

Fiscal Estimate - 2007 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 07-1033/6	Introduction Number AB-0712
Description This bill prohibits companies who employ illegal aliens from receiving government contracts and other tax exemptions.	
Fiscal Effect	
State:	
<input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> 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 checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Decrease Costs
Local:	
<input type="checkbox"/> No Local Government Costs <input type="checkbox"/> 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
5. Types of Local Government Units Affected <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	
Fund Sources Affected	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input checked="" type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS s.20.505(1)(kf)	
Affected Ch. 20 Appropriations	
Agency/Prepared By DOA/ Mary Massey (608) 267-2099	Authorized Signature Martha Kerner (608) 266-1359
Date 1/30/2008	

Fiscal Estimate Narratives
DOA 1/30/2008

LRB Number 07-1033/6	Introduction Number AB-0712	Estimate Type Original
Description This bill prohibits companies who employ illegal aliens from receiving government contracts and other tax exemptions.		

Assumptions Used in Arriving at Fiscal Estimate

If enacted, this bill would prohibit state or local governments from procuring construction, services, materials, or equipment from companies that hire illegal aliens. The bill invests the Department of Commerce with rule making authority to implement this provision.

The state's vendor database currently contains over 72,000 for profit businesses. The state building program utilizes about 500 firms. Currently, there does not appear to be any publicly accessible database identifying companies that have been penalized or sanctioned for hiring illegal aliens. The cost to develop such a database base and maintain it is unknown. Further, the bill provides no funding for the collection of data or creation of a database to implement enforcement. In the absence of such a central database, companies dealing with state or local governments could be required to certify their compliance with the provisions of this bill. The cost to verify that such certification has been provided would be minimal for procurements made via bids and requests for proposals (RFP). However without a method to verify the accuracy of these certifications, the state could not guarantee that vendors were compliant with the provisions of this bill. If the Department of Commerce develops a database of non-compliant firms, the cost to state agencies to verify vendors against this database would be minimal and could be absorbed by state agencies.

In addition to procurements made via bid or RFP, the state procures over \$115 million annually for materials, fuel and minor equipment through procurement credit cards. These purchasing cards can be used with any vendor and do not require vendor pre-approval. Consequently, verifying procurements made via a purchase or fuel card would be difficult and expensive to implement.

Long-Range Fiscal Implications

Unknown