

### Fiscal Estimate - 2005 Session

Original       Updated       Corrected       Supplemental

<b>LRB Number</b> <b>05-2597/1</b>	<b>Introduction Number</b> <b>SB-236</b>
<b>Subject</b> Automobile title loan interest rates	
<b>Fiscal Effect</b>	
<b>State:</b> <input checked="" type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
<b>Local:</b> <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b>	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
<b>Affected Ch. 20 Appropriations</b>	
<b>Agency/Prepared By</b> DFI/ Susan Dietzel (608) 267-0399	<b>Authorized Signature</b> Susan Dietzel (608) 267-0399
<b>Date</b> 6/16/2005	

**Fiscal Estimate Narratives**

**DFI 6/17/2005**

LRB Number <b>05-2597/1</b>	Introduction Number <b>SB-236</b>	Estimate Type <b>Original</b>
<b>Subject</b> Automobile title loan interest rates		

**Assumptions Used in Arriving at Fiscal Estimate**

This bill sets a maximum finance rate of 5% of the loan amount for a motor vehicle title loan, as defined in the bill. Because these are typically short-term (30 day) loans, the APR will still be above 18%, even with the cap. Lenders covered by this bill will already be licensed and regulated by the Department under s. 138.09. There should not be a fiscal effect to the Department.

**Long-Range Fiscal Implications**