

Fiscal Estimate - 2011 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 11-1669/1	Introduction Number AB-0053	
Description Authorizing the creation of additional enterprise zones		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input checked="" type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" 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 checked="" 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 type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <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 Affected Ch. 20 Appropriations <input checked="" type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS 20.835(2)(co)		
Agency/Prepared By DOR/ Michael Oakleaf (608) 261-5173	Authorized Signature Rebecca Boldt (608) 266-6785	Date 3/21/2011

Fiscal Estimate Narratives

DOR 3/21/2011

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Description Authorizing the creation of additional enterprise zones					

Assumptions Used in Arriving at Fiscal Estimate

Under current law, the Department of Commerce (Commerce) may designate no more than 12 enterprise zones. This bill authorizes Commerce to create three additional enterprise zones, for a total of 15 zones.

Fiscal Estimate

According to Commerce, there have been nine enterprise zones designated with credits awarded totalling \$264.8 million for an average amount of tax credit allocated per enterprise zone of \$29.4 million. The average life of these enterprise zones is ten years. Therefore, each enterprise zone on average can be expected to result in credit claims of approximately \$2.9 million per year for ten years. Assuming that the additional zones authorized in the bill are of a similar size, the fiscal effect of adding three additional zones would be an increase in expenditures of an estimated \$8.7 million annually for ten years beginning in the year the zones are designated (\$2.9 million per year per zone x 3 zones). The total cost over the expected 10-year life of the zones would be an estimated \$87 million. To the extent that projects in the three new zones are smaller (larger) than those in the existing zones, the fiscal effect would be lesser (greater) than \$8.7 million per year.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2011 Session

Detailed Estimate of Annual Fiscal Effect

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Description Authorizing the creation of additional enterprise zones			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	\$
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations	8,700,000		
TOTAL State Costs by Category	\$8,700,000		\$
B. State Costs by Source of Funds			
GPR	8,700,000		
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, ets.)			
	Increased Rev	Decreased Rev	
GPR Taxes	\$	\$	
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
TOTAL State Revenues	\$	\$	
NET ANNUALIZED FISCAL IMPACT			
	<u>State</u>	<u>Local</u>	
NET CHANGE IN COSTS	\$8,700,000	\$	
NET CHANGE IN REVENUE	\$	\$	
Agency/Prepared By			
DOR/ Michael Oakleaf (608) 261-5173		Authorized Signature	
		Rebecca Boldt (608) 266-6785	
			Date
			3/21/2011