

Fiscal Estimate - 2005 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 05-2365/1	Introduction Number AB-703
------------------------------------	--

Subject

Disallowing tax benefits and state contracts for companies that hire illegal aliens

Fiscal Effect

State:

No State Fiscal Effect
 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:

No Local Government Costs
 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 checked="" type="checkbox"/> Towns <input checked="" type="checkbox"/> Village <input checked="" type="checkbox"/> Cities <input checked="" type="checkbox"/> Counties <input type="checkbox"/> Others <input checked="" 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 type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By	Authorized Signature	Date
DOA/ Mary Massey (608) 267-2099	Martha Kerner (608) 266-1359	10/21/2005

Fiscal Estimate Narratives

DOA 10/24/2005

LRB Number	05-2365/1	Introduction Number	AB-703	Estimate Type	Original
Subject					
Disallowing tax benefits and state contracts for companies that hire illegal aliens					

Assumptions Used in Arriving at Fiscal Estimate

If enacted, this bill would prohibit state or local governments from procuring construction, services, materials, or equipment from companies that hire illegal aliens. The bill invests the Department of Commerce with rule making authority to implement this provision.

The state's vendor database currently contains over 72,000 for profit businesses. The state building program utilizes about 500 firms. There does not appear to be any publicly accessible database identifying companies that have been convicted or fined for hiring illegal aliens. The cost to develop such a database base and maintain it is unknown. In the absence of such a central database, companies dealing with state or local governments could be required to certify their compliance with the provisions of this bill. The cost to verify that such certification has been provided would be minimal for procurements made via bids and requests for proposals (RFP). However without a method to verify the accuracy of these certifications, the state could not guarantee that vendors were compliant with the provisions of this bill.

In addition to procurements made via bid or RFP, the state procures over \$115 million annually for materials, fuel and minor equipment through procurement credit cards. These purchasing cards can be used with any vendor and do not require vendor pre-approval. Consequently, verifying procurements made via a purchase or fuel card would be difficult and expensive to implement.

Long-Range Fiscal Implications

Unknown