

### Fiscal Estimate - 2017 Session

Original     
  Updated     
  Corrected     
  Supplemental

LRB Number <b>17-4050/1</b>	Introduction Number <b>AB-0001 (AU7)</b>
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**Description**  
 authorizing the creation of an electronics and information technology manufacturing zone, making changes to the enterprise zone tax credit program, authorizing limited use of the design-build construction process, granting contingent highway bonding authority, and making appropriations

**Fiscal Effect**

**State:**

- No State Fiscal Effect
- Indeterminate
  - Increase Existing Appropriations
  - Decrease Existing Appropriations
  - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
  - Yes
  - No
- Decrease Costs

**Local:**

- No Local Government Costs
  - Indeterminate
    - 1.  Increase Costs
    - 2.  Decrease Costs
    - Permissive  Mandatory
    - Permissive  Mandatory
  - 3.  Increase Revenue
  - 4.  Decrease Revenue
  - Permissive  Mandatory
  - Permissive  Mandatory
5. Types of Local Government Units Affected
- Towns
  - Counties
  - School Districts
  - Village
  - Others
  - WTCS Districts
  - Cities

<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>	<b>Authorized Signature</b>	<b>Date</b>
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## Fiscal Estimate Narratives

WEDC 8/3/2017

LRB Number	17-4050/1	Introduction Number	AB-0001 (AU7)	Estimate Type	Original
<b>Description</b> authorizing the creation of an electronics and information technology manufacturing zone, making changes to the enterprise zone tax credit program, authorizing limited use of the design-build construction process, granting contingent highway bonding authority, and making appropriations					

### Assumptions Used in Arriving at Fiscal Estimate

AU7 AB-01 authorizes WEDC to designate an electronics and information technology manufacturing zone and to certify a business that begins operations therein for tax benefits subject to 238.396. The amount of tax benefits for job creation are subject to 71.07 (3wm)(b) and 71.28 (3wm)(b) and the amount of tax benefits for capital investment are subject to 71.07 (3wm)(bm) and 71.28 (3wm)(bm). The total amount of tax benefits allocated for the electronics and information technology manufacturing zone may not exceed \$2,850,000,000. The Department of Revenue is preparing a detailed estimate of the fiscal effects to the state.

WEDC uses the flexibility of its block grant funding to allocate resources to its portfolio of programs as needed. Although the bill does not require WEDC to expend existing budget, it will require additional staff to administer the program under the new statutory requirements. It is estimated that WEDC would need to hire three additional staff to meet the new statutory requirements. The estimated cost (salary and benefits) of the additional staffing requirements is \$251,000-\$323,000. This would need to result in a re-allocation from other existing programs and activities.

AU7 AB-01 also authorizes WEDC to increase the number of enterprise zone designations from 30 to 35. Under the proposal, WEDC would be able to meet the statutory requirements and administer the program without additional staffing costs.

AU7 AB-01 also allows WEDC to certify one business for tax benefits if it is a financial services technology business that also meets certain eligibility criteria. Under the proposal, WEDC would be able to meet the statutory requirements and administer the program without additional staffing costs.

### Long-Range Fiscal Implications