

Fiscal Estimate Narratives

WEDC 9/16/2013

LRB Number	13-2905/1	Introduction Number	SB-293	Estimate Type	Original
Description Development opportunity zones for areas experiencing mass layoffs or business closings					

Assumptions Used in Arriving at Fiscal Estimate

This bill authorizes the Wisconsin Economic Development Corporation to expand the eligibility for the Development Opportunity Zones Tax Credit Program to include areas designated by WEDC as having experienced mass layoffs or business closings. The bill does not provide new allocation or tax credit authority, but instead requires WEDC to draw from the existing tax credits allocated to the zones in Janesville, Kenosha, and Beloit.

WEDC currently has no authority to establish new Development Opportunity Zones. Statute was written such that no new zones may be established after March 6th, 2009, except by new legislation, and the corporation may only offer one-time extensions of existing zones. This bill requires WEDC to establish a new zone creation program and process, and reallocate existing allocations.

Although the bill does not require WEDC to expend existing budget, it will require staff resources to run the program, which could be absorbed into existing budget. However, as WEDC is largely funded from GPR to cover both operations and business incentives, adding additional programmatic or staffing requirements to the organization will reduce resources available for other programs.

Long-Range Fiscal Implications