

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-5012/1	Introduction Number SB-0773
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Description
 authorized activities and operations of credit unions; the lending area of savings and loan associations; automated teller machines; residential mortgage loans and variable rate loans; payments for public deposit losses in failed financial institutions; promissory notes of certain public bodies; repealing rules promulgated by the Department of Financial Institutions; providing an exemption from rule-making procedures; and providing a penalty

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Indeterminate	<input type="checkbox"/> Increase Existing Revenues	
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Decrease Existing Appropriations		
<input type="checkbox"/> Create New Appropriations		

Local:

<input checked="" type="checkbox"/> No Local Government Costs	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
<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

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	20.144(1)(g)

Agency/Prepared By	Authorized Signature	Date
DFI/ Michael Trepanier (608) 572-4914	Michael Trepanier (608) 572-4914	12/11/2023

Fiscal Estimate Narratives

DFI 12/11/2023

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Description authorized activities and operations of credit unions; the lending area of savings and loan associations; automated teller machines; residential mortgage loans and variable rate loans; payments for public deposit losses in failed financial institutions; promissory notes of certain public bodies; repealing rules promulgated by the Department of Financial Institutions; providing an exemption from rule-making procedures; and providing a penalty					

Assumptions Used in Arriving at Fiscal Estimate

The proposed legislation revises statutes administered by Department of Financial Institutions in several respects, including eliminating certain requirements that have become obsolete or unnecessary, extending the time periods to carry out certain functions, and adding provisions to chapter 186 to address the issuance of supplemental capital and the purchase, leasing, holding, and conveyance of real estate by credit unions. While these revisions may require some changes or additions to training provided to applicable staff, the Department anticipates that any costs associated with those training updates can be absorbed within its current spending authority.

In addition, the bill proposes to increase the maximum payment from the public deposit fund for losses on deposits at a single financial institution, from \$400,000 to \$1,000,000. While this could increase the liabilities of the fund in the event of losses on public deposits that exceed both federal coverage for losses and the existing \$400,000 limitation on claims against the fund, the Division notes that public depositors have not needed to rely on the fund to cover losses in excess of federal insurance for more than two decades. Given the infrequency of past claims, the Division is unable to reasonably quantify the extent to which this change may result in additional future liabilities for the fund.

Long-Range Fiscal Implications