

### Fiscal Estimate - 2015 Session

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>15-3165/1</b>	Introduction Number <b>AB-0669</b>
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**Description**  
 Providing fraudulent information to the Wisconsin Economic Development Corporation and providing a criminal penalty

**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
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**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	<b>5. Types of Local Government Units Affected</b> <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
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<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 410	

<b>Agency/Prepared By</b> DOC/ Jokisch Jacob (608) 240-5415	<b>Authorized Signature</b> Jeffrey Grothman (608) 240-5056	<b>Date</b> 1/15/2016
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## Fiscal Estimate Narratives

DOC 1/15/2016

LRB Number	15-3165/1	Introduction Number	AB-0669	Estimate Type	Original
<b>Description</b> Providing fraudulent information to the Wisconsin Economic Development Corporation and providing a criminal penalty					

### Assumptions Used in Arriving at Fiscal Estimate

This bill establishes criminal penalties and other consequences for committing fraud against the Wisconsin Economic Development Corporation (WEDC). Under the bill, no one may make or cause to be made a false statement on an application for a grant, loan, tax benefit, or other benefit or payment (benefit) from WEDC or make or cause to be made a false statement of a material fact used to determine eligibility for a benefit from WEDC.

Additionally, if a person knows of the occurrence of any event that would affect the initial or continued eligibility for a benefit from WEDC, he or she may not conceal or fail to disclose that event in order to secure a benefit from WEDC or to secure a larger benefit than he or she is entitled or eligible to receive. Finally, no one may use a benefit from WEDC that is intended for a specific use for any other use. A person who does any of these things is guilty of a Class E felony and may be imprisoned for up to 15 years, fined up to \$50,000, or both.

Also, under the bill, if a person, or the person's authorized agent on behalf of that person, intentionally commits such economic development benefits fraud, the person, including all affiliates and successors, is ineligible for economic development benefits from WEDC for seven years from the date on which the fraudulent act was committed.

The Department of Corrections is unable to determine the fiscal impact of the bill as it cannot predict the number of people that will be sentenced and the sentencing practices of judges under the new law.

The average FY15 annual cost for an inmate in a DOC institution is approximately \$32,800. However, when there is excess capacity in DOC facilities, the incremental costs (i.e. food, health care and clothing) of housing a small number of inmates is approximately \$5,600 based on FY15 costs. Should the Department use contract beds, the rate would be approximately \$18,800 annually per person.

If there is a large increase in the number of offenders placed on probation or extended supervision, additional community corrections funding and/or positions may be necessary to handle the population.

The local fiscal impact of the bill cannot be predicted because the Department of Corrections cannot predict the number of people that will be sentenced and the sentencing practices of judges under the new law. Costs at the local level may increase if additional offenders are placed in jail for this offense. The average FY15 annual cost to jail an adult inmate was \$18,800.

### Long-Range Fiscal Implications