

Fiscal Estimate Narratives

DOR 2/12/2008

LRB Number	07-3855/2	Introduction Number	SB-434	Estimate Type	Original
Description Relating to: cleanup and consolidation of Department of Commerce economic development programs, establishing a comprehensive annual reporting requirement, requiring the development of programmatic goals and accountability measures for economic development grants and loans, requiring the exercise of rule-making authority, and making an appropriation.					

Assumptions Used in Arriving at Fiscal Estimate

Pursuant to the recommendations of the Legislative Audit Bureau in Report 06-9, "A Review of State Economic Development Programs," this bill makes a number of changes to the state's economic development programs. The bill imposes several new requirements on the Departments of Commerce, Agriculture, Trade and Consumer Protection, Natural Resources, Tourism and Transportation as well as the University of Wisconsin System, WHEDA and the Technical College System related to their economic development activities. In particular, the bill does the following: 1) defines "economic development programs"; 2) eliminates unfunded or inactive development programs; 3) requires Commerce and the other named state entities to annually submit to the legislature a comprehensive report detailing their economic development activities; 4) requires Commerce and the other named state entities to establish specific goals and quantifiable benchmarks for each of the economic development programs administered by the entity; 5) requires Commerce and the other state entities to promulgate administrative rules governing an economic development grant or loan; and 6) requires the Legislative Audit Bureau to prepare a financial and program evaluation audit of state economic development programs by July 1, 2012.

The bill makes no change to the tax credits provided under the economic development programs. Thus it would have no fiscal effect.

Long-Range Fiscal Implications