

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

| | | |
|---|---|--------------------------|
| LRB Number 23-3050/2 | Introduction Number AB-0883 | |
| Description payday loans | | |
| Fiscal Effect | | |
| State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs | | |
| Local: <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 | | |
| 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 DFI/ Michael Trepanier (608) 572-4914 | Authorized Signature Michael Trepanier (608) 572-4914 | Date 1/18/2024 |

Fiscal Estimate Narratives

DFI 1/18/2024

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|------------------------------------|-----------|---------------------|---------|---------------|---------|
| LRB Number | 23-3050/2 | Introduction Number | AB-0883 | Estimate Type | Updated |
| Description payday loans | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

The proposed legislation amends section 138.14 of the Wisconsin Statutes, which governs payday loans made to Wisconsin residents. The Department of Financial Institutions previously submitted fiscal estimates for the original Assembly and Senate versions of this legislation. Since that time, several changes to the bill have been proposed in each chamber as Substitute Amendment 1. This updated estimate is applicable to the bill language proposed in Substitute Amendment 1.

As reflected in Substitute Amendment 1, the proposed legislation would revise the definition of payday loans, require them to be precomputed and repaid in substantially equal periodic payments over substantially equal intervals with a maturity date of at least 90 days from origination, and require the Department's Division of Banking to develop or make available to the public a financial literacy course that includes material related to payday loans.

The Department does not anticipate any material change in state revenues or costs attributable to the proposed changes to requirements applicable to payday loans; they may require some additional internal staff training, but not additional agency expenditures. The financial literacy course, however, will impose some additional agency costs. The Department's Division of Banking has sufficient expertise to develop the subject matter for the course, but it anticipates that it would incur annual expenses of approximately \$1,400 to license the software necessary to ensure the course can be made available to the public in a functional, user-friendly online format.

Long-Range Fiscal Implications