

2015 DRAFTING REQUEST

Bill

Received: **10/27/2015** Received By: **chanaman**
For: **Joel Kitchens (608) 266-5350** Same as LRB:
May Contact: By/Representing: **David**
Subject: **Local Gov't - counties** Drafter: **chanaman**
Local Gov't - misc Addl. Drafters: **emueller**
Local Gov't - munis generally
State Govt - miscellaneous
State Govt - state bldg proj
Extra Copies:

Submit via email: **YES**
Requester's email: **Rep.Kitchens@legis.wisconsin.gov**
Carbon copy (CC) to: **eric.mueller@legis.wisconsin.gov**
marc.shovers@legis.wisconsin.gov

Pre Topic:

No specific pre topic given

Topic:

Reciprocal restrictions: residents on construction projects

Instructions:

See attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	chanaman 10/27/2015	kfollett 10/27/2015	_____			
/1			_____	mbarman 10/27/2015	mbarman 10/27/2015	State S&L

FE Sent For:

*at
intro*

<END>

Barman, Mike

From: LRB.Legal
To: Rep.Kitchens
Subject: Draft review: LRB -3708/1
Attachments: 15-3708/1

State of Wisconsin - Legislative Reference Bureau
One East Main Street - Suite 200 - Madison

The attached draft was prepared at your request. Please review it carefully to ensure that it satisfies your intent. If you have any questions concerning the draft or would like to have it redrafted, please contact Cathlene M. Hanaman, Deputy Chief and Chief Operating Officer, at (608) 267-9810, at cathlene.hanaman@legis.wisconsin.gov, or at One East Main Street, Suite 200.

We will jacket this draft for introduction in the Assembly. (per drafter)

If the last paragraph of the analysis states that a fiscal estimate will be prepared, the LRB will submit a request to DOA when the draft is introduced. You may obtain a fiscal estimate on the draft prior to introduction by contacting our program assistants at LRB.Legal@legis.wisconsin.gov or at (608) 266-3561. If you requested a fiscal estimate on an earlier version of this draft and would like to obtain a fiscal estimate on the current version before it is introduced, you will need to request a revised fiscal estimate from our program assistants.

Please call our program assistants at (608) 266-3561 if you have any questions regarding this email.

Barman, Mike

From: FES User Mike Barman <DOAFiscalEstimates@wisconsin.gov>
Sent: Monday, December 07, 2015 1:01 PM
To: DOAFiscalEstimates@wisconsin.gov; doafiscalestimates@wisconsin.gov;
DOAFiscalEstimates@wisconsin.gov; Williamson, Tracy L - DOA
Cc: Barman, Mike
Subject: FISCAL ESTIMATE - RETURNED TO FEC - LRB # 15-3708/1 Estimate Type
Original, INTRO # AB-0493

The assignment for Agency DOA for LRB# 15-3708/1 Estimate Type Original is being returned to you. The assignment can once again be found under 'Returned Estimates' on the FEC Fiscal Estimates menu. It can be inactivated or returned to the Agency for corrections.

Please return to agency for re-write of the "original" fiscal estimate.

Submitted from the web 12/7/2015 1:00:51 PM

Fiscal Estimates URL = <http://fes.doa.state.wi.us/>

Requested by Reed
in Rep. Kitchen's office
↓
Oked by
Kris Frederick
of DOA

LRB

Fiscal Estimate - 2015 Session

Original Updated Corrected Supplemental

LRB Number 15-3708/1		Introduction Number AB-0493	
Description Preferences in state and local construction project contracts			
Fiscal Effect			
State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs			
Local: <input type="checkbox"/> No Local Government Costs <input checked="" type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts			
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PBS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.505, et. seq.			
Agency/Prepared By		Authorized Signature	Date
DOA/ Kris Frederick (608) 261-2292		Colleen Holtan (608) 266-1359	12/7/2015

Am



Fiscal Estimate Narratives

DOA 12/7/2015

LRB Number	15-3708/1	Introduction Number	AB-0493	Estimate Type	Original
Description Preferences in state and local construction project contracts					

Assumptions Used in Arriving at Fiscal Estimate

Current Wisconsin law (section 16.855(1r), Wis. Stats.) grants a general preference (known as "reciprocal preference") to Wisconsin firms when bidders from another state, foreign nation or subdivision are granted a preference to bidders domiciled in the state, nation or subdivision in making governmental purchases. Most state laws contain a similar, general reciprocal preference provision.

Under this legislation the Department of Administration (DOA) and local units of government are required to give a preference over a bidder from a neighboring state when the bidder can ensure that the project will employ a certain percentage Wisconsin residents. This preference would be effective only when a neighboring state requires that a certain percentage of a contractor's employees be residents of that state. In this instance, the Wisconsin preference would be tied to the percentage used in the neighboring state. A neighboring state is defined as Illinois, Indiana, Iowa, Minnesota and Michigan.

Iowa law (Iowa code 73A.21) currently includes a similar reciprocal provision. At this time, Illinois law (30 ILCS 570/0.01 et seq.) requires that, when unemployment reaches 5 percent for two months in a row, contractors use a work force of at least 90 percent Illinois residents on all public works projects that receive State funds or funds administered by the State. For example, during instances when the Employment of Illinois Workers on Public Works Act is in effect, this legislation would require the DOA and political subdivisions in Wisconsin to grant a preference to a bidder that could ensure that at least 90 percent of the employees on a Wisconsin project are Wisconsin residents.

As drafted, this specific preference would only be granted in instances when a neighboring state grants such as preference and, as noted for the Illinois law, this application of the law may only occur during certain time periods. This legislation would require the DOA to maintain a list of any laws that would require implementation of this provision. Given the construction of the Illinois law, DOA would also be required to monitor when these laws are in effect, and this section would therefore become effective.

Therefore, this legislation would impose some direct cost on DOA for monitoring laws in the designated neighboring states. The time periods when this law would be in effect, the number of projects subject to bidding, and the specific instances when a bidder from an affected neighboring state would submit the lowest qualifying bid and could not ensure that the designated number of employees would be Wisconsin residents, however, cannot be projected. Therefore, the fiscal impact of this legislation cannot be estimated.

Long-Range Fiscal Implications