

## Fiscal Estimate - 2001 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>01-4036/4</b>	<b>Introduction Number</b> <b>SB-297</b>
<b>Subject</b> Soldiers and sailors relief act for state service	
<b>Fiscal Effect</b>	
<b>State:</b> <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 type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs	
<b>Local:</b> <input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs      3. <input type="checkbox"/> Increase Revenue                          5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs      4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts	
<b>Fund Sources Affected</b> <b>Affected Ch. 20 Appropriations</b> <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	
<b>Agency/Prepared By</b> DVA/ Kenneth Abrahamsen (608) 266-0117	<b>Authorized Signature</b> Kenneth Abrahamsen (608) 266-0117
<b>Date</b> 10/29/01	

## Fiscal Estimate Narratives

DVA 10/29/01

LRB Number	<b>01-4036/4</b>	Introduction Number	<b>SB-297</b>	Estimate Type	<b>Original</b>
<b>Subject</b>					
Soldiers and sailors 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 called 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.

### Long-Range Fiscal Implications