

Fiscal Estimate - 2001 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-3971/2	Introduction Number AB-571
Subject Soldiers' and sailors' civil relief act for state service	
Fiscal Effect	
State:	
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate	
<input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
Local:	
<input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate	
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 Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 4. <input type="checkbox"/> Decrease Revenue <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	
Fund Sources Affected	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
Affected Ch. 20 Appropriations	
Agency/Prepared By DVA/ Kenneth Abrahamsen (608) 266-0117	Authorized Signature Kenneth Abrahamsen (608) 266-0117
Date 10/18/01	

Fiscal Estimate Narratives

DVA 10/18/01

LRB Number	01-3971/2	Introduction Number	AB-571	Estimate Type	Original
Subject					
Soldiers' and sailors' civil relief act for state service					

Assumptions Used in Arriving at Fiscal Estimate

This bill would provide the same benefits of the Soldiers' and sailors' relief act under Wis. Stats. 45.53 to members of the National Guard or the state defense force call up to state service for 30 days or more under an order of the governor. Under the provisions of the bill, interest on obligations incurred before entry into state service would be capped at 6-percent.

The Wisconsin Department of Veterans (WDVA) provides both home loans and personal loans to qualified veterans. It is possible that individuals called up to state service could have a home loan and/or a personal loan from the WDVA. If the interest rate on any such loan was greater than 6-percent, then the rate would be reduced to 6-percent. Several factors suggest that the fiscal impact from such reductions in the interest rate would be minimal. First, the interest reductions for persons called up to active service in the U.S. armed forces during the Persian Gulf War total about 120 for home loans and less than 10 for personal loans. Any call up of National Guard or state defense force personnel is likely to be significantly less in number than the number called up for the Persian Gulf War. Another factor is that more than 80 percent of the personal loans made by the WDVA are at 6-percent. Likewise, most of the home loans made by the WDVA have an interest rate of less than 8-percent. As a result of both of these factors, the savings from any interest rate reduction would be minimal. Because it is not known how many persons would be activated for state service and then how many of those individuals would have loans with the WDVA, it is not possible to provide an accurate estimate of the fiscal impact of this bill.

This bill also requires that the WDVA provide each individual who may be called up to state service with a brochure explaining the benefits provided under this bill. The cost to produce such a brochure would be minimal and could be absorbed within the departments existing budget.

Long-Range Fiscal Implications