3), copies of forms may be obtained at the following:

Department of Financial Institutions
Wisconsin Consumer Act Section
P.O. Box 8041
Madison, WI 53708-8041
tel. (608) 264-7968



State of Wisconsin
Department of Financial Institutions

Scott McCallum, Governor

John F. Kundert, Secretary

January 29, 2002

Representative Scott R. Jensen
Room 211 West
State Capitol
P.O. Box 8952
Madison 53708-8952

Senator Fred Risser
Room 220 South
State Capitol
P.O. Box 7882
Madison 53707-7882

Re: Notice of Proposed Rule

Dear Representative Jensen and Senator Risser:

Pursuant to ss. 227.19(2) and (3), Stats., notice is hereby given that CR 02-1 (proposed rule creating s. DFI—Bkg 80.90) is in final draft form. The following documentation accompanies this notice in triplicate:

- report to the legislature
- proposed rule with analysis, note regarding form, and fiscal estimate
- recommendations of legislative council staff

If you have any questions regarding this matter or the enclosed, please do not hesitate to contact me at tel. 267-1705.

Sincerely,

Mark Schlei
Deputy General Counsel

encls

Office of the Secretary

Mail: PO Box 8861 Madison WI 53708-8861

Courier: 345 W. Washington Ave. 5th Floor Madison, WI 53703

Voice: (608) 264-7800

Fax: (608) 261-4DFI

TTY: (608) 266-8818

Internet: www.wdfi.org

DATE: January 29, 2002

TO: Senator Fred Risser, President
Wisconsin State Senate

Representative Scott Jensen, Speaker
Wisconsin State Assembly

FROM: Mark Schlei, Deputy General Counsel
Department of Financial Institutions

SUBJECT: Report on CR 01-112

This report is submitted pursuant to s. 227.19 (2) and (3), Stats., regarding CR 02-1 (proposed rule creating DFI—Bkg 80.90).

1. STATEMENT EXPLAINING THE NEED FOR THE PROPOSED RULE

2001 Act 16 amended ss. 426.201 (2)(intro), (2)(fm), (3), and 426.202 (1m)(b) and (1m)(c), Stats.; created s. 426.201 (2m), Stats.; repealed ss. 426.202 (1m)(a)1.a., (1m)(a)1. b., and (1m)(a)1.c., (d) and (e), Stats.; and renumbered and amended s. 426.202 (1m)(a)1.(intro.), Stats. The act authorizes the Department of Financial Institutions to adopt rules pertaining to registration fees under the Wisconsin Consumer Act. The proposed rule revises the formula for calculating these fees.

2. MODIFICATIONS MADE AS A RESULT OF TESTIMONY RECEIVED AT THE PUBLIC HEARING

No modifications were made as a result of testimony received at the public hearing.

3. PERSONS APPEARING OR REGISTERING FOR OR AGAINST THE PROPOSED RULE AT THE PUBLIC HEARING

No persons appeared or registered for or against the proposed rule.

4. RESPONSE TO LEGISLATIVE COUNCIL RECOMMENDATIONS

Legislative council staff recommendations were accepted in whole.

5. FINAL REGULATORY FLEXIBILITY ANALYSIS

Pursuant to s. 227.19(3m), a final regulatory flexibility analysis is not required.

PROPOSED RULE
STATE OF WISCONSIN
DEPARTMENT OF FINANCIAL INSTITUTIONS
OFFICE OF FINANCIAL EDUCATION

An order to create DFI—Bkg 80.90, relating to registration fees under the Wisconsin Consumer Act. Analysis: Statutory authority: ss. 426.201 (3) and 227.11 (2), Stats. Statutes interpreted: s. 426.201 (3), Stats. Summary: 2001 Act 16 amended ss. 426.201 (2)(intro), (2)(fm), (3), and 426.202 (1m)(b) and (1m)(c), Stats.; created s. 426.201 (2m), Stats.; repealed ss. 426.202 (1m)(a)1.a., (1m)(a)1. b., and (1m)(a)1.c., (d) and (e), Stats.; and renumbered and amended s. 426.202 (1m)(a)1.(intro.), Stats. The act authorizes the Department of Financial Institutions to adopt rules pertaining to registration fees under the Wisconsin Consumer Act. The proposed rule revises the formula for calculating these fees. Agency person to be contacted for substantive questions and responsible for the agency's internal processing: David D. Mancl, Director, Department of Financial Institutions, Office of Financial Education, P.O. Box 8041, Madison, WI 53708-8041, Tel. (608) 261-9540. Pursuant to the statutory authority referenced above, the Department of Financial Institutions, Office of Financial Education adopts the following:

SECTION 1: Section DFI—Bkg 80.90 is created to read:

DFI—Bkg 80.90 Registration fees. The registration fee required to be paid pursuant to s. 426.202 (1m), Stats., shall be 0.006% of the year-end balance, as defined in s. 426.202 (1m)(a)3., Stats., except the fee shall not be less than \$25 nor greater than \$2,800.

NOTE

Pursuant to s. 227.14 (3), Stats., an agency shall include a reference to forms in a note to the proposed rule and shall attach a description of how copies of the forms may be obtained. Pursuant to s. 227.14 (3), copies of forms may be obtained at the following:

Department of Financial Institutions
Wisconsin Consumer Act Section
P.O. Box 8041
Madison, WI 53708-8041
tel. (608) 264-7968

Fiscal Estimate — 2001 Session

- Original Updated
 Corrected Supplemental

LRB Number	Amendment Number if Applicable
Bill Number	Administrative Rule Number DFI-Bkg 80.90

Subject
 Wisconsin Consumer Act Registration Fees

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

- Increase Costs — May be possible to absorb within agency's budget.
 Yes No
 Decrease Costs

Local: No Local Government Costs

1. Increase Costs
 Permissive Mandatory
2. Decrease Costs
 Permissive Mandatory
3. Increase Revenues
 Permissive Mandatory
4. Decrease Revenues
 Permissive Mandatory

5. Types of Local Governmental Units Affected:
 Towns Villages Cities
 Counties Others _____
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Chapter 20 Appropriations
 20.144(1)(g)

Assumptions Used in Arriving at Fiscal Estimate

2001 Act 16 required the Department to establish, by administrative rule, registration fees paid by persons who make or solicit consumer credit transactions. According to s. 426.202(1m), in establishing these fees, the Department shall consider the costs of administering the Wisconsin Consumer Act, including the costs of enforcement, education, and seeking voluntary compliance. The registration fee is to be based on the person's year-end balance of consumer credit transactions for the reporting period.

This rule establishes the rates at 0.006% of the year end balance, with a minimum fee of \$25 and a maximum of \$2,800. No fee is required if the balance does not exceed \$250,000. Previous rates were 0.005% of the average monthly outstanding balance with a minimum fee of \$25 and a maximum of \$1,500. The Department believes the differences between "average monthly outstanding balance" and "year-end balance" used in calculations by persons reporting will not be significant.

This fee structure matches projected revenue with anticipated expenditures. Budgeted costs for administration of the Wisconsin Consumer Act in fiscal year 2002 total \$463,100. Actual costs were \$440,800 in FY 2001 and \$515,500 in FY 2000.

Revenue Estimate:

Attached are calculations which compute revenue based on the new fee structure. The number of filers is based on fiscal year 2001 filers, reduced by inactives. It is estimated that 20 filers who previously were at the maximum level will now pay less than the new maximum, but will be at an average rate higher than other variable fee filers.

Long-Range Fiscal Implications

Prepared By: Susan Dietzel	Telephone No. 267-0399	Agency DFI
Authorized Signature	Telephone No.	Date (mm/dd/ccyy) 11/29/01



WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

Ronald Sklansky
Clearinghouse Director

Richard Sweet
Clearinghouse Assistant Director

Terry C. Anderson
Legislative Council Director

Laura D. Rose
Legislative Council Deputy Director

CLEARINGHOUSE REPORT TO AGENCY

[THIS REPORT HAS BEEN PREPARED PURSUANT TO S. 227.15, STATS. THIS IS A REPORT ON A RULE AS ORIGINALLY PROPOSED BY THE AGENCY; THE REPORT MAY NOT REFLECT THE FINAL CONTENT OF THE RULE IN FINAL DRAFT FORM AS IT WILL BE SUBMITTED TO THE LEGISLATURE. THIS REPORT CONSTITUTES A REVIEW OF, BUT NOT APPROVAL OR DISAPPROVAL OF, THE SUBSTANTIVE CONTENT AND TECHNICAL ACCURACY OF THE RULE.]

CLEARINGHOUSE RULE 02-001

AN ORDER to create DFI-Bkg 80.90, relating to registration fees paid by persons who make or solicit consumer credit transactions.

Submitted by **DEPARTMENT OF FINANCIAL INSTITUTIONS**

01-02-02 RECEIVED BY LEGISLATIVE COUNCIL.

01-24-02 REPORT SENT TO AGENCY.

RS:NZ:tlu;ksm

LEGISLATIVE COUNCIL RULES CLEARINGHOUSE REPORT

This rule has been reviewed by the Rules Clearinghouse. Based on that review, comments are reported as noted below:

1. STATUTORY AUTHORITY [s. 227.15 (2) (a)]

Comment Attached YES NO

2. FORM, STYLE AND PLACEMENT IN ADMINISTRATIVE CODE [s. 227.15 (2) (c)]

Comment Attached YES NO

3. CONFLICT WITH OR DUPLICATION OF EXISTING RULES [s. 227.15 (2) (d)]

Comment Attached YES NO

4. ADEQUACY OF REFERENCES TO RELATED STATUTES, RULES AND FORMS
[s. 227.15 (2) (e)]

Comment Attached YES NO

5. CLARITY, GRAMMAR, PUNCTUATION AND USE OF PLAIN LANGUAGE [s. 227.15 (2) (f)]

Comment Attached YES NO

6. POTENTIAL CONFLICTS WITH, AND COMPARABILITY TO, RELATED FEDERAL
REGULATIONS [s. 227.15 (2) (g)]

Comment Attached YES NO

7. COMPLIANCE WITH PERMIT ACTION DEADLINE REQUIREMENTS [s. 227.15 (2) (h)]

Comment Attached YES NO



WISCONSIN LEGISLATIVE COUNCIL RULES CLEARINGHOUSE

Ronald Sklansky
Clearinghouse Director

Richard Sweet
Clearinghouse Assistant Director

Terry C. Anderson
Legislative Council Director

Laura D. Rose
Legislative Council Deputy Director

CLEARINGHOUSE RULE 02-001

Comments

[NOTE: All citations to "Manual" in the comments below are to the Administrative Rules Procedures Manual, prepared by the Revisor of Statutes Bureau and the Legislative Council Staff, dated September 1998.]

2. Form, Style and Placement in Administrative Code

a. The rule should contain an action clause and a relating clause. For example, at the beginning of the rule-making order the following statement should be included:

An order to create DFI-Bkg 80.90, relating to registration fees under the Wisconsin consumer act.

[See s. 1.02 (1), Manual.]

b. The analysis indicates the statutory authority under which the rule is promulgated; it also should indicate the statutes interpreted by the rule. [See s. 1.02 (2) (a), Manual.]

c. In s. DFI-Bkg 80.90, the notation "Stats.," should follow the second statutory cross-reference and the word "or" should be replaced by the word "nor."