

Fiscal Estimate - 2007 Session

Original Updated Corrected Supplemental

LRB Number 07-3563/2	Introduction Number AB-0829	
Description Requiring local and state government to purchase a certain percentage of products and services from businesses located in this state		
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 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		
Local:		
<input type="checkbox"/> No Local Government Costs <input checked="" 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		
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
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Fiscal Estimate Narratives

DOA 3/11/2008

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Description Requiring local and state government to purchase a certain percentage of products and services from businesses located in this state					

Assumptions Used in Arriving at Fiscal Estimate

If enacted, this bill would require state and local governments to attempt to ensure that at least 2 percent of the total amount expended for products and services is from Wisconsin-based businesses. In any fiscal year, the percentage of the total amount expended from Wisconsin-based businesses may not be lower than it was in the previous fiscal year.

Under current law, DOA has an exception to the requirement to award orders or contracts to the lowest bidder to give preference to Wisconsin producers, distributors, suppliers, and retailers over any out-of-state vendor that is domiciled in a jurisdiction that grants a preference to vendors domiciled in that jurisdiction. State agencies and the University of Wisconsin campuses in FY07 purchased \$1.0 billion of goods and services under §16.75, Wis. Stats. Applying the purchasing goal of this bill to the FY07 spend results in a goal of \$20 million of expenditures to Wisconsin-based businesses from state agencies.

Data is not available that would show whether enacting this 2 percent goal would either increase or decrease the cost of goods and services to provided state agencies. Therefore, the actual cost to state agencies of expanding the preference to Wisconsin-based businesses is indeterminate.

There is also no accumulative data on the total amount of purchases made in FY07 by local units of government. Therefore, it is not possible to determine what the 2 percent goal would be either in a cumulative or individual basis.

Long-Range Fiscal Implications

Unknown.