

Fiscal Estimate Narratives

DFI 10/15/2021

LRB Number	21-4736/1	Introduction Number	SB-596	Estimate Type	Original
Description P.O.D. accounts and loan obligations to financial institutions; payments for public deposit losses in failed financial institutions; automated teller machines; prohibiting requiring access boxes on buildings owned by financial institutions; promissory notes of certain public bodies; and repealing rules promulgated by the Department of Financial Institutions					

Assumptions Used in Arriving at Fiscal Estimate

The Wisconsin Department of Financial Institutions, which regulates state-chartered banks, has reviewed Senate Bill 596 and identified one provision that may have a fiscal impact. Section 1 of the bill increases the maximum allowable payment to a public depositor that suffers a loss of money deposited in a public depository, from \$400,000 above the amount of federal deposit insurance to \$1,000,000 above that amount.

The DFI is unable to calculate the anticipated effect of this change, however, because loss claims are so infrequent. The DFI has not needed to make a payment under the applicable statutory section since 2003. Therefore, the fiscal effect of section 1 of the bill is indeterminate.

Long-Range Fiscal Implications