Wisconsin Department of Administration Division of Executive Budget and Finance DOA-2048 (R07/2000)

Fiscal Estimate - 2001 Session

	Original		Updated		Corrected		Supple	mental	
LRB	Number	01-3442/1		Intro	duction Nu	ımber	SB-396		
Subje	ct								
Scope of consumer act, class actions under consumer act, limits on payday loan interest, credit and debit cards, false advertising, arbitration of consumer law claims, financial privacy									
Fiscal	Effect								
	_	e Existing ations Existing	Revenue	es e Existing	abs				
	No Local Go Indeterminat 1. Increas Permiss 2. Decreas	e Costs sive Mandato	4. Decrease	ve Mand Revenue	Unite	es of Local s Affected Towns Counties School Districts	Governmen Village Others WTCS Districts	Cities	
Fund Sources Affected Affected Ch. 20 Appropriations									
⊠ GF	PR 🔲 FEC	D PRO [PRS SE	G 🔲 SE	EGS 20.115(1)(a)	<u>.</u>		
Agend	y/Prepared	Ву	Αι	uthorized	Signature			Date	
DATCP/ Jim Rabbitt (608) 224-4965				b Knapp (608) 224-4746				02/04/2002	

Line black prilities bills....

Fiscal Estimate Narratives DATCP 02/05/2002

LRB Number	01-3442/1	Introduction Number	SB-396	Estimate Type	Original
Subject					
Scope of consumer act, class actions under consumer act, limits on payday loan interest, credit and debit cards, false advertising, arbitration of consumer law claims, financial privacy					

Assumptions Used in Arriving at Fiscal Estimate

This bill adds to existing deceptive representation law by prohibiting the use of "pre-approved" when soliciting the sale of credit when the seller does not extend credit to the consumer or when the seller extends credit at a different rate than the rate advertised. The department receives numerous complaints about credit card advertising, making credit cards number 13 on the list of consumer issues in 2001. The department assumes complaints will be filed by consumers who have received misrepresentations that they are pre-approved at a low rate. Consumers will ask the department to investigate and enforce the prohibitions in the law.

The department assumes an additional 1000 formal complaints will be filed annually requiring 2,000 hours to process and investigate. Because of the complexity of the national credit industry, the department assumes these investigations will be time consuming.

The department assumes an additional 1.0 FTE Consumer Protection Investigator at an annual cost of \$42,200 will be necessary to achieve compliance with this law. One time costs of \$8,900 for office setup, computer network services and supplies will also be necessary.

Long-Range Fiscal Implications

Continuing appropriations of \$42,200 for salary and supplies and services will be necessary to continue enforcement of the law.

Wisconsin Department of Administration Division of Executive Budget and Finance DOA-2047 (R07/2000)

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original Dpdate	ed Corrected	Supplemental			
LRB Number 01-3442/1	Introduction Number	er SB-396			
Subject					
Scope of consumer act, class actions unc cards, false advertising, arbitration of con	der consumer act, limits on payday loa nsumer law claims, financial privacy	n interest, credit and debit			
I. One-time Costs or Revenue Impacts annualized fiscal effect):	for State and/or Local Government	(do not include in			
•	0.000	•			
Supplies, office setup, computer desk - \$					
II. Annualized Costs:		Annualized Fiscal Impact on funds from:			
A. State Costs by Category	Increased Costs	Decreased Costs			
State Operations - Salaries and Fringe	s \$35,000	·			
(FTE Position Changes)	(1.0 FTE)				
State Operations - Other Costs	7,200				
Local Assistance	1,755				
Aids to Individuals or Organizations					
TOTAL State Costs by Category	\$42,200	\$			
B. State Costs by Source of Funds					
GPR	42,200				
FED					
PRO/PRS					
SEG/SEG-S					
III. State Revenues - Complete this only (e.g., tax increase, decrease in license	y when proposal will increase or de	crease state revenues			
e.g., tax illulease, decrease ill licelise	Increased Rev	Decreased Rev			
GPR Taxes	\$	\$			
GPR Earned		:			
FED					
PRO/PRS		<u> </u>			
SEG/SEG-S		. 1487-1			
TOTAL State Revenues	\$	\$			
NET AI	NNUALIZED FISCAL IMPACT				
	<u>State</u>	Local			
NET CHANGE IN COSTS	\$42,200	\$			
NET CHANGE IN REVENUE	\$	\$			
Agency/Prepared By	Authorized Signature	Dete			
DATCP/ Jim Rabbitt (608) 224-4965	Barb Knapp (608) 224-4746	Date 02/04/2002			
DATOF/ JIIII Nassill (000) 227-7300	Dain Maph (000) 224-4140	UZ/U 4 /ZUUZ			