

Fiscal Estimate Narratives

COMM 10/13/2005

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

Under AB-703, companies based in the United States that hire illegal aliens are no longer eligible to receive tax credits, property tax exemptions and grants or loans from the state or local units of government for a period of seven years. Further, these companies are barred, with certain exceptions, from entering into a contract with the state or any local unit of government to perform construction, re-modeling or repair work or to provide goods or services for a period of seven years.

The Department does not estimate that it could absorb the additional workload associated with this bill given current staffing levels. The Department anticipates it will need an additional 1.0 FTE Community Services Specialist position to administer the provisions of this legislation. According to U.S. Census records, Wisconsin has 102,566 firms that could potentially be affected by this bill, while the nation as a whole has 4,953,937 firms that could potentially be affected by AB-703.

The Department estimates that the workload generated by this bill will necessitate hiring a specialist that can serve as a point of contact for companies, state agencies, local units of government and state and local officials that have questions regarding this legislation. The incumbent will need to publicize the requirements of this legislation to ensure compliance. While it is not specifically required, the incumbent will likely need to maintain and update a listing of companies that are affected by this legislation. The Department will share this information with units of local government, as this legislation applies. The Department will also necessitate an increase in its supplies and services to account for mailing, telephone and IT-related costs. These amounts are estimated below.

The Department will need to update its forms to ensure that companies certify that they are not subject to these provisions before entering into an agreement with them. These costs may likely be absorbed by the Department and are not included in the below estimate of costs.

The annualized costs for an entry level Community Services Specialist position, which are detailed below, are currently \$48,900. The Department also anticipates one-time costs of \$7,000 for a computer, workstation and IT applications development.

1.0 FTE Community Services Specialist

Salary + Fringe: \$44,900
Supplies and Services: \$ 4,000
One Time Costs: \$ 7,000

Total annualized costs: \$48,900

It is unclear what effect this bill will have on local units of government. Under this bill, local units of government are prohibited from entering into contracts with companies affected under the provisions of AB 703. However, this bill does not require local units of government to verify that companies they do business with or make awards to are not affected by the provisions of this bill. Local officials may choose to verify that information by contacting the Department.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2005 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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Subject			
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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
7,000			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$44,900	
(FTE Position Changes)		(1.0 FTE)	
State Operations - Other Costs		4,000	
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$48,900	\$
B. State Costs by Source of Funds			
GPR		48,900	
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues		\$	\$
NET ANNUALIZED FISCAL IMPACT			
		State	Local
NET CHANGE IN COSTS		\$48,900	\$
NET CHANGE IN REVENUE		\$	\$
Agency/Prepared By		Authorized Signature	Date
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